

HB

92

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

No. 4

REQUEST:

Bill Version: CSHB 92(Fin)  
Publish Date: HOUSE 4/28/87

Revision Date: 4/23/87  
Title: An Act relating to the Alaska Mental Health Land Trust

Agency Affected: DHSS/DMHDD  
BRU: Inst. & Admin.

Sponsor: Pourchot/Mental Health Comm.  
Requestor: \_\_\_\_\_

Components: Mental Health Admin.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		115.6	126.1	126.1	126.1	126.1
TRAVEL		34.0	34.0	34.0	34.0	34.0
CONTRACTUAL		45.4	47.2	47.2	47.2	47.2
SUPPLIES		1.6	1.8	1.8	1.8	1.8
EQUIPMENT		6.0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		203.1	209.1	209.1	209.0	209.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		193.1	209.1	209.1	209.1	209.1
FEDERAL FUNDS						
OTHER		10.0*				
TOTAL						

POSITIONS:

FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

10.0 in travel funds will be transferred from DMHDD Administration to the Mental Health Board.

Prepared by: Pat Pourchot, Vice-Chair  
Division: House Finance Committee

Phone: 465-3712  
Date: 4/23/87

Approved by Commissioner: *Pat Pourchot*  
Agency: \_\_\_\_\_

Date: 4/23/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

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 4/28 /87

MENTAL HEALTH BOARD

Personnel Services (11 months funding):

(1) Mental Health Board Coord.	Range 22	\$ 52,718
(1) Research Analyst III	Range 18	40,554
(1) Clerk Typist III	Range 8	22,279
		<u>\$115,551</u>

Travel:

Board travel and per diem	\$ 24,000*
4 meetings/year X 6,000/meeting	
Staff travel	10,000
5000/per prof. staff X 2	
	<u>\$ 34,000</u>

Contractual:

Phone, copying, printing, advertising	\$ 8,000
Professional services	20,000
Lease space 519 sq ft X 2.57 sq ft/mo X 11 mo.	14,666
Computer hook up 1600 X 2	3,200
	<u>\$ 45,867</u>

Supplies:

50/mo. X 11 X 3 staff	\$ 1,650
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Equipment:

2 personal computers 3000 X 2	\$ 6,000
2 printers	
Software	

TOTAL	<u>\$203,068</u>
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\* Includes 10.0 from the DMHDD budget, currently identified for travel costs for the Governor's Mental Health Advisory Council. The 10.0 will be transferred from DMHDD Administration to the Mental Health Board.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_

Bill Version: CSHB 92(Fin)  
Publish Date: HOUSE 4/28/87

Revision Date: \_\_\_\_\_  
Title: An Act relating to the federally created mental health trust  
Sponsor: Rep. Pourchot  
Requestor: House HESS

Agency Affected: Natural Resources  
BRU: Land and water Management

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		126.9				126.9
TRAVEL		29.0				14.0
CONTRACTUAL		535.0				535.0
SUPPLIES		1.0				1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		690.9				576.9

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		690.9				576.9
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3				3
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

APA

Prepared by: Al Adams, Chairman Phone: 465-3706  
Division: House Finance Committee Date: 4/27/87

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

- Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
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## CONTINUATION of FISCAL NOTE ANALYSIS

-- For Bill/Resolution No. .

With the passage of CSHB 92/CSSB 96 state-owned lands which have a substantial probability of remaining in state ownership in perpetuity would be used to reconstitute the Mental Health Trust. The Department of Natural Resources will be responsible for providing necessary staff support to the Interim Mental Health Trust Commission. Additionally, the department will also be responsible for the process of valuing the lands originally obtained by the state under the Alaska Mental Health Enabling Act and the replacement lands which are of equal value within legislative designations, this fiscal note assumes use of an opinion of value panel. If traditional appraisals are required to establish values, the cost of valuing the land will increase by \$700,000 for FY 88. The redetermination of the fair market value to be conducted in FY 92 would not require a traditional appraisal should one be accomplished this year. (Attached are a summary of an opinion of value covering approximately 52,000 acres of former mental health land which were selected, approved or patented to municipalities, traditional appraisals on 14 of those parcels and a comparison of the values for the 14 parcels which reveals a 7% difference in the total values between the two processes.)

### Line Item Explanation

100 - Three positions - NRMI (18C) Staff - NRMI (18C) Review Appraiser - CT III (8A) Clerk,	126.9
200 - Travel to Interim Mental Health Trust Commission Meetings by Staff and the Commission members,	28.0
300 - Advertising, preparation of opinion of values on the original one million acres of MH Grant land and the equal value replacement lands, taking into account the differences in geographic areas, experience of the appraiser in the area, and any other conditions required by the Interim Mental Health Trust Commission.	535.0
400 - Supplies and commodities for Staff,	1.0

COST ESTIMATES - OPINION OF VALUE

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3 member panel = \$2,200/day

3,000,000 acres to be valued  
Approximately 5,000 parcels per 1,000,000 acres

15,000 parcels total

65 parcels valued per day

230 days work for the panel = \$507.7

Contract typing = \$7.8

Advertising = \$2.0

Purchase Maps, Plats = \$15.0

Publication of Final Values Forms = \$2.5

Total \$535.0

# MEMORANDUM

No. 5  
CSHB 92(Fin)  
4/28/87

TO: HB 92 (Mental Health lands) file

FILE NO.:

THRU:

TELEPHONE NO.:

*fm*  
FROM: Frank Mielke

SUBJECT: Breakdown of costs in  
fiscal note to CSHB 92-  
Mental Health Lands

The breakdown of the costs for implementing CSHB 92 are  
as follows:

- (1) Personal services - \$126,900 for 2 Natural Resource Manager I (range 18); 1 NRM I to advertise, negotiate contracts, issue instructions, review opinions of value, etc. ; 1 NRM I land manager to prepare maps, plats, aerial photography, legal descriptions and to generally assist the commission in selecting and reviewing lands.  
*+ CTO who actually does the work.*
- (2) Travel - \$28,000 for board travel and per diem; the commission established by section 5 will be reviewing lands for replacement, holding public hearings on those lands, and meeting with other interests groups potentially affected by the replacement and redesignation of the land.
- (3) Contractual - \$535,000 is for (a) \$500,000 for contractual services by private appraisers to prepare opinions of value for MH land within legislatively designated areas (\$200,000) and for replacement land (\$300,000); (b) \$35,000 is for contractual services in analyzing replacement lands, including mapping, platting, minor surveys, aerial photography, soil analysis and other consultant services.
- (4) Supplies - \$1,000 is principally for map reproduction copy paper, and other office supplies.

DELIVER TO: <i>Tom Hawkins</i>	LOCATION: <i>Comm Ofc. JNU</i>
FROM: <i>Frank Mielke / fmm</i>	LOCATION: <i>Anchorage</i>
TELEPHONE/TELECOPIER # <i>586-2754</i>	TOTAL NUMBER OF PAGES: <i>1</i>
TRANSMITTING CN/SPEED: <i>Fax</i>	DATE: <i>4/29/87</i> TIME: <i>1:15</i>
PHONE FOR PROBLEMS-NAME/NUMBER: <i>Charlotte Spenser / 569-2066</i>	
COMMENTS:	

OPINION OF VALUE

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The opinion of value process involves three knowledgeable appraisers one from each of three geographic areas of the state (Southeast, Southcentral, and Northern). These appraisers sit as a panel, examine plats, maps and legal descriptions of mental health land and, without benefit of field inspection of the subject or comparables, render an opinion of value for each parcel of property examined. Panel members bring appraisal reports and/or market data with them to panel sessions to use as support in the valuation process. The comprehensive appraisal files of the Department of Natural Resources are also made available to the panel.

The values rendered by the panel are not considered "market value" in the strictest accepted definition of the term. Proper appraisal reports are not required nor are field inspections conducted. The panel's findings are recorded on forms provided by the Department of Natural Resources. This form contains all available information relative to the parcel and is supplemented by plats and maps. At least two members of the three member panel sign signature blocks on each form indicating that they concur with the opinion of value. The lead appraiser for the affected geo-area must be one of the two signatures appearing on each parcel form.

The objective of using the panel method is to obtain a reasonable value estimate, at reasonable expense, in the shortest possible timeframe of the lands in total. The success of this process depends upon the expertise, appraisal background and market data resource each member brings to the panel.

*personal* ANCHORAGE-APPRAISAL/OPINION OF VALUE  
*on-site* *panel w/pics, etc.*

Parcel	Appraisal		Opinion of Value		Percent Change
	Date	Value	Date	Value	
SM 196	2/27/79	805,000	2/27/79	792,000	...1.6%
SM 221	11/30/79	2,882,000	11/30/79	2,541,500	13.4%
SM 223	7/19/78	1,778,000	7/19/78	2,613,600	47%
SM 223	12/5/86	(5,691,000)	None for this date		
SM 224	11/30/79	2,292,000	11/30/79	1,760,000	30%
SM 271	7/19/78	(1,043,000)	None for this date		
SM 271	12/5/86	1,639,000	10/4/85	1,280,000	28%

*7% higher -  
 as an average*

*Ct. says do full blown appraisal*

JUNEAU-APPRAISAL/OPINION OF VALUE

<u>Parcel</u>	<u>Appraisal</u>		<u>Opinion of Value</u>		<u>Percent Change</u>
	<u>Date</u>	<u>Value</u>	<u>Date</u>	<u>Value</u>	
CRM 86	7/19/78	42,750	7/19/78	20,000	214%
CRM 86	7/14/81	59,000	7/14/81	24,000	246%
CRM 90	7/19/78	(1,450,000)	None for this date		
CRM 90	7/14/81	1,900,000	7/14/81	407,000	467%
CRM 110	7/19/78	14,000	7/19/78	30,000	214%
CRM 110	5/1/80	19,275	5/1/80	35,000	182%
CRM 151	7/19/78	547,000	7/19/78	972,500	178%
CRM 151	7/14/81	607,000	7/14/81	1,215,600	200%
CRM 177	7/19/78	31,300	7/19/78	47,000	50%
CRM 177	7/14/81	46,950	7/14/81	54,800	17%
CRM 211	7/19/78	1,475,000	7/19/78	1,145,700	29%
CRM 211	7/14/81	2,000,000	7/14/81	1,309,400	53%

FAIRBANKS-APPRAISAL/OPINION OF VALUE

<u>Parcel</u>	<u>Appraisal</u>		<u>Opinion of Value</u>		<u>Percent Change</u>
	<u>Date</u>	<u>Value</u>	<u>Date</u>	<u>Value</u>	
FM 28	7/19/78	15,000	7/19/78	40,200	268%
FM 28	6/27/80	15,000	6/27/80	40,200	268%
FM 38	7/19/78	44,000	7/19/78	25,000	76%
FM 38	6/27/80	44,000	6/27/80	25,000	76%
FM 45	7/19/78	349,000	7/19/78	699,300	200%
FM 45	6/27/80	349,000	6/27/80	1,165,000	344%
FM 93	7/19/78	23,800	7/19/78	190,000	798%
FM 93	4/23/81	24,700	4/23/81	190,000	769%