

Leg. Finance - Finance Comtee Files  
HB 22 cont., HCR 28am, HB 30, 32

(1971-72)

8879

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1 [REDACTED] The loans shall be secured by acceptable col-  
2 lateral and may not exceed 75 per cent of the appraised value of the  
3 collateral offered as security. The rate of interest may not exceed  
4 seven per cent a year on the unpaid balance.

5 \* Sec. 4. AS 26.15.040(c) is amended to read:

6 (c) No loans authorized by (a)(2) <sup>and (4)</sup> [and] (3) of this section may be  
7 made unless the commissioner of commerce is satisfied that ~~no~~ <sup>at a comparable rate of interest</sup> money ~~is not~~  
8 available to the applicant [REDACTED] from private  
9 lending institutions on a guaranteed basis as set out in (b) of this  
10 section. An applicant is eligible for more than one type of loan,  
11 but the total may not exceed \$55,000 [~~\$25,000~~] at any one time.

12 \* Sec. 6. AS 26.15.130(a)(1) is amended to read:

13 (1) persons who served in the armed forces of the United  
14 States for 90 days or more, or whose service was for less than 90 days  
15 because of injury or disability incurred in the line of duty, between  
16 April 6, 1917, and November 11, 1918, and ~~[REDACTED]~~ <sup>beginning</sup> September 16, 1940, to  
17 six months after termination of hostilities involving U.S. forces in Indo-  
18 [and [REDACTED] [JULY 25, 1947], or in a combat zone during any China  
19 period of armed conflict, who were separated from the armed forces with  
20 a discharge other than dishonorable, and

21 (A) who, at the time of induction into the service, were  
22 residents of the territory, who had been residents for not less  
23 than one year immediately before their induction, and who returned  
24 to the territory or state after discharge as residents with the  
25 intention of remaining in the territory or state; or

26 (B) who, not being bona fide residents of the territory  
27 before their entry into the service, have <sup>lived in the territory or</sup>  
28 state for at least 10 years following their release from active  
29 military service; been residents of the territory or state for  
10 or more years;

\* Sec. 7. Interest rates on loans in effect on the effective date of

1 this Act which are above the limits provided in this Act are not reduced or  
2 affected by this Act.

3 \* Sec. ~~8~~. This Act takes effect on July 1, 1971.  
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Insert  
12 \* Sec. 5. AS 26.15.070 is amended to read:

13 **26.15.070.** Sale or transfer of mortgages and notes.

14 (a) The commissioner of commerce may sell or  
15 transfer at par value or at a premium or discount to  
16 [the Department of Revenue or] any bank or other private  
17 purchaser for cash or other consideration the mortgages and  
18 notes held by the Department of Commerce as security for  
19 loans under this chapter.  
20

21 (b) The commissioner of commerce may sell or  
22 transfer at par value to the Department of Revenue the  
23 mortgages and notes held by the Department of Commerce as  
24 security for loans made under this chapter. The Department of  
25 Revenue shall purchase all such mortgages and notes offered,  
26 allowing the Department of Commerce a half of one percent  
27 service fee.  
28  
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Original sponsors: Guess and Bradner

Offered: 2/26/71  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans not exceeding \$37,500 may be made  
11 to purchase, remodel, repair, build, furnish, refinance or equip homes  
12 or farms in the state, including the clearing and drainage for farms  
13 [, NOT EXCEEDING \$25,000]. The loans may not exceed 90 per cent of  
14 the appraised value when made [THE LOAN IS] for the purchase or  
15 construction of a home unless additional amounts are secured by  
16 acceptable collateral as determined by the commissioner of commerce  
17 in conformity with established minimum requirements. The rate of  
18 interest may not exceed seven [EIGHT] per cent a year on the unpaid  
19 balance.

20 \* Sec. 2. AS 26.15.040(a)(3) is amended to read:

21 (3) Business loans not exceeding \$50,000 may be made to  
22 acquire, finance or refinance or equip businesses, including mining  
23 and fishing but not including farming [, NOT EXCEEDING \$25,000]. The  
24 loans shall be secured by acceptable collateral and may not exceed  
25 75 per cent of the appraised value of the collateral offered as  
26 security. The loans shall be restricted to businesses with three or  
27 more years operating history. The rate of interest may not exceed  
28 seven [EIGHT] per cent a year on the unpaid balance.

29 \* Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

1 (4) Multiple dwelling loans not exceeding \$55,000 may be  
2 made to purchase, remodel, repair, build, furnish, refinance or equip  
3 multiple dwellings. The loans shall be secured by acceptable collateral  
4 and may not exceed 75 per cent of the appraised value of the collateral  
5 offered as security. The rate of interest may not exceed seven per  
6 cent a year on the unpaid balance.

7 \* Sec. 4. AS 26.15.040(c) is amended to read:

8 (c) No loans authorized by (a)(2), [AND] (3) and (4) of this  
9 section may be made unless the commissioner of commerce is satisfied  
10 that [NO] money at a comparable rate of interest is not available  
11 to the applicant from private lending institutions on a guaranteed  
12 basis as set out in (b) of this section. An applicant is eligible  
13 for more than one type of loan, but the total may not exceed \$55,000  
14 [\$25,000] at any one time.

15 \* Sec. 5. AS 26.15.070 is amended to read:

16 Sec. 26.15.070. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
17 The commissioner of commerce may sell or transfer at par value or at  
18 a premium or discount to [THE DEPARTMENT OF REVENUE OR] any bank or  
19 other private purchaser for cash or other consideration the mortgages  
20 and notes held by the Department of Commerce as security for loans  
21 made under this chapter.

22 (b) The commissioner of commerce may sell or transfer at par  
23 value to the Department of Revenue the mortgages and notes held by the  
24 Department of Commerce as security for loans made under this chapter.  
25 The Department of Revenue shall purchase all such mortgages and notes  
26 offered, allowing the Department of Commerce a one-half of one per  
27 cent service fee.

28 \* Sec. 6. AS 26.15.130(a)(1) is amended to read:

29 (1) persons who served in the armed forces of the United

1 States for 90 days or more, or whose service was for less than 90 days  
2 because of injury or disability incurred in the line of duty, between  
3 April 6, 1917, and November 11, 1918, and beginning September 16, 1940  
4 to six months after termination of hostilities involving United States  
5 forces in Indo-China [, AND JULY 25, 1947], or in a combat zone during  
6 any period of armed conflict, who were separated from the armed forces  
7 with a discharge other than dishonorable, and

8 (A) who, at the time of induction into the service,  
9 were residents of the territory, who had been residents for not  
10 less than one year immediately before their induction, and who  
11 returned to the territory or state after discharge as residents  
12 with the intention of remaining in the territory or state; or

13 (B) who, not being bona fide residents of the territory  
14 before their entry into the service, have been residents of the  
15 territory or state for 10 or more years [LIVED IN THE TERRITORY  
16 OR STATE FOR AT LEAST 10 YEARS FOLLOWING THEIR RELEASE FROM ACTIVE  
17 MILITARY SERVICE];

18 \* Sec. 7. Interest rates on loans in effect on the effective date of  
19 this Act which are above the limits provided in this Act are not reduced or  
20 affected by this Act.

21 \* Sec. 8. This Act takes effect on July 1, 1971.  
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Original sponsors: Guess and Bradner

Offered: 2/26/71  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans not exceeding \$37,500 may be made  
11 to purchase, remodel, repair, build, furnish, refinance or equip homes  
12 or farms in the state, including the clearing and drainage for farms  
13 [, NOT EXCEEDING \$25,000]. The loans may not exceed 90 per cent of  
14 the appraised value when made [ THE LOAN IS ] for the purchase or  
15 construction of a home unless additional amounts are secured by  
16 acceptable collateral as determined by the commissioner of commerce  
17 in conformity with established minimum requirements. The rate of  
18 interest may not exceed seven [EIGHT] per cent a year on the unpaid  
19 balance.

20 \* Sec. 2. AS 26.15.040(a)(3) is amended to read:

21 (3) Business loans not exceeding \$50,000 may be made to  
22 acquire, finance or refinance or equip businesses, including mining  
23 and fishing but not including farming, provided such businesses have  
24 three or more years of operating history in Alaska [ NOT EXCEEDING  
25 \$25,000]. The loans shall be secured by acceptable collateral and may  
26 not exceed 75 per cent of the appraised value of the collateral offered  
27 as security. The rate of interest may not exceed seven [EIGHT] per cent  
28 a year on the unpaid balance.

29 \* Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

1 (4) Multiple dwelling loans not exceeding \$55,000 may be  
2 made to purchase, remodel, repair, build, furnish, refinance or equip  
3 multiple dwellings. The loans shall be secured by acceptable collateral  
4 and may not exceed 75 per cent of the appraised value of the collateral  
5 offered as security. The rate of interest may not exceed seven per  
6 cent a year on the unpaid balance.

7 \* Sec. 4. AS 26.15.040(c) is amended to read:

8 (c) No loans authorized by (a)(2), [AND] (3) and (4) of this  
9 section may be made unless the commissioner of commerce is satisfied  
10 that [NO] money at a comparable rate of interest is not available  
11 to the applicant from private lending institutions on a guaranteed  
12 basis as set out in (b) of this section. An applicant is eligible  
13 for more than one type of loan, but the total may not exceed \$55,000  
14 [\$25,000] at any one time.

15 \* Sec. 5. AS 26.15.070 is amended to read:

16 Sec. 26.15.070. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
17 The commissioner of commerce may sell or transfer at par value or at  
18 a premium or discount to [THE DEPARTMENT OF REVENUE OR] any bank or  
19 other private purchaser for cash or other consideration the mortgages  
20 and notes held by the Department of Commerce as security for loans  
21 made under this chapter.

22 (b) The commissioner of commerce may sell or transfer at par  
23 value to the Department of Revenue the mortgages and notes held by the  
24 Department of Commerce as security for loans made under this chapter.  
25 The Department of Revenue shall purchase all such mortgages and notes  
26 offered, allowing the Department of Commerce a one-half of one per  
27 cent service fee.

28 \* Sec. 6. AS 26.15.130(a)(1) is amended to read:

29 (1) persons who served in the armed forces of the United

1 States for 90 days or more, or whose service was for less than 90 days  
2 because of injury or disability incurred in the line of duty, between  
3 April 6, 1917, and November 11, 1918, and beginning September 16, 1940  
4 to six months after termination of hostilities involving United States  
5 forces in Indo-China [, AND JULY 25, 1947], or in a combat zone during  
6 any period of armed conflict, who were separated from the armed forces  
7 with a discharge other than dishonorable, and

8 (A) who, at the time of induction into the service,  
9 were residents of the territory, who had been residents for not  
10 less than one year immediately before their induction, and who  
11 returned to the territory or state after discharge as residents  
12 with the intention of remaining in the territory or state; or

13 (B) who, not being bona fide residents of the territory  
14 before their entry into the service, have been residents of the  
15 territory or state for 10 or more years [LIVED IN THE TERRITORY  
16 OR STATE FOR AT LEAST 10 YEARS FOLLOWING THEIR RELEASE FROM ACTIVE  
17 MILITARY SERVICE];

18 \* Sec. 7. Interest rates on loans in effect on the effective date of  
19 this Act which are above the limits provided in this Act are not reduced or  
20 affected by this Act.

21 \* Sec. 8. This Act takes effect on July 1, 1971.  
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Original sponsors: Guess and Bradner

Offered: 5/8/71

1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state loan programs; and providing  
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans not exceeding \$40,000 may be made to  
11 purchase, remodel, repair, build, furnish, refinance or equip homes or  
12 farms in the state, including the clearing and drainage for farms [, NOT  
13 EXCEEDING \$25,000]. The loans may not exceed 90 per cent of the appraised  
14 value when made [THE LOAN IS] for the purchase or construction of a home  
15 unless additional amounts are secured by acceptable collateral as deter-  
16 mined by the commissioner of commerce in conformity with established  
17 minimum requirements. The rate of interest may not exceed the interest  
18 rate which is charged for Federal Veterans Administration loans  
19 at the time a state loan is granted [EIGHT PER CENT A YEAR ON THE UNPAID  
20 BALANCE].

21 \* Sec. 2. AS 26.15.040(a)(3) is amended to read:

22 (3) Business loans not exceeding \$60,000 may be made to  
23 acquire, finance or refinance or equip businesses, including mining  
24 and fishing but not including farming, provided such businesses have  
25 three or more years of operating history in Alaska [NOT EXCEEDING  
26 \$25,000]. The loans shall be secured by acceptable collateral and may  
27 not exceed 75 per cent of the appraised value of the collateral offered  
28 as security. The rate of interest may not exceed the interest rate  
29 which is charged for Federal Veterans Administration loans

1 at the time a state loan is granted [EIGHT PER CENT A YEAR ON THE UNPAID  
2 BALANCE].

3 \* Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

4 (4) Multiple dwelling loans not exceeding \$60,000 may be made  
5 to purchase, remodel, repair, build, furnish, refinance or equip multiple  
6 dwellings. The loans shall be secured by acceptable collateral and may  
7 not exceed 75 per cent of the appraised value of the collateral offered  
8 as security. The rate of interest may not exceed the interest rate which  
9 is charged for Federal Veterans Administration loans at the  
10 time a state loan is granted [SEVEN PER CENT A YEAR ON THE UNPAID BALANCE].

11 \* Sec. 4. AS 26.15.040(c) is amended to read:

12 (c) No loans authorized by (a)(2), [AND] (3) and (4) of this section  
13 may be made unless the commissioner of commerce is satisfied that [NO]  
14 money at a comparable rate of interest is not available to the applicant  
15 from private lending institutions on a guaranteed basis as set out in (b)  
16 of this section. An applicant is eligible for more than one type of loan,  
17 but the total may not exceed \$60,000 [\$25,000] at any one time.

18 \* Sec. 5. AS 26.15.070 is amended to read:

19 Sec. 26.15.070. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
20 The commissioner of commerce may sell or transfer at par value or at  
21 a premium or discount to [THE DEPARTMENT OF REVENUE OR] any bank or  
22 other private purchaser for cash or other consideration the mortgages  
23 and notes held by the Department of Commerce as security for loans  
24 made under this chapter.

25 (b) The commissioner of commerce may sell or transfer at par  
26 value to the Department of Revenue the mortgages and notes held by the  
27 Department of Commerce as security for loans made under this chapter.  
28 The Department of Revenue shall purchase all such mortgages and notes  
29 offered, allowing the Department of Commerce a one-half of one per cent

1        service fee.

2        \* Sec. 6. AS 26.15.130(a)(1) is amended to read:

3                (1) persons who served in the armed forces of the United  
4 States for 90 days or more, or whose service was for less than 90 days  
5 because of injury or disability incurred in the line of duty, between  
6 April 6, 1917, and November 11, 1918, and beginning September 16, 1940  
7 to six months after termination of hostilities involving United States  
8 forces in Indo-China [, AND JULY 25, 1947], or in a combat zone during  
9 any period of armed conflict, who were separated from the armed forces  
10 with a discharge other than dishonorable, and

11                (A) who, at the time of induction into the service,  
12 were residents of the territory, who had been residents for not  
13 less than one year immediately before their induction, and who  
14 returned to the territory or state after discharge as residents  
15 with the intention of remaining in the territory or state; or

16                (B) who, not being bona fide residents of the territory  
17 before their entry into the service, have been residents of the  
18 territory or state for 10 or more years [LIVED IN THE TERRITORY  
19 OR STATE FOR AT LEAST 10 YEARS FOLLOWING THEIR RELEASE FROM ACTIVE  
20 MILITARY SERVICE];

21        \* Sec. 7. Interest rates on loans in effect on the effective date of  
22 this Act which are above the limits provided in this Act are not reduced or  
23 affected by this Act.

24        \* Sec. 8. AS 45 is amended by adding a new chapter to read:

25                                CHAPTER 95. SMALL BUSINESS LOANS.

26                Sec. 45.95.010. POWERS AND DUTIES OF DEPARTMENT OF COMMERCE IN  
27 GENERAL. (a) The Department of Commerce shall formulate general  
28 policies and adopt regulations.

29                (b) The department may hold hearings and subpoena witnesses and

1 documents, and administer oaths in connection with hearings.

2 (c) The department shall

3 (1) cooperate with the state and its political subdivisions  
4 and agencies;

5 (2) adopt regulations necessary for the conduct of its  
6 business and for carrying out the provisions of this chapter, and make  
7 necessary regulations to maintain such standards;

8 (3) require bonds and undertakings from persons employed by  
9 it as shall in its judgment be necessary, and pay the premiums on  
10 them;

11 (4) establish such regional and local offices and such  
12 advisory groups as may be necessary or considered expedient to carry  
13 out or assist in carrying out its duties and authorities.

14 Sec. 45.95.020. SMALL BUSINESS LOANS. (a) The commissioner  
15 of commerce shall, under regulations and policies adopted by him, make  
16 small business loans to acquire, finance or refinance or equip  
17 businesses, including mining and fishing but not including farming,  
18 not exceeding \$60,000. The loans shall be secured by acceptable  
19 collateral and may not exceed 75 per cent of the appraised value of  
20 the collateral offered as security. The rate of interest may not  
21 exceed eight per cent a year on the unpaid balance.

22 (b) The commissioner of commerce may enter into agreements with  
23 private banks, other lending institutions and individuals for the  
24 purpose of guaranteeing loans made to qualified applicants. The  
25 guarantees may not exceed 90 per cent of the amount loaned and the  
26 loans shall be secured in the same manner provided for direct loans  
27 under this section. A loan made under this subsection and guaranteed  
28 by the commissioner of commerce and the state shall bear an interest  
29 rate not exceeding eight per cent a year on the unpaid balance.

1 (c) No loans authorized by this section may be made unless the  
2 commissioner of commerce is satisfied that no money is available to  
3 the applicant from private lending institutions on a guaranteed basis  
4 as set out in (b) of this section.

5 (d) Money loaned shall be delivered to the borrower in the form  
6 of a warrant drawn on the treasury, vouchered in the manner prescribed  
7 for state disbursing officers, and charged against the small business  
8 revolving loan fund. Each voucher shall be approved by the commissioner  
9 of commerce or any bonded deputy authorized to act as a certifying  
10 officer. Upon repayment of loans by installments, or otherwise, in  
11 accordance with the prescribed terms, or upon liquidation by fore-  
12 closure or other process, or upon receipt of interest or other revenue,  
13 the money so received shall be turned over to the commissioner of  
14 revenue for deposit in the small business revolving loan fund.

15 Sec. 45.95.030. SALE OR TRANSFER OF PREFERRED COMMERCIAL PAPER.  
16 The commissioner of commerce may negotiate with and transfer or sell  
17 to and repurchase from the Department of Revenue, its preferred  
18 commercial paper, not to exceed \$1,000,000 for cash, which cash shall  
19 be used only for the purposes of making loans to persons eligible  
20 under this chapter. Any money loaned under this section is subject  
21 to interest at the rate of two and one-half per cent a year until all  
22 principal and interest are fully paid.

23 Sec. 45.95.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
24 The commissioner of commerce may sell or transfer at par value or at  
25 a premium or discount to any bank or other private purchaser for cash  
26 or other consideration the mortgages and notes held by the Department  
27 of Commerce as security for loans made under this chapter.

28 (b) The commissioner of commerce may sell or transfer at par  
29 value to the Department of Revenue the mortgages and notes held by the

1 Department of Commerce as security for loans made under this chapter.  
2 The Department of Revenue shall purchase all such mortgages and notes  
3 offered, allowing the Department of Commerce a one-half of one per  
4 cent service fee.

5 Sec. 45.95.050. POWER OF COMMISSIONER TO ASSIGN AND SELL  
6 MORTGAGES. The commissioner of commerce may assign and sell small  
7 business loan mortgages to the Alaska State Mortgage Association in  
8 consideration of receiving its cash, bonds, debentures and notes upon  
9 conditions which he considers advantageous to the state small business  
10 lending program.

11 Sec. 45.95.060. CREATION OF FUND. There is created the small  
12 business revolving loan fund to carry out the purposes of this chapter.  
13 This fund shall be used for no other purpose.

14 Sec. 45.95.070. ELIGIBILITY FOR LOANS. A person is eligible for  
15 a loan under this chapter if

- 16 (1) he has been in business in the state for at least three  
17 years;
- 18 (2) he is a resident of the state; and
- 19 (3) in the judgment of the Department of Commerce
- 20 (A) the business shows a definite potential for growth;
- 21 (B) the borrower will be able to repay the loan; and
- 22 (C) the loan will potentially create more jobs and  
23 provide additional services in the community.

24 \* Sec. 9. This Act takes effect on the day after its passage and approv-  
25 al or on the day it becomes law without approval.  
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Original sponsors: Guess and Bradner

Offered: 4/2/71  
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 22

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to veteran loans; and providing for  
7 an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

\* Section 1. AS 26.15.040(a)(2) is amended to read:

10

(2) Farm and home loans may be made to purchase, remodel,

11

repair, build, furnish, refinance or equip homes or farms in the

12

state, including the clearing and drainage for farms, not exceeding

13

\$50,000 [\$25,000]. The loans may not exceed 90 per cent of the

14

appraised value when the loan is for the purchase or construction of

15

a home unless additional amounts are secured by acceptable collateral

16

as determined by the commissioner of commerce in conformity with

17

established minimum requirements. The rate of interest may not exceed

18

eight per cent a year on the unpaid balance.

19

\* Sec. 2. AS 26.15.040(a)(3) is amended to read:

20

(3) Business loans may be made to acquire, finance or re-

21

finance or equip businesses, including mining and fishing but not

22

including farming, not exceeding \$50,000 [\$25,000]. The loans shall

23

be secured by acceptable collateral and may not exceed 75 per cent of

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the appraised value of the collateral offered as security. The rate

25

of interest may not exceed eight per cent a year on the unpaid balance.

26

\* Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

27

(4) Multiple dwelling loans may be made to purchase, remodel,

28

repair, build, furnish, refinance or equip multiple dwellings, not

29

exceeding \$60,000. The loans shall be secured by acceptable collateral

1 and may not exceed 75 per cent of the appraised value of the collateral  
2 offered as security. The rate of interest may not exceed eight per  
3 cent a year on the unpaid balance.

4 \* Sec. 4. AS 26.15.040(c) is amended to read:

5 (c) No loans authorized by (a)(2), [AND] (3) and (4) of this  
6 section may be made unless the commissioner of commerce is satisfied  
7 that no money is available to the applicant at a comparable rate of  
8 interest from private lending institutions on a guaranteed basis as  
9 set out in (b) of this section. An applicant is eligible for more  
10 than one type of loan, but the total may not exceed \$60,000 [\$25,000]  
11 at any one time.

12 \* Sec. 5. This Act takes effect on the day after its passage and approv-  
13 al or on the day it becomes law without approval.

Original sponsors: Guess and Bradner

Offered: 2/26/71  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans not exceeding \$37,500 may be made  
11 to purchase, remodel, repair, build, furnish, refinance or equip homes  
12 or farms in the state, including the clearing and drainage for farms  
13 [, NOT EXCEEDING \$25,000]. The loans may not exceed 90 per cent of  
14 the appraised value when made [ THE LOAN IS ] for the purchase or  
15 construction of a home unless additional amounts are secured by  
16 acceptable collateral as determined by the commissioner of commerce  
17 in conformity with established minimum requirements. The rate of  
18 interest may not exceed seven [EIGHT] per cent a year on the unpaid  
19 balance.

20 \* Sec. 2. AS 26.15.040(a)(3) is amended to read:

21 (3) Business loans not exceeding \$50,000 may be made to  
22 acquire, finance or refinance or equip businesses, including mining  
23 and fishing but not including farming, provided such businesses have  
24 three or more years of operating history in Alaska [ NOT EXCEEDING  
25 \$25,000]. The loans shall be secured by acceptable collateral and may  
26 not exceed 75 per cent of the appraised value of the collateral offered  
27 as security. The rate of interest may not exceed seven [EIGHT] per cent  
28 a year on the unpaid balance.

29 \* Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

1 (4) Multiple dwelling loans not exceeding \$55,000 may be  
2 made to purchase, remodel, repair, build, furnish, refinance or equip  
3 multiple dwellings. The loans shall be secured by acceptable collateral  
4 and may not exceed 75 per cent of the appraised value of the collateral  
5 offered as security. The rate of interest may not exceed seven per  
6 cent a year on the unpaid balance.

7 \* Sec. 4. AS 26.15.040(c) is amended to read:

8 (c) No loans authorized by (a)(2), [AND] (3) and (4) of this  
9 section may be made unless the commissioner of commerce is satisfied  
10 that [NO] money at a comparable rate of interest is not available  
11 to the applicant from private lending institutions on a guaranteed  
12 basis as set out in (b) of this section. An applicant is eligible  
13 for more than one type of loan, but the total may not exceed \$55,000  
14 [\$25,000] at any one time.

15 \* Sec. 5. AS 26.15.070 is amended to read:

16 Sec. 26.15.070. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
17 The commissioner of commerce may sell or transfer at par value or at  
18 a premium or discount to [THE DEPARTMENT OF REVENUE OR] any bank or  
19 other private purchaser for cash or other consideration the mortgages  
20 and notes held by the Department of Commerce as security for loans  
21 made under this chapter.

22 (b) The commissioner of commerce may sell or transfer at par  
23 value to the Department of Revenue the mortgages and notes held by the  
24 Department of Commerce as security for loans made under this chapter.  
25 The Department of Revenue shall purchase all such mortgages and notes  
26 offered, allowing the Department of Commerce a one-half of one per  
27 cent service fee.

28 \* Sec. 6. AS 26.15.130(a)(1) is amended to read:

29 (1) persons who served in the armed forces of the United

1 States for 90 days or more, or whose service was for less than 90 days  
2 because of injury or disability incurred in the line of duty, between  
3 April 6, 1917, and November 11, 1918, and beginning September 16, 1940  
4 to six months after termination of hostilities involving United States  
5 forces in Indo-China [, AND JULY 25, 1947], or in a combat zone during  
6 any period of armed conflict, who were separated from the armed forces  
7 with a discharge other than dishonorable, and

8 (A) who, at the time of induction into the service,  
9 were residents of the territory, who had been residents for not  
10 less than one year immediately before their induction, and who  
11 returned to the territory or state after discharge as residents  
12 with the intention of remaining in the territory or state; or

13 (B) who, not being bona fide residents of the territory  
14 before their entry into the service, have been residents of the  
15 territory or state for 10 or more years [LIVED IN THE TERRITORY  
16 OR STATE FOR AT LEAST 10 YEARS FOLLOWING THEIR RELEASE FROM ACTIVE  
17 MILITARY SERVICE];

18 \* Sec. 7. Interest rates on loans in effect on the effective date of  
19 this Act which are above the limits provided in this Act are not reduced or  
20 affected by this Act.

21 \* Sec. 8. This Act takes effect on July 1, 1971.  
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Original sponsors: Guess and Bradner

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 # Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans not exceeding \$37,500 may be made  
11 to purchase, remodel, repair, build, furnish, refinance or equip homes  
12 or farms in the state, including the clearing and drainage for farms  
13 [, NOT EXCEEDING \$25,000]. The loans may not exceed 90 per cent of  
14 the appraised value when made [THE LOAN IS] for the purchase or  
15 construction of a home unless additional amounts are secured by  
16 acceptable collateral as determined by the commissioner of commerce  
17 in conformity with established minimum requirements. The rate of  
18 interest may not exceed seven [EIGHT] per cent a year on the unpaid  
19 balance.

20 # Sec. 2. AS 26.15.040(a)(3) is amended to read:

21 (3) Business loans not exceeding \$50,000 may be made to  
22 acquire, finance or refinance or equip businesses, including mining  
23 and fishing but not including farming [, NOT EXCEEDING \$25,000]. The  
24 loans shall be secured by acceptable collateral and may not exceed  
25 75 per cent of the appraised value of the collateral offered as  
26 security. The loans shall be restricted to businesses with three or  
27 more years operating history. The rate of interest may not exceed  
28 seven [EIGHT] per cent a year on the unpaid balance.

29 # Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

1 (4) Multiple dwelling loans not exceeding \$55,000 may be  
2 made to purchase, remodel, repair, build, furnish, refinance or equip  
3 multiple dwellings. The loans shall be secured by acceptable collateral  
4 and may not exceed 75 per cent of the appraised value of the collateral  
5 offered as security. The rate of interest may not exceed seven per  
6 cent a year on the unpaid balance.

7 \* Sec. 4. AS 26.15.040(c) is amended to read:

8 (c) No loans authorized by (a)(2), [AND] (3) and (4) of this  
9 section may be made unless the commissioner of commerce is satisfied  
10 that [NO] money at a comparable rate of interest is not available  
11 to the applicant from private lending institutions on a guaranteed  
12 basis as set out in (b) of this section. An applicant is eligible  
13 for more than one type of loan, but the total may not exceed \$55,000  
14 [\$25,000] at any one time.

15 \* Sec. 5. AS 26.15.070 is amended to read:

16 Sec. 26.15.070. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
17 The commissioner of commerce may sell or transfer at par value or at  
18 a premium or discount to [THE DEPARTMENT OF REVENUE OR] any bank or  
19 other private purchaser for cash or other consideration the mortgages  
20 and notes held by the Department of Commerce as security for loans  
21 made under this chapter.

22 (b) The commissioner of commerce may sell or transfer at par  
23 value to the Department of Revenue the mortgages and notes held by the  
24 Department of Commerce as security for loans made under this chapter.  
25 The Department of Revenue shall purchase all such mortgages and notes  
26 offered, allowing the Department of Commerce a one-half of one per  
27 cent service fee.

28 \* Sec. 6. AS 26.15.130(a)(1) is amended to read:

29 (1) persons who served in the armed forces of the United

1 States for 90 days or more, or whose service was for less than 90 days  
2 because of injury or disability incurred in the line of duty, between  
3 April 6, 1917, and November 11, 1918, and beginning September 16, 1940  
4 to six months after termination of hostilities involving United States  
5 forces in Indo-China [, AND JULY 25, 1947], or in a combat zone during  
6 any period of armed conflict, who were separated from the armed forces  
7 with a discharge other than dishonorable, and

8 (A) who, at the time of induction into the service,  
9 were residents of the territory, who had been residents for not  
10 less than one year immediately before their induction, and who  
11 returned to the territory or state after discharge as residents  
12 with the intention of remaining in the territory or state; or

13 (B) who, not being bona fide residents of the territory  
14 before their entry into the service, have been residents of the  
15 territory or state for 10 or more years [LIVED IN THE TERRITORY  
16 OR STATE FOR AT LEAST 10 YEARS FOLLOWING THEIR RELEASE FROM ACTIVE  
17 MILITARY SERVICE];

18 \* Sec. 7. Interest rates on loans in effect on the effective date of  
19 this Act which are above the limits provided in this Act are not reduced or  
20 affected by this Act.

21 \* Sec. 8. This Act takes effect on July 1, 1971.  
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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

VFW  
Director

TO: Jack Tinsley, Director, Veterans Affairs  
FROM: George Hohman, Chairman, House Finance Committee  
SUBJECT: HOUSE BILL NO. 22  
DATE: February 12, 1971

Several questions have been asked by the Finance Committee concerning the fiscal note on House Bill No. 22.

(1) The salaries for the five new positions would be \$47,000; the fiscal note shows \$79,900.00. Why?

(2) The fiscal note failed to give a breakdown of the years involved, how many \$55,000 loans are anticipated and how much money would be required to fund this.

(3) Assuming that they keep the 10 year resident requirement, the committee wants an estimate on the breakdown of loans -- how many will be business loans and how many multi-dwelling loans? 6000

(4) Assuming that the bill passes with the maximum interest rate at 7 per cent how will the administrative costs be covered. (Discuss current 1/2 per cent spread between loans and marketed rate to Revenue Dept.) 4998-236/18759496

(5) How many loans have been applied for in the past. 4998-236/18759496

(6) In 1969-70 there were 111 loans. How many were business loans? 17

(7) The committee is interested in the rate of delinquency. When was the 35 per cent delinquency rate and what is the rate now. 66

67-68

67-68  
100 loans

Mr. DeGans recommended approval of the supplemental bill. He moved and asked unanimous consent for "do pass" recommendation, but there were objections from committee members. Mr. Fink noted everyone was in favor of rehabilitation, but there is always a request for additional funds. Since they only received \$1,000,000 from the federal government, they are requesting additional money from the state. Mr. Hohman asked for the minutes of a previous meeting, which were not available. This bill was returned to subcommittee for additional information.

Recess: The committee recessed for a few minutes and then went to a budget hearing on the Dept. of Education.  
(See budget minutes).

AFTER RECESS  
11:50 a.m.

Present: All members and Mr. Tinsley, Director of Veterans Affairs.

HB 22 Mr. Tinsley explained that the \$40,335 is only for six months and the \$79,900 is for fiscal year 71/72.

Mr. Wright questioned the five new positions listed on the fiscal note. He did not see how this could add up to \$79,900. The figures were read for the salaries and there were seven positions instead of five. Mr. Hohman said then there were two people already on board and they would be upgraded. Mr. Tinsley said yes. Mr. Hogan

pointed out that just the reclassifications should be shown not the total amount of the salaries.

Mr. Tinsley said that assuming that the maximum to loan is \$55,000 and assuming that the fund is appropriated \$10,000,000 out of the general fund, they would be able to fund approximately 181 loans.

Mr. Fink asked if they had a backlog. Mr. Tinsley said they "pretty much stay even". He said that up to last week they were able to sell the papers to the Department of Revenue.

Mr. Wright asked why they need more money. Mr. Tinsley said the legislation that has been proposed is going to give them a big influx of applications. He added that the Department of Revenue said they do not want to purchase any new loans right now. Mr. Tinsley said they operate on 1/2 of 1 per cent, they receive no money for salaries or expenses out of the general fund. He said they are charging the veterans 7 1/2 per cent and have in the past sold the papers to the Dept. of Revenue for 7 per cent. He pointed out that the revolving fund had not been built up very fast.

The committee discussed the 10 year resident requirement. In answer to Mr. Hohman, Mr. Tinsley said they had no way

of knowing how many 10 year veterans are in the state. Mr. Wright asked how Mr. Tinsley felt about the two year requirement. Mr. Tinsley said he felt it should be a ten year resident requirement -- there are too many transient people in the state. \*

In answer to Mr. Fink, Mr. Tinsley said they had only made 17 business loans during 1969-70. Mr. Tinsley said he felt veterans who are buying houses should have the first priority. He said they have made 14 business loans so far during this fiscal year. Mr. Tinsley spoke on business loans saying that he was afraid if they turned this into business loans they would be hurting.

Mr. Fink asked about delinquency rates. He asked if the state forecloses. Mr. Tinsley said this has been a problem -- they have not had the backing of the Attorney General's office to work on their loans. He said when he prepared his budget, he asked for an attorney but it had not been allowed. He gave an example of a loan in Fairbanks. They had started foreclosure in 1964 and the loan had still not been foreclosed. Mr. Wright asked what they lose a year. Mr. Tinsley said last year they had written off about \$35,000.

Mr. Tinsley said if they lower the interest rate to 7 per cent and as long as this is lower than the other institutions

then they will have a big influx of applications.

Mr. Wright asked for a picture for the last three or four years (the request was unclear so a memo was later written to Mr. Tinsley asking for a delinquency rate for the last three or four years and a breakout of business and home loans for this period).

Mr. Tinsley told the committee that he had written a memo to Representative Kerttula suggesting legislation might be passed whereby the Department of Revenue would loan money at 1 per cent less than what the papers for veterans would be. This would protect the revolving fund. Mr. Wright said then they would not need the \$10,000,000. Mr. Tinsley said as long as they buy the papers this would be fine. Mr. Wright said he would get together with Mr. Kerttula on this.

Mr. Tinsley said they have processed 4,998 loans for a total of \$36,187,594.96. He said in six months of this fiscal year they have made 100 loans for approximately \$2,000,000.

Mr. Tinsley said in 1969-70 they have only accrued 17 business loans because of the shortage of funds. He said they were more interested in getting veterans into houses rather than making business loans.

Mr. Tinsley said the rate of delinquency is 6 per cent. It was 35 percent in 1967 and 1968. Mr. Wright asked if this was when some of the loans were written off. Mr. Tinsley said some were written off but not too many. He said the proper work was not being done to contact delinquent veterans with foreclosure contact by the Attorney General's office. Mr. Tinsley left the meeting and Mr. Hohman requested Mr. Wright to return this bill to subcommittee with recommendations for the bill to be ready early next week.

Bill Assignment: The following bills were assigned:

- HB 80 HOUSE BILL NO. 80 (State aid for school construction)  
Mr. Wright
- HB 157 HOUSE BILL NO. 157 (Public school foundation program)  
Mr. Wright
- HJR 15 HOUSE JOINT RESOLUTION NO. 15 (Relating to student housing in rural areas) -- Mr. Degnan
- HB 52 HOUSE BILL NO. 52 (\$950,000 to Dept. of Education - Alaska Higher Education Facilities Act) -- Mr. Warwick
- HB 160 HOUSE BILL NO. 160 (Appropriating to the Office of the Governor for study of income needs) -- Mr. Ditman

Adjournment: The meeting adjourned at 12:30 p.m.

1 IN THE HOUSE

BY GUESS AND BRADNER

2 HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veteran affairs; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 26.15.040(a)(2) is amended to read:

10 (2) Farm and home loans may be made to purchase, remodel,  
11 repair, build, furnish, refinance or equip homes or farms in the state  
12 including the clearing and drainage for farms, not exceeding \$37,500  
13 [\$25,000]. The loans may not exceed 90 per cent of the appraised  
14 value when the loan is for the purchase or construction of a home un-  
15 less additional amounts are secured by acceptable collateral as  
16 determined by the commissioner of commerce in conformity with estab-  
17 lished minimum requirements. The rate of interest may not exceed  
18 seven [EIGHT] per cent a year on the unpaid balance.

19 \* Sec. 2. AS 26.15.040(a)(3) is amended to read:

20 (3) Business loans may be made to acquire, finance or re-  
21 finance or equip businesses, including mining and fishing but not  
22 including farming, not exceeding \$50,000 [\$25,000]. The loans shall  
23 be secured by acceptable collateral and may not exceed 75 per cent of  
24 the appraised value of the collateral offered as security. The rate  
25 of interest may not exceed seven [EIGHT] per cent a year on the unpaid  
26 Vietnam veterans balance.

27 \* Sec. 3. AS 26.15.040(a) is amended by adding a new paragraph to read:

28 (4) Multiple dwelling loans may be made to purchase, re-  
29 model, repair, build, furnish, refinance or equip multiple dwellings,

Alternatives:

- 1) delete;
- 2) restrict to multiple dwellings;
- 3) restrict to businesses with 3-year operating history

26 Vietnam veterans balance.  
1-year requirement.

1 not exceeding \$55,000. The loans shall be secured by acceptable col-  
2 lateral and may not exceed 75 per cent of the appraised value of the  
3 collateral offered as security. The rate of interest may not exceed  
4 seven per cent a year on the unpaid balance.

5 \* Sec. 4. AS 26.15.040(c) is amended to read:

6 (c) No loans authorized by (a)(2) and (3) of this section may be  
7 made unless the commissioner of commerce is satisfied that no money is  
8 available to the applicant at a comparable rate of interest from private  
9 lending institutions on a guaranteed basis as set out in (b) of this  
10 section. An applicant is eligible for more than one type of loan,  
11 but the total may not exceed \$55,000 [\$25,000] at any one time.

12 \* Sec. 5. AS 26.15.130(a)(1) is amended to read:

13 (1) persons who served in the armed forces of the United  
14 States for 90 days or more, or whose service was for less than 90 days  
15 because of injury or disability incurred in the line of duty, between  
16 April 6, 1917, and November 11, 1918, and between September 16, 1940,  
17 and August 4, 1964 [JULY 25, 1947], or in a combat zone during any  
18 period of armed conflict, who were separated from the armed forces with  
19 a discharge other than dishonorable, and

20 (A) who, at the time of induction into the service, were  
21 residents of the territory, who had been residents for not less  
22 than one year immediately before their induction, and who returned  
23 to the territory or state after discharge as residents with the  
24 intention of remaining in the territory or state; or

25 (B) who, not being bona fide residents of the territory  
26 before their entry into the service, have [lived in the territory or  
27 state for at least 10 years following their release from active  
28 military service;] been residents of the territory or state  
29 for more than 10 years;

\* Sec. 6. Interest rates on loans in effect on the effective date of

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this Act which are above the limits provided in this Act are not reduced or affected by this Act.

\* Sec. 7. This Act takes effect on July 1, 1971.



Phone conversation of 10/27/71 - with J. Tinsley, Director,  
Veterans Affairs

The new positions covered in the fiscal year are:

One Loan Officer to be located in Anchorage and four clerical positions, two of which will be in Anchorage, one each in Fairbanks and Juneau.

Loans processed during the 1969-70 fiscal year totalled 111. As of October 1, 1970, 50 loans had been processed in the current fiscal year. Mr. Tinsley's estimate to date for loans processed during the current fiscal year totals 100.

The delinquency rate on state veterans' loans ran approximately 35% a year or so ago. In the current year he feels they will reduce the delinquency rate to 6% of outstanding loans. The value of outstanding loans is approximately \$10.5 million, thus the appropriation to the veterans' loan program of \$10 million would double the monies available for loan purposes.

Administrative costs for the veterans' program is currently covered by a 1/2 of 1% administrative charge on all loans. This is arrived at by making the loans at 7-1/2% and selling the paper to the Department of Revenue at a 7% rate. Another feature of the proposed changes (HB 22) would be to set the maximum interest rate at 7%, thus wiping out existing differential from which the agency funds the program.



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

# Committee Report

Re: 6/8/72

S E N A T E

10-14-72

Date

Mr. President:

The Committee on Finance has had HCR 28 am  
(Alaska State Housing Authority)  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with <sup>Senate</sup> CS for HCR 28 and that  
<sup>Senate</sup> CS for HCR 28 do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

## MEMBERS SIGNING THE MAJORITY REPORT:

Bill Ray \_\_\_\_\_  
\_\_\_\_\_

John M. Kosloski \_\_\_\_\_  
\_\_\_\_\_

## MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

John B. Smith  
CHAIRMAN

Original sponsors: Barber, Bowman,  
Chance, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 28

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

Relating to the leases from the  
Alaska State Housing Authority.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the legislature by ch. 99 SLA 1965 provided for the construction and acquisition by the Alaska State Housing Authority of public buildings for lease to the state; and

WHEREAS the leasing program has been entered into under the Act; and

WHEREAS AS 37.05.280 requires that any additional lease executed after January 1, 1966 which provides for payment in excess of \$12,000 annually be approved by the legislature; and

WHEREAS it is in the best interest of the state to enter into an additional lease set out in this resolution;

BE IT RESOLVED that use of the space to be provided by lease of the following premises by the State of Alaska from the Alaska State Housing Authority and the lease of the premises from the Alaska State Housing Authority providing for payments in excess of \$12,000 annually is approved:

LEASED FACILITY

Pioneers Home addition, Department of Administration, Fairbanks, Alaska. The total cost shall not exceed \$2,500,000.

Pioneers Home addition, Department of Administration, Palmer, Alaska. The total cost shall not exceed \$1,000,000.

# MEMORANDUM

15  
23

TO: [ Representative George Hohman, Chairman  
House Finance Committee  
Alaska State Legislature

DATE : March 22, 1972

FROM: Joseph R. Henri, Commissioner  
Department of Administration

*JRH*

SUBJECT: HCR 28

Your memorandum dated March 2, 1972, requested supporting figures concerning a \$204,000 rental payment which had allegedly been determined as the annual rental costs for a Pioneer's Home facility in Anchorage. The memo further suggested that this figure was indicated as a projected federal reimbursement for rent for such a facility.

Since a Pioneer's Home in Anchorage has never been a part of Governor Egan's Capital Improvement Program, we are unable to offer a proposed rental figure for such a facility, not knowing the size or any other details concerning the facility under consideration.

It is possible that a \$204,000 figure was mentioned in relation to the Pioneer's Home system at the hearing on HCR 28. This figure represents the projected amount which would be reimbursable by the federal government for annual depreciation charges using a twenty year straight-line depreciation schedule, which has been suggested by the Division of Buildings. Actual depreciation charges on this basis would be billed at the annual rate of \$313,995, and approximately 65% of this amount, or \$204,096.75 would be reimbursable under current projections for Title XVI receipts for the Pioneer's Home operation. It is possible, however, that we may be required to assign a useful life greater than 20 years for depreciation purposes, which could result in a somewhat lower annual reimbursement.

The extent of federal reimbursement for operation of a new Pioneer's Home in Anchorage or any other location would be governed by many details concerning the size and cost of the facility, nature of its population, type of ownership etc.. If a direct lease for the facility was executed with a private entity, current Title XVI provisions provide reimbursement for up to 75% of actual rental or lease costs. The actual amount would depend on circumstances described above, as well as other factors.

AMENDMENT

OFFERED IN THE HOUSE

By Finance Committee

To: HCR NO. 28

PAGE 1, Line 23

Add a new line 23, "Pioneers Home addition, Department of Administration, Fairbanks, Alaska".

BILL HISTORY IN THE HOUSE

HCR 28 am

<u>DATE</u>	<u>ACTION</u>
2/10/72	Read first time and referred to Committee on State Affairs and Finance.
2/16/72	Reported back with recommendation that State Affairs do pass to Finance.
5/31/72	Finance do pass with amendment.
6/7/72	Read second time and amended and considered on final passage.  Notice of reconsideration.  reconsideration taken up at once.  passed: Yeas, 34; Nays, 3; Excused, 3.  Reported correctly engrossed  Signed by Speaker
6/8/72	Sent to Senate.

BILL HISTORY IN THE SENATE

HCR 28 am

<u>DATE</u>	<u>ACTION</u>
6/8/72	Read first time and referred to Committee on Finance.

Introduced: 2/10/72  
Referred: State Affairs  
and Finance

BY BARBER, BOWMAN, CHANCE,  
COLLETTA, FARRELL, FISCHER,  
GUESS, HARRIS, HILLSTRAND,  
MCVEIGH, MORAN, ROSE AND  
WRIGHT

1 IN THE HOUSE

2

HOUSE CONCURRENT RESOLUTION NO. 28

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

Relating to the leases from the

6

Alaska State Housing Authority.

7

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8

WHEREAS the legislature by ch. 99 SLA 1965 provided for the construction  
9 and acquisition by the Alaska State Housing Authority of public buildings  
10 for lease to the state; and

11

WHEREAS the leasing program has been entered into under the Act; and

12

WHEREAS AS 37.05.280 requires that any additional lease executed after  
13 January 1, 1966 which provides for payment in excess of \$12,000 annually be  
14 approved by the legislature; and

15

WHEREAS it is in the best interest of the state to enter into an addi-  
16 tional lease set out in this resolution;

17

BE IT RESOLVED that use of the space to be provided by lease of the  
18 following premises by the State of Alaska from the Alaska State Housing  
19 Authority and the lease of the premises from the Alaska State Housing  
20 Authority providing for payments in excess of \$12,000 annually is approved:

21

LEASED FACILITY

22

Pioneers Home, Department of Administration, Anchorage, Alaska.

23

The total cost shall not exceed \$7,000,000.

24

Pioneers Home addition, Department of Administration, Fairbanks,  
25 Alaska. The total cost shall not exceed \$2,000,000.

26

Pioneers Home addition, Department of Administration, Palmer,  
27 Alaska. The total cost shall not exceed \$1,000,000.

28

29

Introduced: 2/10/72  
Referred: State Affairs  
and Finance

BY BARBER, BOWMAN, CHANCE,  
COLLETTA, FARRELL, FISCHER,  
GUESS, HARRIS, HILLSTRAND,  
MCVEIGH, MORAN, ROSE AND  
WRIGHT

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 28

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 Relating to the leases from the  
6 Alaska State Housing Authority.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the legislature by ch. 99 SLA 1965 provided for the construction  
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13 January 1, 1966 which provides for payment in excess of \$12,000 annually be  
14 approved by the legislature; and

15 WHEREAS it is in the best interest of the state to enter into an addi-  
16 tional lease set out in this resolution;

17 BE IT RESOLVED that use of the space to be provided by lease of the  
18 following premises by the State of Alaska from the Alaska State Housing  
19 Authority and the lease of the premises from the Alaska State Housing  
20 Authority providing for payments in excess of \$12,000 annually is approved:

21 LEASED FACILITY

22 Pioneers Home, Department of Administration, Anchorage, Alaska.  
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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

### Committee Report

HOUSE OF REPRESENTATIVES

1/15/71

1-21-71 Date

Mr. Speaker:

The Committee on REVENUE has had SB 30 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

Gene Mc... \_\_\_\_\_  
Don... \_\_\_\_\_  
Bob... \_\_\_\_\_  
... \_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

E. J. ... recommends: \_\_\_\_\_  
 \_\_\_\_\_ recommends: \_\_\_\_\_  
 \_\_\_\_\_ recommends: \_\_\_\_\_  
 \_\_\_\_\_ recommends: \_\_\_\_\_  
 \_\_\_\_\_ recommends: \_\_\_\_\_

George Mc...  
 CHAIRMAN

The Legislature of the State of Alaska  
FISCAL NOTE

*Wright*

- COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST  
THE HOUSE FINANCE COMMITTEE STAFF  
THE SENATE FINANCE COMMITTEE STAFF  
THE DIVISION OF BUDGET & MANAGEMENT  
RETAIN A COPY FOR YOUR FILES

Subject SALON ASSISTANTSHB No. 30 SB  
 requested by George H. Hohman, Jr. House Finance Committee, Rm. 421  
 referred to \_\_\_\_\_ date of request 1/20/71  
 completion date requested \_\_\_\_\_ date received 1/20/71

EXPENDITURE DETAIL	FY-71	FY-72	FY-73
100 PERSONAL SERVICES 1/4	\$ 1,895.00	\$ 1,895.00	\$ 1,895.00
200 TRAVEL -0-	-0-	-0-	-0-
300 CONTRACTUAL SERVICES	150.00	150.00	150.00
400 COMMODITIES	50.00	50.00	50.00
500 EQUIPMENT 1/4	186.00	-0-	-0-
600 LAND AND STRUCTURES	-0-	-0-	-0-
700 GRANTS, CLAIMS & SHARED REVENUE	-0-	-0-	-0-

TOTAL \$ 2,281.00 \$ 2,095.00 \$ 2,095.00

FUNDING DETAIL

FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	2,281.00	2,095.00	2,095.00

Man Months 3 (Clerk Typist III-part time)  
 Permanent Positions -1  
 Temporary Positions

FISCAL ANALYSIS

100 - Salary - Clerk Typist III, Range 8	\$7,452.00		
Employee benefits @ 17%	127.00		
	<u>\$7,579.00</u>	x 1/4 =	\$1,895.00
300 - Contractual services			
National exams - (50 X \$3.00)			150.00
400 - Commodities - Misc. supplies			50.00
500 - Equipment - Typewriter	\$ 500.00		
Desk	200.00		
Chair	45.00		
	<u>\$ 745.00</u>	x 1/4 =	186.00
			<u>\$2,281.00</u>
Estimated income from new licenses			\$1,500.00

DATE January 20, 1971

SIGNATURE

*Thomas O. Givan*

NAME & TITLE Thomas O. Givan, Director  
Division of Occupational Licensing  
Department of Commerce

1 IN THE HOUSE

BY FISCHER

2 HOUSE BILL NO. 30

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the licensing of salon assistants."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 08.28.110 is amended to read:

9 Sec. 08.28.110. QUALIFICATIONS OF APPLICANTS. An applicant for  
10 a license as an operator, manager-operator, demonstrator or consultant,  
11 owner-operator, [OR] instructor-operator, or salon assistant shall

12 (1) be at least 17 years of age;

13 (2) be of good moral character;

14 (3) have completed two years of high school or its  
15 equivalent;

16 (4) have training of at least 2,000 hours, extending over  
17 a school term of not less than 50 weeks in a school of hairdressing or  
18 beauty culture approved by the board, or service as an apprentice under  
19 a licensed operator in a shop approved by the board, except that a salon  
20 assistant is only required to have 500 hours of training in an approved  
21 school of hairdressing or beauty culture or in service as an apprentice  
22 under a licensed operator in a shop approved by the board.

23 \* Sec. 2. AS 08.28.170 is amended by adding a new paragraph to read:

24 (13) salon assistant:

25 registration and initial license fee ..... 15

26 biennial renewal ..... 10

27 \* Sec. 3. AS 08.28.320 is amended by adding a new paragraph to read:

28 (14) "salon assistant" is a person who engages in the  
29 practice of beauty culture by performing shampoos, manicures, and facials



# RECORDS CERTIFICATION



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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

### Committee Report

HOUSE OF REPRESENTATIVES

2/17/72

6/19/72

Date

Mr. Speaker:

The Committee on FINANCE has had              

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for        and that  
CS for        do pass

(and) recommends it be referred to the         
committee

reports it back without recommendation

(other)       

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

        
CHAIRMAN

The Legislature of the State of Alaska  
 FISCAL NOTE  
 Second Session - Seventh State Legislature

REVISED

I. REQUEST

Bill Identification: CSHB-32  
 Title: Pay increments for State employees  
 Requested by: Legislative Finance Date: 1/26/72  
 Return Date Requested: 2/4/72  
 Agency: Budget and Management Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	-0-	423.2	486.7	982.9	1,130.3	1,298.8
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	423.2	486.7	982.9	1,130.3	1,298.8

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	338.5	389.3	786.3	904.2	1,039.0
FEDERAL FUNDS	-0-	84.7	97.4	196.6	226.1	259.8
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions:

1. Effective date July 1, 1972 (FY '73).
2. Salaries will remain constant.
3. 15% annual increase in eligible employees.

Analysis prepared January 22, 1971 projected yearly increases; this analysis projects total cumulative costs.

IV. ATTACHMENTS

V. DATE: 2/4/72 PREPARED BY: M. R. Charney

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

NEW-SP-173A

State of Alaska

TO: Richard W. French, Deputy Commissioner  
Department of Administration

DATE: January 22, 1971

FROM: H. R. Charney, Director  
Division of Budget & Management  
Department of Administration

SUBJECT: House Bill 32,  
Pay Increments for Longevity  
in State Service

ESTIMATED COSTS

The cost implications of HB 32 (Section 30.27.036, PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE) are as follows:

TOTAL ESTIMATED COSTS

<u>Fiscal Year</u>	<u>Current Salary Schedule</u>	<u>Proposed Salary Schedule (Annual Salary Survey)</u>
FY 1971-72	\$395,500	\$423,200
FY 1972-73	454,800	466,700
FY 1973-74	523,000	559,700
FY 1974-75	601,500	642,700
FY 1975-76	691,700	740,200

GENERAL FUND REQUIREMENTS @ 20%

FY 1971-72	\$316,400	\$338,600
FY 1972-73	363,000	389,400
FY 1973-74	413,400	447,800
FY 1974-75	487,200	515,000
FY 1975-76	553,400	592,200

ANALYTICAL PROCEDURES

1. The total number of state employees at Step "F" in December 1970 was determined based upon information received from the Division of Personnel.
2. The total number of "F" step employees in each salary schedule was determined. This was accomplished by prorating the number of "F" positions to each salary schedule based upon the actual FY 1970 distribution of total positions in each salary schedule. This procedure was necessary since the actual data is not presently available.
3. The total current cost for "F" step employees was computed.
4. The annual rate of increase in the number of employees at "F" step was determined. The information source drawn upon has only been available since July 1970, so a conservative estimate of 12% annual increase was used rather than the 19.2% increase indicated by the past six months.
5. The FY 1971-72 projected total cost for "F" step employees was computed (Current cost plus 12% annual increase).

6. The total estimated cost of the 3.75% longevity increment was computed based upon the present salary schedule. It was estimated by the Division of Personnel that 50% of "F" step employees would qualify for the increment in FY 1971-72.
7. The total estimated cost of the increment was also computed based upon the salary schedule proposed by the Annual Salary Survey.
8. General Fund requirements were computed at 60% of the total estimated cost.

It should be noted that this analysis is limited to cost implications only. There are personnel and salary schedule implications that should be considered. Among these are:

1. What are the implications in regards to the integrated salary schedule concept?
2. What are the implications for employees who began service in an advanced step?
3. What are the implications in relation to promotional policy, procedure, and cost?

For these and other reasons, it is suggested that an analysis of the personnel and salary schedule implications be conducted by the Division of Personnel.

FISCAL ANALYSIS OF HB No. 32 - "PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE"

PRINT COSTS

PRINT COSTS AT STEP "F"

STEP	I	A	J	II	C	L	I	A	J	II	C	L	TOTAL	
12							91830	20556			7740	16050	7323	170399
13							152200	30330	8325		8325	44850		235730
14							241320	25120			26870	46500	48290	375210
15							314410	9300			7640		41560	459700
16							434160				50730	32304		487194
17							512200	10500			55900	11610	24046	607756
18							615720	30345			36144	75024	35716	700749
19							892100	3750	12970		155064		13700	1062734
20							1165290	17300			321204	7040	150300	1528914
21							169560	5040	50000		60144	93600	64000	289904
22							152200	13700			17800	50400	61600	150700
23							615140	50400			34540	54216	18744	707400
24							121230	5000	13744		137440		14120	150000
25							252300	19450			20144			271920
26							1281900	20940				22500	23270	1304600
27							419500				73300			492800
28							430400				50160			480560
29							150100							150100
30							518200				58244			576444
31							175000				31900			206900
32							452400							452400
33							51400							51400
34							20700							20700
1/32				4	5	43	1521560	58690	70716	1321416	49470	137100		3507726

APPENDIX - A.2

1.2  
 .15  
 ---  
 1.35  
 .60  
 ---  
 1.95  
 .180  
 ---  
 2.13  
 .113  
 ---  
 2.243

STEP 4: Annual rate of increase for "F" step employees.

<u>DATA</u>	<u>"F" STEP TOTAL</u>
July 1970	1,091
December 1970	1,135
Six month increase	90 = 8.0%

Projected twelve month increase - 19.2%

Conservative estimate - 15%

(Reason: Relatively short period of time upon which calculations were based)

STEP 5: Projected costs "F" step FY 1971-72

		<u>Present Salary Schedule</u>	<u>Proposed Salary Schedule</u>
Present cost at Step "F"	\$16,377,072		
12% benefits	1,965,220		
Total present cost	<u>\$18,342,292</u>		
Projected 15% increase in "F" step employees FY 1971-72	<u>\$ 2,751,220</u>		
TOTAL COST "F" STEP FY 1971-72		<u>\$21,093,512</u>	<u>\$23,843,712</u>

STEPS 6 & 7: Total Estimated costs of 3.75% longevity increment

	<u>Present Salary Schedule</u>	<u>Proposed Salary Schedule</u>
Cost of 3.75% increment for <u>all</u> "F" step employees 1971-72	\$ 791,000	\$ 846,400
Less estimated 50% ineligible 1971-72	<u>(395,500)</u>	<u>(423,200)</u>
TOTAL ESTIMATED COST 3.75% increment 1971-72	<u>\$ 395,500</u>	<u>\$ 423,200</u>

PROJECTED INCREASED COSTS FOR FUTURE YEARS  
 (@ 15% annual increase in number of employees  
 eligible for 3.75% increment)

FY 1972-73	\$454,800	\$486,700
FY 1973-74	\$523,000	\$558,700
FY 1974-75	\$601,500	\$643,700
FY 1975-76	\$691,700	\$740,200

50% of the total amount of the public  
that are fully funded.

		Training	Account
		%	
Police	Police	35%	1,110,000
Security Forces	Police	45%	12,440,000
Border Patrol	Police	15%	2,000,000
Customs	Police	50%	1,500,000
Fire Service	Police	55%	400,000
Military Affairs	Police	60%	600,000

TOTAL SECURITY FOR CLASH STATE: 16.8% of 20,300,000

MEMORANDUM

State of Alaska

DEPARTMENT OF ADMINISTRATION

TO: Myrton R. Charney, Director  
Division of Budget and Management  
Department of Administration

DATE : January 20, 1971

FROM: Richard W. Freer  
Deputy Commissioner  
Department of Administration

SUBJECT: House Bill 32

I have had a request from the House State Affairs Committee for a rather comprehensive analysis on House Bill 32, an act relating to pay increments for State employees. As a part of this we need to get some handle on the cost implications of this bill. Will you please have someone look into this and/or contact the Division of Personnel and see if they may have developed any figures on this and come up with something before the end of the week.

1 IN THE HOUSE

BY H. KENNEDY

2 HOUSE BILL NO. 22

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pay increments for state employees;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 39.27 is amended by adding a new section to read:

10 Sec. 39.27.030. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE.

11 (a) Pay increments for each two-year period during which a state  
12 employee remains in the final step within a given range number shall  
13 be provided at the rate of 3.75 per cent of the employee's base salary.

14 (b) Longevity pay increments provided for in (a) of this section  
15 are approved under AS 39.25.150(2) as an amendment to the pay plan for  
16 employees of the state.

17 \* Sec. 2. This Act takes effect July 1, 1971.

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB-32  
 Title: State Employee Pay Increments  
 Requested by: Legislative Finance Date: 1/11/72  
 Return Date Requested: 1/21/72  
 Agency: Budget and Management Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	423.2	486.7	559.7	643.7	740.2	851.2
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>423.2</b>	<b>486.7</b>	<b>559.7</b>	<b>643.7</b>	<b>740.2</b>	<b>851.2</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	338.6	389.4	447.8	515.0	592.2	651.0
FEDERAL FUNDS	84.6	97.3	111.9	128.7	148.0	200.2
OTHER						

C. POSITIONS: -0-

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

Memorandum - R. W. Freer from M. R. Charney - January 22, 1971

V. DATE: January 25, 1972 PREPARED BY: M. R. Charney

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

1 IN THE HOUSE

BY M. MILLER

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pay increments for state employees;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 39.27 is amended by adding a new section to read:

10 Sec. 39.27.030. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE.

11 (a) Pay increments for each two-year period during which a state  
12 employee remains in the final step within a given range number shall  
13 be provided at the rate of 3.75 per cent of the employee's base salary.

14 (b) Longevity pay increments provided for in (a) of this section  
15 are approved under AS 39.25.150(2) as an amendment to the pay plan for  
16 employees of the state.

17 \* Sec. 2. This Act takes effect July 1, 1971.

MEMORANDUM

State of Alaska

TO: Richard D. Freer, Deputy Commissioner  
Department of Administration

DATE: January 22, 1971

FROM: W. R. Chaney, Director  
Division of Budget & Investment  
Department of Administration

SUBJECT: House Bill 32,  
Pay Increments for Longevity  
in State Service

ESTIMATED COSTS

The cost implications of HB 32 (Section 31.21.030. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE) are as follows:

<u>Fiscal Year</u>	<u>TOTAL ESTIMATED COSTS</u>	
	<u>Current Salary Schedule</u>	<u>CURRENT Schedule 1<sup>1-74</sup> Proposed Salary Schedule (Annual Salary Survey)</u>
FY 1971-72.	\$395,500	\$423,200
FY 1972-73	454,000	466,700
FY 1973-74	523,000	559,700
FY 1974-75	601,500	643,700
FY 1975-76 76-77	691,700	740,200
		\$5,200
	<u>GENERAL FUND REQUIREMENTS @ 20%</u>	
FY 1971-72	\$318,400	\$338,600
FY 1972-73	353,800	389,400
FY 1973-74	418,400	447,800
FY 1974-75	481,200	515,000
FY 1975-76	553,400	592,200
		\$51,000

ANALYTICAL PROCEDURES

1. The total number of state employees at Step "F" in December 1970 was determined based upon information received from the Division of Personnel.
2. The total number of "F" step employees in each salary schedule was determined. This was accomplished by prorating the number of "F" positions to each salary schedule based upon the actual FY 1970 distribution of total positions in each salary schedule. This procedure was necessary since the actual data is not presently available.
3. The total current cost for "F" step employees was computed.
4. The annual rate of increase in the number of employees at "F" step was determined. The information source drawn upon has only been available since July 1970; so a conservative estimate of 15% annual increase was used rather than the 19.2% increase indicated by the past six months.
5. The FY 1971-72 projected total cost for "F" step employees was computed (Current cost plus 15% annual increase).

6. The total estimated cost of the 3.75% longevity increment was computed based upon the present salary schedule. It was estimated by the Division of Personnel that 50% of "E" step employees would qualify for the increment in FY 1971-72.
7. The total estimated cost of the increment was also computed based upon the salary schedule proposed by the Annual Salary Survey.
8. General Fund requirements were computed at 80% of the total estimated cost.

It should be noted that this analysis is limited to cost implications only. There are personnel and salary schedule implications that should be considered. Among these are:

1. What are the implications in regards to the integrated salary schedule concept?
2. What are the implications for employees who began service in an advanced step?
3. What are the implications in relation to promotional policy, procedure, and cost?

For these and other reasons, it is suggested that an analysis of the personnel and salary schedule implications be conducted by the Division of Personnel.

FINANCIAL ANALYSIS OF HB No. 32 - PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE

ESTIMATED COSTS

Step ③ PRESENT COSTS AT STEP "F"

APPENDIX - A.1

AGE	STEP	STEP "F"						I	A	J	II	C	L	TOTAL
		A	J	II	C	L								
0														
17	10	3		1		1	71880	22356		7740	16056	7328	126360	
42	13	2	1	1		5	250420	15056	8328	8328		44820	332152	
47	15	3		3		5	511320	25120		26372	46800	48240	628752	
53	17					4	374416	9360		7648		71568	459128	
58	18			2		3	434160			28784	32324		497308	
64	20	1		5		5	512600	10928		55280	11616	24096	622280	
70	21	3		3		3	615720	34748		32144	75024	38916	730712	
76	22	2	1	12		1	852120	27512	12972	156664		13168	102276	
115	23	5		21		10	1425276	67320		321264	72480	150360	2336760	
111	25	5	3	4		4	623560	72480	30072	60144	92600	64752	799408	
110	25	7		11		4	1273660	109200		178068	52400	69696	1625424	
97	23	2		2		3	615144	50400		34248	54216	18744	772352	
110	20	5	1	12		7	1515888	40320	13744	137440		141288	1752720	
82	20	1		1		1	562820	19452		20184			601956	
65	22	1				1	1251408	20740			22528	23376	1318260	
64	23			1			199560			72376			522936	
17	18			1			420768			25124			445932	
6	6						150924						150924	
51	17			2			514224			58244			572468	
7	6			1			175032			31404			206436	
15	15						453960						453960	
1	1						31404						31404	
3	3						87740						87740	
TOTAL	1132	715	43	54	25	46	13275664	586932	70116	1,261,416	477792	1,221,528	16,377,072	

APPENDIX - A.2

STEP 4: Annual rate of increase for "F" step employees.

<u>DATE</u>	<u>"F" STEP TOTAL</u>
July 1970	1,031
December 1970	1,133
Six Month Increase	<u>92</u> - 9.6%

Projected twelve month increase - 19.2%

Conservative estimate - 15%

(Reason: Relatively short period of time upon which calculations were based)

<u>STEP 5:</u>	Projected costs "F" step FY 1971-72	<u>Present Salary Schedule</u>	<u>Proposed Salary Schedule</u>
Present cost at Step "F"	\$16,377,072		
12% benefits	1,965,228		
Total present cost	<u>\$18,342,300</u>		
Projected 15% increase in "F" step employees FY 1971-72	<u>\$ 2,751,300</u>		
TOTAL COST "F" STEP FY 1971-72		<u>\$21,093,600</u>	<u>\$22,570,200</u>

STEPS 6 & 7: Total Estimated costs of 3.75% longevity increment

	<u>Present Salary Schedule</u>	<u>Proposed Salary Schedule</u>
Cost of 3.75% increment for <u>all</u> "F" step employees 1971-72	\$ 791,000	\$ 846,400
Less estimated 50% ineligible 1971-72	<u>(395,500)</u>	<u>(423,200)</u>
TOTAL ESTIMATED COST 3.75% increment 1971-72	\$ 395,500	\$ 423,200
PROJECTED INCREASED COSTS FOR FUTURE YEARS (@ 15% annual increase in number of employees eligible for 3.75% increment)		
FY 1972-73	\$454,800	\$486,700
FY 1973-74	523,000	559,700
FY 1974-75	661,500	643,700
FY 1975-76	691,700	740,200

STEP 3: Present of General Fund classified positions that are federally funded.

DEPT.	CONTACT	PERCENTAGE	AMOUNT
✓ Education	Nat Cole	35%	1,710,000
✓ State Operated Schools	Nat Cole	45%	10,470,000
✓ Health & Welfare	Roger Lange	15%	2,840,000
✓ Labor	Al Gordon	80%	\$ 4,500,000
✓ Fish & Game	Vern Roberts	5%	430,000
✓ Military Affairs	Lisa Richardson	60%	640,000

TOTAL GENERAL FUND PERSONAL SERVICES 16.8% \$ 20,590,000

1 IN THE HOUSE

BY M. MILLER

2 HOUSE BILL NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pay increments for state employees;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 39.27 is amended by adding a new section to read:

10 Sec. 39.27.030. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE.

11 (a) Pay increments for each two-year period during which a state  
12 employee remains in the final step within a given range number shall  
13 be provided at the rate of 3.75 per cent of the employee's base salary.

14 (b) Longevity pay increments provided for in (a) of this section  
15 are approved under AS 39.25.150(2) as an amendment to the pay plan for  
16 employees of the state.

17 \* Sec. 2. This Act takes effect July 1, 1971.

Original sponsor: M. Miller,  
Kerttula, Fischer et al

Offered: 2/17/71  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 32

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to pay increments for state employees;  
7 and providing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

\* Section 1. AS 39.27 is amended by adding a new section to read:

10

Sec. 39.27.030. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE.

11

(a) Pay increments, computed at the rate of 3.75 per cent of the  
12 employee's base salary, shall be provided for an employee after he  
13 has remained in the final step within a given range for two years,  
14 provided that the employee has worked continuously for the state for  
15 seven years and provided that his current annual rating by his super-  
16 visors is designated as "good" or higher.

17

(b) Additional increments, each computed at the rate of 3.75  
18 per cent of the employee's base salary, shall be provided under the  
19 same restrictions as provided in (a) of this section when the employee  
20 has remained in the final range for four, nine and 13 years.

21

(c) Longevity pay increments provided for in (a) and (b) of this  
22 section are approved under AS 39.25.150(2) as an amendment to the pay  
23 plan for employees of the state.

24

\* Sec. 2. This Act takes effect July 1, 1971.

25

26

27

28

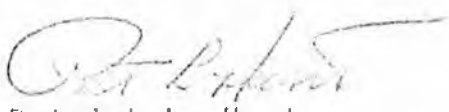
29

## MEMORANDUM

State of Alaska  
DEPARTMENT OF ADMINISTRATION

TO:  Honorable George Hohman  
Chairman  
House Finance Committee

DATE : January 31, 1972

FROM:   
Patrick L. Hunt  
Director  
Division of Personnel

SUBJECT: Longevity Pay Increase

The attached is submitted in compliance with your request of January 27.

Included are:

1. The Rater's Guide
2. A work copy of the Performance Evaluation Report.
3. A copy of a report from Mr. Stewart of my staff showing the percentage of those eligible for merit increases who did not receive them during the last fiscal year. This would be essentially a reflection of those eligibles who received a rating of good or better on their evaluation. If further information is required on this subject we will need to consult all Departments. Please advise if you wish me to do so.

With regard to controlling a longevity plan our approach would be directly linked to the statute and the concepts which it would set forth. Assuming it will be counted we would need to know a great deal about prior service, (i.e.) 1. What about broken State service, 2. Multiple breaks in State service, 3. Combined Territorial Civil State service, 4. Territorial service broken before entering State service, 5. Service with the Federal Government in Alaska prior to Statehood, 6. Service in local jurisdictions within Alaska, etc.

We would wonder if the intent would be to confer longevity steps after a certain period of service at the F step. We would assume at this point that there would be no performance quality criteria to meet.

The Commissioner of Administration has indicated that he wished to reduce the incidence of merit increases to employees who may, in fact, be only marginal in their performance. As can be seen from the attached report the pay schedule itself has become very nearly a seniority plan.

We would be pleased to furnish any additional information which you may require. We would be particularly anxious to appear before the committee should you decide to consider this matter further.



114 South Franklin

Juneau, Alaska 99801

Phone 586-2334

February 1, 1972

Honorable George Hohman  
Chairman, House Finance Committee  
State Capitol Building  
Juneau, Alaska 99801

Dear Representative Hohman:

As requested by you and the other members of your committee, I am submitting for your review information obtained from a recent survey taken by this office.

Two cards (attached) and a letter of explanation were sent out to all members of the Alaska Public Employees Association during the month of January to ascertain the employees opinion on certain questions.

I will report the second card first as its results are of particular interest at this time. This card listed thirteen possible benefit improvements or additions and a fourteenth space marked "other" which allowed the member to chose some other item than just those listed on the card. The employee member was asked to rank the items according to their priority as they affected him. The results are as follows: (The items are listed as they were placed on the card - not according to results.)

LEWIS  
 & CLARK  
 EMPLOYEES  
 ASSOCIATION

114 South Franklin

Honolulu, Alaska 99501

Phone 554-2334

	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Retirement Plan	12	17	22	31	18	14	5	6	1	2	2	1	
2. Low-Cost Day Care	36	23	27	32	34	13	7	10	3	3	4	4	2
3. Health Insurance Plan	21	35	25	16	38	33	14	14	3	4	10		9
4. Health Care Services	11	28	22	23	8	27	24	29	27	16	3	1	3
5. Health Care Services for Retired Employees	2	18	8	10	2	27	48	22	11	22	16	6	4
6. Dental Insurance	4	13	12	23	2	34	23	13	8	4	3	2	1
7. Life Insurance Programs	7	6	8	21	22	10	11	21	14	25	30	13	11
8. Travel Expenses	2	1	17	16	15	22	17	29	32	24	17	20	14
9. Vacation Insurance	9	3	6	5	13	7	13	10	19	16	27	32	24
10. Free or Low-Cost Child Care	12	9	12	24	24	30	23	5	3	11	12	10	20
11. Additional Paid Time Off	11	10	23	28	21	21	12	15	19	10	11	18	21
12. Vacation Policies	12	4	11	27	32	18	21	25	20	15	23	22	23
13. Sick Leave Policies	13	55	35	20	30	51	27	17	21	16	9	17	12

It should be noted that a substantial number of those responding did not adequately complete the listing of thirteen priorities, many stopping after four or five. This accounts for the imbalance in the counts.

The committee should understand this survey was conducted to obtain a ranking of the members' needs, so such it would appear to have accomplished its aim.

In addition to the 307 responses tallied above, the chart, 145 members completed the card by checking those items important to them and did not rank their choices by priority. These figures again emphasized the same items.



The other portion of the survey dealt with work week preference and scheduling. This questionnaire, also aimed at understanding the needs and desires of the membership, ask two basic questions. First: Should the hours worked each week be changed and second, do you like the four day work week concept?

The results were as follows:

1. Would you prefer to work a 40-hour week (8 hour day) with extra pay for the 2 1/2 additional hours each week at your regular hourly rate? \_\_\_\_\_ YES 306 NO 372

to continue working a 37 1/2 hour week? \_\_\_\_\_ YES 465 NO 150

2. Would you like to work a 4-day week? YES 544 NO 261

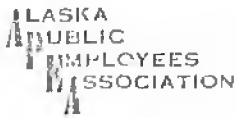
If so, would you prefer to work: 10 hours a day for four days (40-hour week) with additional pay? YES 365 NO 178

9 hours a day for 4 days (36-hour week) with less pay? YES 149  
NO 285

Other: A substantial number indicated a four day work week should be worked around the present 37 1/2 hour work week while others ask for a 36 hour work week at the present pay.

Returns from the various areas of the State on this card added up as follows:

Anchorage	236	Cordova	10
Fairbanks	97	Girdwood	3
Juneau	145	Tok	4
Valdez	48	Cold Bay	2
Douglas	34	Kenai	4
Ketchikan	26	Homer	7
Sitka	20	Wasilla	6
Kodiak	23	Wrangell	3
Seward	15	Hope	2
Soldotna	11	Miscellaneous	12
Palmer	17	Not posted	188
Glennallen	14	Total	959
Petersburg	9		
Delta Junction	9		
North Pole	4		
Haines	5		
Eagle River	5		



*114 South Franklin*

*Juneau, Alaska 99801*

*Phone 586-2334*

The completed survey reflects 1,906 cards received on or prior to January 31, 1972.

Respectfully yours,

Jon A. Carter  
Executive Secretary

enclosures

Which of the following benefits would you like to see improved or enacted  
(Number in order of priority):

(1) Retirement plan .....; (2) Longevity pay .....; (3) Unemployment In-  
surance .....; (4) Health Insurance .....; (5) Health Insurance for retired  
employees .....; (6) Dental Insurance .....; (7) Life Insurance while travel-  
ing .....; (8) Travel Expenses .....; (9) Moving Expenses .....; (10) Free  
parking facilities .....; (11) Additional paid holidays .....; 12 Vacation  
policies .....; (13) Sick leave policies .....; (14) Other .....

Explanation:

Please answer "YES" or "NO" to both I and II.

- I Would you prefer: to work a 40-hour week (8 hour day) with extra pay for the 2½ additional hours each week at your regular hourly rate?.....;
- to continue working a 37½-hour week?.....
- II Would you like to work a 4-day week?.....
- If so, would you prefer to work: 10 hours a day for four days (40-hour week) with additional pay?.....;
- 9 hours a day for 4 days (36-hour week) with less pay?.....;
- some other arrangement (please explain)? .....
- .....

Dear Member:

As another session of the Alaska State Legislature nears, APEA is preparing itself for its lobbying effort. Part of that preparation this year includes careful evaluation of priorities due to the inclusive scope of Phase II of the wage and price freeze.

Under Phase II all salary and fringe benefit increases can total only 5.5% unless special exemption is granted.

With this in mind we would like to ask your assistance. Enclosed is a self-addressed response card which lists many areas of interest to the average public employee. Please indicate those items which you feel are most important by numbering them in order of priority. It isn't necessary that all items be numbered, just those you are most interested in.

A second response card has also been enclosed which asks about work week variations. As you can see by the questions on the card, several approaches are possible.

It was felt by some that additional hours with additional compensation would be acceptable in a year when little increase is possible because of the wage freeze. Those supporting this idea also felt it would give us a needed advantage with the Legislature when asking for future salary increases because we would then be working the same shift as the Federal employees and most other public employees. Others see this possibility as a step backwards and feel we should oppose it at all costs. The important question, though, is how does the majority feel?

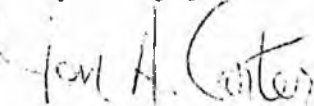
Incidentally, a couple of other considerations about the 37 1/2 vs. 40 hour work week which should be considered are the facts that: (1) Many employees would lose money because they are presently getting paid overtime for the extra 2 1/2 hours a week. (They now work 40 hours on a regular basis.) (2) Many employees already spend an extra half hour or more a day at the office without compensation.

Please be sure to complete also, that portion of the card which deals with the four day work week. It is a growing trend across the nation and may soon receive consideration here in Alaska.

Again, I ask that each of you assist us by filling out both cards and mailing them in so we can obtain a valid indication of what you the member feel APEA should be pursuing.

Thank you.

Very truly yours,



Jon A. Carter  
Executive Secretary

## MEMORANDUM

State of Alaska  
DEPARTMENT OF ADMINISTRATION

TO: 

Patrick L. Hunt  
Director  
Division of Personnel

DATE : December 23, 1971

FROM:

Robert L. Stewart  
Chief  
Employee Relations

SUBJECT: Withholding Merit Increases  
FY 71

As per your request I contacted each Department to determine "of those employees eligible for a Merit Increase in Fiscal Year 1971, what percentage were withheld?" The response from the Departments is as follows:

Administration	.62%
Commerce	0.00%
Economic Development	0.00%
Education	1.54%
Fish & Game	1.00%
Governor's Office	0.00%
Health & Social Services	0.63%
Highways	0.75%
Labor	1.75%
Law	1.00%
Military Affairs	3.03%
Natural Resources	1.00%
Public Safety	2.00%
Public Works	4.00%
Revenue	0.00%
State Operated Schools	0.00%
Environmental Conservation	0.00%

Of the seventeen departments reporting the percentage of Merit Increases withheld ranged from 0% reported by 6 departments to 4% reported by one department. The mean percentage reported was 1.03%, the mode was 0% and the median was .75%. These figures were derived from those employees who were eligible for Merit Increases which would eliminate those employees at step F and those employees hired or terminated in such a manner as to preclude them having a Merit Increase in the base period.

STATE OF ALASKA  
PERFORMANCE EVALUATION REPORT

NAME	SOCIAL SECURITY NO.	DEPARTMENT	DIVISION

PCN	JOB CLASSIFICATION TITLE	REPORT COVERAGE	
		FROM	TO

REASON FOR REPORT

ANNUAL     
  RESIGNATION     
  COMPLETION OF PROBATION  
 OTHER (SPECIFY) \_\_\_\_\_

POSITION DESCRIPTION REVIEWED BY RATER  
 YES      NO      If no, explain: \_\_\_\_\_

SPECIFIC RATING AREAS

PERFORMANCE      \*U      A      O  
           

(As shown by: quantity, quality, accuracy, and completeness of work; knowledge of job fundamentals; judgment shown on the job; willingness and ability to carry out new assignments; independence of performance; attitude towards job.)

WORK HABITS                 

(As shown by: attendance, punctuality, appearance and grooming, safety.)

INTERPERSONAL RELATIONSHIPS                 

(As shown by: consideration of public and co-workers, acceptance of supervision.)

SUPERVISORY (for Supervisory Employees Only)                 

(As shown by: training and directing subordinates, evaluating subordinates; planning and organizing work, including delegation; problem solving and decision-making ability.)

\* U = Unacceptable,    A = Acceptable  
 O = Outstanding

NARRATIVE SECTION

Overall Effectiveness on the Job      U      Acceptable      O  
                       

(Overall Effectiveness **MUST** be explained. Other performance consideration, such as strong points and areas needing improvement, should be included.)

Rater's Recommended Action: \_\_\_\_\_  
 (See Instructions - over)

Rating was discussed with employee       Yes       No      If no, explain: \_\_\_\_\_

Signature of Rater \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Employee:       Concur with Rating       Disagree (Employee comments on back)  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

REVIEWED AND APPROVED BY:

Division  
 Signature: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Department  
 Signature: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

RATER'S GUIDE  
TO  
PERFORMANCE EVALUATION

Department of Administration  
Division of Personnel

1971 (REVISED)

T A B L E O F C O N T E N T S

- I. INTRODUCTION - PAGE I
- II. HOW TO PREPARE REPORTS OF PERFORMANCE - PAGE 3
- III. REPORT ON PROBATIONER - PAGE 6
- IV. THE NARRATIVE SECTION - PAGE 8
- V. RECORD KEEPING - PAGE 10
- VI. DISCUSSING THE PERFORMANCE EVALUATION WITH THE EMPLOYEE -  
PAGE 12
- VII. YOUR CONTINUING RESPONSIBILITY FOR PERFORMANCE EVALUATION -  
PAGE 15

## I. INTRODUCTION

### IF YOU'RE A SUPERVISOR

Your primary responsibility is to get the work done of your unit, division or department.

### LET'S LOOK AT HOW THIS CAN BE DONE. YOU HAVE TO:

Know what work needs to be done.

Know what training your personnel need and see that they get it so that they can do the work.

Observe the work of these people or establish a method of checking this work in order to be sure it is done and done right.

### NOW, IF YOU DO THIS, AND YOU

Keep records of your employee's performance when it varies significantly from the job's requirements, AND

Evaluate the performance of your employees by means of these records and your own knowledge of the job's requirements, AND

Communicate your evaluations so that the employees know what is required and how their performance measures up to requirements AND

Do this in such a way that the employees want to improve weak points and continue to develop their strengths. . . . .

### YOU ARE USING PERFORMANCE EVALUATION AS IT IS INTENDED

As a tool to improve performance and make the job of supervision easier.

### PERFORMANCE EVALUATION IS

Your judgment of how the employee's performance meets the requirements of his job.

In order to make it work for you - you must understand clearly that it is NOT something that is done once a year because the State requires it. It is a process of knowing at all times what is happening in your unit and knowing how well it is happening. It is a continuing process of observing, evaluating, record keeping, communicating, training and observing again. If any step is omitted you are NOT using performance evaluation as it is intended.

### YOU ARE RATING YOURSELF AS A SUPERVISOR WHEN YOU RATE THE EMPLOYEE.

IF PERFORMANCE EVALUATION IS USED THIS WAY IT WILL

Help you to assign work more realistically.

Help you to see your people more objectively and thus to recognize your unit's strengths and weaknesses more easily.

Help you to assess training needs in your unit and thus help your people improve themselves.

Help you know whether your training has been effective.

Help your people by letting them know where they stand, by encouraging the continuance of good work and discouraging any other.

SO FAR WE'VE BEEN TALKING JUST ABOUT PERFORMANCE EVALUATION. WE HAVEN'T BEEN TALKING ABOUT THE STATE PERFORMANCE EVALUATION REPORT OR ANY OTHER REPORT. WE'VE BEEN TALKING ABOUT PEOPLE: PEOPLE DOING WORK; SUPERVISOR AND EMPLOYEES TALKING ABOUT THE JOB AND THE PERFORMANCE ON THE JOB. THIS IS PERFORMANCE EVALUATION.

BUT - we have to report it too. We make the report in order to:

Provide a basis for a counseling interview with the employee.

Provide a resource document for appraisals for transfer or separation.

Give the employee a copy in writing (including TERMINATION REPORTS).

Summarize all of the day-to-day and week-to-week evaluations for the period.

THIS is why performance evaluation reports are required by the STATE.

THE FORM ITSELF IS A

Guide for systematic analysis and appraisal of work experience.

Sheet for recording the results of the appraisal and for notations about the employee's work and his discussions with you.

The form is divided into four specific rating areas.

Non-supervisory employees are rated on the first three areas.

Only Supervisory employees are rated on all four areas.

Within each area the employee is rated on several factors many of which are shown in parentheses.

Mark that box that best represents the employee's level of performance for that area.

## II. HOW TO PREPARE REPORTS OF PERFORMANCE

### WHO PREPARES THE REPORTS

The persons who participate in the preparation of the reports are called Reporting Officers. They are:

1. The RATER who is usually the employee's immediate supervisor.
2. The DIVISION REVIEWER who is the Division Head or his designated representative.
3. The DEPARTMENT REVIEWER who is the Department Head or his designated representative.

The responsibilities of the Reporting Officers are:

1. The RATER - to fill out the report accurately and objectively on the basis of observation and/or knowledge and to arrive at an over-all rating. The RATER'S signature indicates that the report represents his best judgment of the employee's performance for the rating period.
2. The DIVISION REVIEWER - to check the report for consistency, fairness, accuracy, and correctness of rating procedure. The REVIEWER may add to the report any specific information about performance he may have.

The REVIEWER'S signature indicates that he has reviewed the report, that it represents the facts to the best of his knowledge, and that correct rating procedures have been followed.

Anyone so designated may sign as the DIVISION REVIEWER'S authorized representative.

THE APPOINTING AUTHORITY HAS FINAL RESPONSIBILITY FOR THE REPORT. HIS SIGNATURE, OR THAT OF HIS AUTHORIZED REPRESENTATIVE, INDICATES CONCURRENCE IN AND APPROVAL OF THE REPORT.

3. The DEPARTMENT REVIEWER - to check the report for consistency and correctness of the rating procedure.

It is his responsibility to bring to the attention of the other Reporting Officers any apparent contradictions in the rating, and to discuss with them the relevancy of any comments contained in the rating.

Any disagreements between Reporting Officers should be resolved by conference, if possible. Whenever changes are agreed upon in this conference, a new report should be prepared, WITH SUCH CHANGES BEING MADE KNOWN TO THE EMPLOYEE.