

Leg. Finance - Finance Comte Files (1971-72) 8879  
SB 364 cont., 368, 372, 385, 388, 389, 390

1 production taxes are paid.

2 Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax  
3 levied under this chapter is in lieu of all ad valorem taxes on  
4 property subject to tax under this chapter now or hereafter imposed by  
5 the state, or by a city or a borough.

6 Sec. 43.56.040. ASSESSMENT AND COLLECTION. Property subject to  
7 the tax levied under this chapter shall be assessed and collected in  
8 the manner provided in AS 43.77.050 - 43.77.090, AS 43.77.110, and  
9 AS 43.77.130 - 43.77.140.

10 Sec. 43.56.050. DEPOSIT IN GENERAL FUND. The annual revenue from  
11 the tax levied under this chapter shall be deposited in the general  
12 fund.

13 Sec. 43.56.060. AUTHORIZATION OF APPROPRIATION. There is  
14 authorized to be appropriated each year an amount equal to the sum of  
15 the amounts deposited in the general fund under sec. 50 of this  
16 chapter. The amount appropriated under authority of this section shall  
17 be administered by the Department of Community and Regional Development.

18 Sec. 43.56.070. DISTRIBUTION. As soon as practicable following  
19 the annual appropriation provided for in sec. 60 of this chapter,  
20 the Department of Community and Regional Development shall distribute  
21 to the treasurer of each taxing unit, and shall segregate and hold  
22 for the benefit of each unorganized borough, an amount which bears the  
23 same ratio to the total amount of the annual appropriation as the  
24 distribution index of the governmental unit bears to the sum of the  
25 distribution indices of all governmental units.

26 Sec. 43.56.080. DISTRIBUTION FORMULA. The distribution index of  
27 each governmental unit is based on its cost of services, wealth and  
28 population and is determined annually in accordance with the following  
29 formula

1                   D =  $\frac{PCF_a}{F_p}$   
2

3       where D = distribution index

4                   P = total population of the governmental unit as a percentage  
5       of the statewide total population

6                   C = cost of service index

7                   F<sub>p</sub> = fiscal capacity

8                   F<sub>a</sub> = statewide fiscal capacity.

9       Sec. 43.56.090. DEFINITIONS. In this chapter

10                   (1) "taxing unit" means any organized borough or city  
11       levying ad valorem taxes whether located within or outside an organized  
12       borough;

13                   (2) "governmental unit" means an organized borough or a  
14       city levying ad valorem taxes whether located within or outside an  
15       organized borough, and an unorganized borough;

16                   (3) "fiscal capacity" means the ratio of total taxable  
17       assessed value to total population within a governmental unit;

18                   (4) "statewide fiscal capacity" means the ratio of total  
19       taxable assessed value to total population for the state as a whole;

20                   (5) "cost of service index" means the cost as determined  
21       by the state assessor in the Department of Community and Regional  
22       Development for each tax year in each particular governmental unit  
23       of education, sewer, water, police and fire protection, road  
24       construction and other governmental services expressed as a percentage  
25       of the average cost of those services in the state as a whole;

26                   (6) "taxable real and personal property" means property not  
27       exempt from taxation under the constitution and laws of the state or  
28       of the United States, but does not include any subsurface estate or  
29       property used in a consumer distribution system. The term includes

1 otherwise taxable property exempted from taxation under home rule  
2 ordinance or charter.

3 Sec. 43.56.100. REGULATIONS. The Department of Community and  
4 Regional Development and the Department of Revenue may adopt regula-  
5 tions as appropriate to carry out their respective duties under this  
6 chapter.

7 \* Sec. 2. This Act takes effect on the day after its passage and  
8 approval or on the day it becomes law without approval.



# 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

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

I. REQUEST

Bill Identification: SB 368  
 Title: \$15,314 settlement, Jack Lee, d/b/a/ Lee's of Alaska  
 Requested by: Senate Finance Committee Date: 3/8/72  
 Return Date Requested: 3/15/72  
 Agency: \_\_\_\_\_ 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

CSHB-522, Miscellaneous Claims Bill, has already passed the House and includes \$15,314 in settlement of the Jack Lee Claim.

IV. ATTACHMENTS

V. DATE: 3/14/72

PREPARED BY: \_\_\_\_\_

*M. R. Charney*  
M. R. Charney

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

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE JUNEAU 99801

AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

### M E M O R A N D U M

TO: Myrt Charney  
Director  
Budget & Management

DATE: March 8, 1972

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 368,  
AND RETURN IT TO OUR OFFICE BY 3/15/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF \_\_\_\_\_),  
PLEASE OBSERVE THE FOLLOWING:

Furnish information that explains and justifies the request  
for funds.

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

JUNEAU 99801

### MEMORANDUM

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CC: BUDGET & MANAGEMENT

Introduced: 3/6/72  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE  
BY REQUEST

2 SENATE BILL NO. 368

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to Jack Lee, d/b/a Lee's of  
7 Alaska; and providing for an effective date."

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

9 \* Section 1. The sum of \$15,314, plus interest on this amount at the  
10 rate of six per cent from September 13, 1971 until the amount is paid, is  
11 appropriated from the general fund to Jack Lee, d/b/a Lee's of Alaska, this  
12 being the amount of a settlement agreement by the state in compromise of  
13 a suit against the state by Jack Lee, d/b/a Lee's of Alaska for damage  
14 caused by an airplane crash.

15 \* Sec. 2. This Act takes effect on the day after its passage and approval  
16 or on the day it becomes law without approval.

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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

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

I. REQUEST

Bill Identification: SB 372  
 Title: Issue G.O. Bonds for \$5,000,000 for Local Service Roads  
 Requested by: Legislative Finance Date: 3/24/72  
 Return Date Requested: 3/31/72  
 Agency: Department of Highways Program: Local Service Roads & Trails

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Capital Improvement - Maintenance Appropriation

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		5,000,000				
700 GRANTS, CLAIMS, ETC.						
TOTAL		5,000,000				

B. FUNDING: (Thousands of dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER		5,000,000			

C. POSITIONS:

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

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

1. Bond Funds will be expended in accordance with the estimated 1973 calendar year Local Service Roads and Trails Program attached. Estimated completion dates on the average will be the fall of 1974.

2. General Fund expenditures for maintenance will amount to 123,500 annually as follows: 70 miles road x \$1,500 mi. = \$105,000  
 37 miles trail x \$500 mi. = 18,500  
\$123,500

3. It is not possible at this time to determine what, if any, local or federal funds will be available for matching the Local Service Road Program.

IV. ATTACHMENTS

1973 Local Service Road Program

V. DATE: 3/29/72 PREPARED BY: T. A. Johnson

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

*T. A. Johnson*

STATE OF ALASKA  
DEPARTMENT OF HIGHWAYS

LOCAL SERVICE ROADS AND TRAILS  
Calendar Year 1973

PROJECT DESCRIPTION	PROJECT NO.	MAP NO.	ESTIMATED TOTAL COST
<b>DILLINGHAM</b>	<b>1</b>	<b>1</b>	
First Ave. East to "G" Street			6,290
First Ave. West to Nushagak River			5,600
First Ave. West to Cold Storage & Dock			2,265
"D" Street to Second Ave. West			4,970
North Side of Airstrip to Alley between "F" & "G" Streets			3,185
"D" Street from Second Ave. West to Airstrip			5,715
<b>ANCHORAGE</b>	<b>2</b>	<b>1</b>	
First Avenue and Christiansen Drive			150,000
<b>GREATER ANCHORAGE AREA BOROUGH</b>	<b>3</b>	<b>1</b>	
Arctic Boulevard			300,000
Trail System			20,000
<b>KENAI</b>	<b>4</b>	<b>1</b>	
Davidson Drive			9,837
Princess Loop System			69,850
Thompson Park System			43,750
<b>KENAI PENINSULA BOROUGH</b>	<b>5</b>	<b>1</b>	
Seldovia City Streets			4,370
Resurrection Glacier Road			146,000
Ninilchik Spit Road			6,000
Strawberry Road Extension			106,000
<b>KODIAK</b>	<b>6</b>	<b>1</b>	
Thorshiem and North Boulevard			34,000
Benson Avenue			18,900
Marine Way			18,900
<b>KODIAK ISLAND BOROUGH</b>	<b>7</b>	<b>1</b>	
Sawmill Circle			66,000
<b>MATANUSKA-SUSITNA BOROUGH</b>	<b>8</b>	<b>1</b>	
Burma Road			125,000
			<u>1,146,632</u>

<i>PROJECT DESCRIPTION</i>	<i>PROJECT NO.</i>	<i>MAP NO.</i>	<i>ESTIMATED TOTAL COST</i>
<b>MATANUSKA-SUSITNA BOROUGH (Continued)</b>			
Little Susitna North			72,000
Airport Road			18,000
Seward Meridian Road			20,000
Puritan Creek			8,000
Kashwitna Trail			10,000
Trapper Lake Trail			21,900
Montana Creek Trail			3,000
Glory Hole Trail			22,500
<b>GLENN HIGHWAY</b>	<b>9</b>	<b>3</b>	
Mae West Lake Road			20,000
Lost Cabin Lake Road			50,000
<b>NABESNA ROAD</b>	<b>10</b>	<b>3</b>	
Jack Lake Road			30,000
<b>TATITLEK</b>	<b>11</b>	<b>3</b>	Field Review Required to Establish Estimate.
Village Dump Road			
<b>VALDEZ</b>	<b>12</b>	<b>3</b>	
Fidalgo Drive			50,000
<b>DELTA JUNCTION</b>	<b>13</b>	<b>2</b>	
Nistler Extension			287,000
Ohm Road			156,000
<b>BIG DELTA</b>	<b>14</b>	<b>2</b>	
Tanana Loop East			208,000
<b>GERSTLE RIVER ROAD</b>	<b>15</b>	<b>2</b>	426,000
<b>FAIRBANKS</b>	<b>16</b>	<b>2</b>	
Wendell Avenue			40,000
<b>FAIRBANKS NORTH STAR BOROUGH</b>	<b>17</b>	<b>2</b>	
Ester Dome Road			450,000
<b>HOLY CROSS</b>	<b>18</b>	<b>4</b>	
Village to Yukon River			800,000
<b>ANGOON</b>	<b>19</b>	<b>3</b>	
Angoon to Killisnoo			60,000
			<u>2,152,400</u>

PROJECT DESCRIPTION	PROJECT NO.	MAP NO.	ESTIMATED TOTAL COST
METLAKATLA	20	3	
Purple Lake Road to Tamgass Lake			10,000
GUSTAVUS	21	3	
Airport to Tank Farm and Dock			12,000
Airport to Forest Boundary			5,000
KLAWOCK	22	3	
Bayview Boulevard			186,700
SKAGWAY	23	3	
Sanitary Landfill Road			5,000
KAKE	24	3	
City Streets			30,000
CRAIG	25	3	
Cold Storage Road			18,000
PELICAN	26	3	
Subdivision and School Access			250,000
CITY AND BOROUGH OF JUNEAU	27	3	
North Riverside Drive			221,000
GREATER HAINES BOROUGH	28	3	
Lilly Lake Road			10,000
GREATER SITKA BOROUGH	29	3	Project Cost Estimates Not Established by Local Governments.
Subdivision Access			
PETERSBURG	30	3	
Improvements on City Streets (D, E, F, G)			48,000
SITKA	31	3	
Brady-Cascade Street			150,000
WRANGELL	32	3	
Outer Drive			76,500
			<u>1,022,200</u>
			Reserve # ADM 78,768
			<u>5,000,000</u>

# STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

*file*  
AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

JUHEAU 99801

## M E M O R A N D U M

TO: T.A. Johnson, Admin. Dir.  
Department of Highways

DATE: 3/24/72

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 372,  
AND RETURN IT TO OUR OFFICE BY 3/31/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),  
PLEASE OBSERVE THE FOLLOWING:

1. How will these bond funds be expended - locality, project, amount, estimated completion date?
2. Upon completion, how much will state general fund expenditures increase?
3. How much matching federal or local funds will be generated?

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

To files upon  
receipt of fiscal  
note

*Sen. Palmer*  
TRANSPORTATION

MEMORANDUM

TO: T. A. Johnson  
Administrative Director  
Department of Highways

DATE: January 26, 1972

FROM: Rich Guthrie  
Senate Fiscal Analyst  
Legislative Finance

SUBJ: Local Service  
Roads

Please furnish the following information regarding the Local Service Roads and Trails program:

1. Copy of the long-range program for the construction of local service roads and trails (AS 19.30.141), funding requirements, and sources of funding;
2. Local government applications received, pending, and approved to date (AS 19.30.141);
3. Fiscal year 1971-72 authorization and expenditures to date; and
4. Fiscal year 1972-73 agency request and governor's recommendation.

Timely return of this information by February 2, 1972 is requested.

cc: Budget and Management

RG/ds

## MEMORANDUM

## State of Alaska


TO: Rich Guthrie  
Senate Finance Analyst  
Legislative Finance

DATE: February 7, 1972

FILE NO: 00-2519

SUBJECT: Local Service Roads

FROM: T. A. Johnson  
Administrative Director  
Department of Highways



In accordance with your request of January 26, 1972, following are answers to your questions, in the same order as asked.

1. The long-range Local Service Roads and Trails Program is included on pages 36-44 of the attached 1972 Five-Year Highway Construction Program. Calendar year 1971 and 1972 programs are funded by \$6,000,000 in bonds authorized by Chapter 182, SLA 1970. The 1973 program is unfunded.
2. The attached Local Service Roads and Trails Status Report indicates that \$1,421,127 in project agreements has been authorized to date.
3. Fiscal year 1971-72 authorizations to date amount to \$1,421,127 while expenditures amount to \$92,645.06. Please note that the majority of project agreements were approved in the fall of 1971 after the construction season had concluded.
4. The 1972-73 executive budget act did not include a request for local service road funding.

Attachments

ALASKA DEPARTMENT OF HIGHWAYS  
 Schedule of Local Service Road Fund Allocations  
 In Accordance with H.B.236 Allocation Districts

<u>ELIGIBLE LOCAL GOVERNMENT ALLOCATIONS</u>	<u>(Current)</u> <u>Authorization</u>	<u>(Initial)</u> <u>Allocation</u>
<b>CENTRAL DISTRICT:</b>		
City of Anchorage	\$ 148,362	\$ 123,635
City of Kenai	40,164	33,470
City of Kodiak	30,816	25,680
City of Palmer	35,772	29,810
City of Seward	18,012	15,010
Bristol Bay Borough	27,828	23,190
Greater Anchorage Area Borough	616,332	513,610
Kenai Peninsula Borough	303,102	252,585
Kodiak Island Borough	121,752	101,460
Matanuska-Susitna Borough	393,450	327,875
<b>INTERIOR DISTRICT:</b>		
City of Fairbanks	102,780	85,650
Fairbanks North Star Borough	533,544	444,620
<b>SOUTHEASTERN DISTRICT:</b>		
City of Ketchikan	29,352	24,460
City of Petersburg	28,602	23,835
City of Sitka	18,588	15,490
City of Wrangell	28,416	23,680
City and Borough of Juneau	128,592	107,160
Greater Haines Borough	26,568	22,140
Greater Sitka Borough	48,762	40,635
Ketchikan Gateway Borough	54,810	45,675
<b>SOUTH CENTRAL DISTRICT:</b>		
City of Cordova	30,336	25,280
City of Valdez	26,916	22,430
Subtotal Local Governments	<u>\$2,792,856</u>	<u>\$2,327,380</u>
 <b><u>UNORGANIZED BOROUGH ALLOCATIONS</u></b>		
ALLOCATION DISTRICT I	\$ 156,678	\$ 130,565
ALLOCATION DISTRICT II	844,080	703,400
ALLOCATION DISTRICT III	265,272	221,060
ALLOCATION DISTRICT IV	1,746,858	1,455,715
ALLOCATION DISTRICT V	194,244	161,870
Subtotal Unorganized Boroughs	<u>\$3,207,132</u>	<u>\$2,672,610</u>
 <b>TOTAL LOCAL SERVICE ROAD ALLOCATIONS</b>	 <u><u>\$5,999,988</u></u>	 <u><u>\$4,999,990</u></u>

GXXXX3 R.O.W.  
 GXXXX4 Const. Engr.  
 GXXXX7 Utilities  
 GXXXX9 Cont. Paym'ts.  
 \*Based on \$5 Million

February 1, 1972

\$142,127

STATUS REPORT  
 LOCAL SERVICE ROADS & TRAILS PROJECTS

	<u>Proj.No.</u>	<u>Project</u>	<u>Length</u>	<u>Estimated Proj.Cost</u>	<u>LSR&amp;T Fnds Authorized</u>	<u>Authorization Status</u>	<u>Date</u>	<u>Remarks</u>	<u>To Be Maint By</u>
I. <u>CENTRAL (\$800,110*)</u>									
		<u>Unoryan. Borough</u>							
	Dillingham	G10049 Access to School & Airstrip	1000'	\$ 8,625.	\$ 8,625.	Construction	10/8/71		City
	Dillingham	G10059 D St. to First Ave. East, Ending at Main	661'	3,795.	3,795.	Construction	10/8/71		City
	Dillingham	G10069 C St. along B St. to Second Avenue	416'	2,415.	2,415.	Construction	10/8/71		City
	Sand Point	G10112 Village to Airfield	2 +Mi.	?	2,000.	P.E.	1/3/72	Div. of Av.contractor in area. Field review needed to establish cost.	
	Aniak	G10122 City Streets to Airfield	8000'	75,000.	10,000.	P.E.	1/17/72	Interagency reimb. services	Hwys.
	Aniak	G10124 City Streets to Airfield	8000'	75,000.	5,000.	Const.Engr.	1/25/72	Agreement being drafted with Div. of Aviation	
	Aniak	G10129 City Streets to Airfield	8000'	75,000.	60,000.	Construction	1/25/72	Agreement being drafted with Div. of Aviation	
	Whittier	G10132 Access via R.R. tunnels		?	8,000.	P.E.	1/20/72	Feasibility Study	

Code: GXXXX2 P.E.  
 GXXXX3 R.O.W.  
 GXXXX4 Const.Engr.  
 GXXXX7 Utilities  
 GXXXX9 Cont.Paymts.

February 1, 1972

STATUS REPORT  
 LOCAL SERVICE ROADS & TRAILS PROJECTS

	<u>Proj.No.</u>	<u>Project</u>	<u>Length</u>	<u>Estimated Proj.Cost</u>	<u>LSR&amp;T Fnds Authorized</u>	<u>Authorization Status</u>	<u>Date</u>	<u>Remarks</u>	<u>To Be Maint. By</u>
I. CENTRAL									
<u>City of Kenai (\$33,470*)</u>									
	G10019	Riverview Drive Reconstrn.	603'	8,500.	8,500.	Construction	9/16/71		
	G10029	Willow Street Improvements	4000'	13,750.	13,750.	Construction	9/16/71		
	G10039	4th Avenue Connector	400'	13,937.	13,937.	Construction	9/16/71		
<u>Kenai Pen. Borough (\$252,585*)</u>									
	G10079	Funny River Road	3.2 MI	54,000.	54,000.	Construction	10/20/71	Agreement Modified to \$65,411 on 12/21/71	Hwys
	G10089	Resurrection Glacier Road (1st Stage)	0.4 MI.	30,000.	30,000.	Construction	10/20/71		Hwys
	G10109	Nikolaevsk Road	1.5 MI.	100,000.	71,865.	Construction	11/19/71	\$30,000 to be funded by EDA	Hwys
<u>Mat-Su Borough (\$327,875*)</u>									
	G10099	Hollywood & Vine Road	2.5 MI.	15,000.	15,000.	Construction	10/21/71	1st Stage in development	Hwys

TOTAL PAGE II 207,052

Code: GXXXX2 P.E.  
 GXXXX3 R.O.W.  
 GXXXX4 Const. Engr.  
 GXXXX7 Utilities  
 GXXXX9 Cont. Paymts.

STATUS REPORT  
 LOCAL SERVICE ROADS & TRAILS PROJECTS

	<u>Proj. No.</u>	<u>Project</u>	<u>Length</u>	<u>Estimated Proj. Cost</u>	<u>LSR&amp;T Pnds. Authorized</u>	<u>Authorization Status</u>	<u>Date</u>	<u>Remarks</u>	<u>To Be Maint. By</u>
<b>II. INTERIOR</b>									
<u>Unorganized Borough</u> (\$807,085.)									
	Delta Junction	G20012	Nistler Road	0.75 MI.	\$ 38,000.	\$ 5,000.	P.E.	12/17/71	
		G20013	Nistler Road	0.75 MI.	38,000.	4,000.	R.O.W.	12/17/71	
	Big Delta	G20022	Tanana Loop Road - Tanana Loop Spur	3.3 MI.	155,000.	17,000.	P.E.	12/17/71	
	Dot Lake	G20032	Alaska Hwy. to Dot Lake	0.5 MI.	40,000.	5,500.	P.E.	12/17/71	
	Rampart	G20049	Village to Airfield	1.0 MI.	50,000.	50,000.	Construction	12/17/71	
	Tanana	G20052	Village Streets	0.75 MI.	57,000.	7,000.	P. E.	12/17/71	Project may also include Airport Access Road Realignment.
	Hinto	G20062	Village to Garbage Dump	1.0 MI.	39,800.	5,000.	P.E.	12/17/71	
	Galena	G20079	Campion Road to Second Loop	0.25 MI.	75,000.	75,000.	Construction	12/17/71	
<u>City of Fairbanks</u> (\$85,650.)									
		G20092	North Cushman Street - Phillips Field Road	0.2 MI.	77,000.	85,650.	P. E.	12/28/71	P.E. limited to 15% (\$12,847) City
<u>Fairbanks North Star Borough</u> (\$444,620.)									
		G20082	Spinach Creek Road	5.15 MI.	515,000.	444,620.	P.E.	12/28/71	P.E. limited to 15% (\$66,693). Balance of funds local. Hwys
		G20083	Spinach Creek Road	5.15 MI.	515,000.	---	R.O.W.	12/28/71	Borough expense. Dept. to aid in acquisition. Hwys

Code: GXXXX2 P.E.  
 GXXXX3 R.O.W.  
 GXXXX4 Const. Engr.  
 GXXXX7 Utilities  
 GXXXX9 Cont. Paymts..

February 1, 1972

STATUS REPORT  
 LOCAL SERVICE ROADS & TRAILS PROJECTS

Proj.No.	Length	Estimated Proj. Cost	LSR&T Funds Authorized	Authorization Status	Date	Remarks	To Be Maint. By
<b>III. SOUTHEASTERN</b>							
<u>Unorgan. Borough (\$221,060)</u>							
Kasaan G30019	Footbridge Reconstruction	---	\$ 2,000.	\$ 2,000.	Construction	8/26/71 10% Overrun Anticipated	
Pelican G30029	Sanitary Landfill Road	1,580'	60,000.	60,000.	Construction	9/21/71	Hwys.
Craig G30039	Beach Road	2,810'	12,000.	12,000.	Construction	11/01/71	City
Angoon G30139	Angoon to Killisnoo	2 + Mi.	15,000.	15,000.	Construction	Pending	
Metlakatla G30089	Tangass Lake Trail	3 Mi.	10,000.	10,000.	Construction	12/3/71	City
<u>Greateraines Borough (\$22,140)</u>							
G30069	Aeration Lagoon Access Road	300'	22,140.	22,140.	Construction	11/16/71 *Agree. Modified \$10,000 12/22/71	City
G30119	Lilly Lake Road	1.5 Mi.	6,000.	6,000.	Construction	12/22/71 Borough applying EEA Funds to LSR&T projects also.	City
G30149	City Street Ext.	3775'	4,000.	4,000.	Construction	1/14/72	City
G30159	Mt. Napinski Trail	5.5 Mi.	2,140.	2,140.	Construction	1/14/72	City
<u>Greater Sitka Borough (\$40,635)</u>							
G30049	Cascada Creek Circle Road	840'	20,900.	10,450.	Construction	12/22/71 Balance of funds local.	Bor.
<u>City of Wrangell (\$23,680)</u>							
G30079	Outer Drive	2200'	120,000.	23,680.	Construction	11/16/71 1st stage in development.	City
<u>City of Petersburg (\$23,835)</u>							
G30059	Improvements on D,E,F&G Sts.	8 Blks	68,500.	23,835.	Construction	11/11/71 1st stage in development.	City
<u>City &amp; Borough of Juneau (\$107,160)</u>							
G30092	Trinity Drive	750'	47,500.	47,500.	P.E.	12/13/71 P.E. limited to 15% (\$7,125)	City
G30102	Memorial Drive	1350'	59,660.	59,660.	P.E.	12/13/71 P.E. limited to 15% (\$8,949)	City

Code: CXXXX2 P.E.  
CXXXX3 R.O.W.  
CXXXX4 Const.Engr.  
CXXXX7 Utilites  
CXXXX9 Cont.Paymts.

February 1, 1972

STATUS REPORT  
LOCAL SERVICE ROADS & TRAILS PROJECTS

<u>Proj.No.</u>		<u>Length</u>	<u>Estimated Proj.Cost</u>	<u>LSR&amp;T Funds Authorized</u>	<u>Authorization Status</u>	<u>Date</u>	<u>Remarks</u>	<u>To Be Maint.By</u>
III. SOUTHEASTERN (continued)								
<u>Ketchikan-Ketchikan Gateway</u> <u>Baraugh (\$70,135.)</u>								
G30122	Carlanna Lake Road Extension	0.2 MI.	\$257,205.	\$ 70,135.	P.E.	12/22/71	Joint City-Bor.Proj. P.E. by City Constr.to be done in stages.	City

TOTAL PAGE V \$ 70,135

Code: GXXXX2 P.E.  
 GXXXX3 R.O.W.  
 GXXXX4 Const.Engr.  
 GXXXX7 Utilities  
 GXXXX9 Cont.Paymts.

STATUS REPORT  
 LOCAL SERVICE ROADS & TRAILS PROJECTS

	<u>Proj.No.</u>		<u>Length</u>	<u>Estimated Proj.Cost</u>	<u>LSR&amp;T Funds Authorized</u>	<u>Authorization Status</u>	<u>Date</u>	<u>Remarks</u>	<u>To Be Maint.By</u>
IV. WESTERN									
	<u>Unorgan. Borough</u>	(\$602,485.)							
	Koyukuk	G40012	New Village to Airfield	0.5 Mi.	\$100,000.	\$ 1,500.	P.E.	8/26/71	
	Grayling	G40022	Village to Airfield	1.0 Mi.	300,000.	1,500.	P.E.	8/26/71	
	Anvik	G40032	Village to Airfield	1.0 Mi.	150,000.	1,500.	P.E.	8/26/71	
	Pitkas Point	G40042	Village to Yukon River	1.0 Mi.	20,000.	1,500.	P.E.	8/26/71	
	Holy Cross	G40052	Village to Yukon River	5.0 Mi.	800,000.	1,500.	P.E.	8/26/71	
	Var.Locations	G40069	Trail Staking	800 Mi.	15,000.	15,000.	Construction	11/19/71	

Code: GXXXX2 P.E.  
GXXXX3 R.O.W.  
GXXXX4 Const. Engr.  
GXXXX7 Utilities  
GXXXX9 Cont. Paymts.

STATUS REPORT  
LOCAL SERVICE ROADS & TRAILS PROJECTS

	<u>Proj. No.</u>		<u>Length</u>	<u>Estimated Proj. Cost</u>	<u>LSR&amp;T Funds Authorized</u>	<u>Authorization Status</u>	<u>Date</u>	<u>Remarks</u>	<u>To Be Main: By</u>
V. <u>SOUTHCENTRAL</u>									
<u>Unorgan. Borough (\$161,870)</u>									
	Chitina	G50022	To O'Brien Creek Recreation	0.5 MI.	\$ 50,000.	\$ 2,000.	P.E.	8/25/71	
<u>City of Valdez (\$22,430)</u>									
		G50019	North Harbor Drive	2200'	22,430.	22,430.	Construction	8/27/71	City

# MEMORANDUM


# State of Alaska

TO: Karl Mielke  
Secondary Road Engineer  
Department of Highways

DATE: January 12, 1972

FILE NO: 90-2519

SUBJECT: Trail Staking

FROM:   
Edgar A. Spruce, Jr.  
Western District Engineer  
Department of Highways

Since the recent founding of the Bering Straits Native Association, the information regarding the Department's Trail Staking project and the availability of funds has been disseminated among the villages on Norton Sound. These villages have traditionally staked trails throughout this area. The total villages with whom agreements have been signed is as follows:

- |          |                |
|----------|----------------|
| Noorvik  | Deering        |
| Wales    | Shishmaref     |
| Emmonak  | Golovin        |
| Kotzebue | Teller         |
| Noatak   | White Mountain |
| Ambler   | Koyuk          |
| Buckland | Elim           |
| Kiana    | St. Michael    |
| Shungnak |                |

TOTAL

The total trail mileage as of this date is 568... *going for 200*

EAS/vbh

Original sponsor: Resources Committee  
by request

Offered: 3/23/72  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 372

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$5,000,000, for the  
8 purpose of paying the cost of acquiring, constructing  
9 and equipping and making other capital improvements  
10 to local service roads and trails in the state under  
11 AS 19.30.111 - 19.30.251; and providing for an effec-  
12 tive date."

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

14 \* Section 1. For the purpose of paying the cost of acquiring, construc-  
15 ting and equipping and making other capital improvements to local service  
16 roads and trails in the state under AS 19.30.111 - 19.30.251, general obliga-  
17 tion bonds of the state in the principal amount of not more than \$5,000,000  
18 shall be issued and sold. The full faith, credit and resources of the state  
19 are pledged to the payment of the principal of and interest and redemption  
20 premium, if any, on these bonds. These bonds shall be issued under the  
21 provisions of AS 37.15 as those provisions read at the time of issuance.

22 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
23 voters of the state, a special fund of the state to be known as the "1972  
24 Local Service Road and Trails Construction Fund" shall be established, to  
25 which shall be credited the proceeds of the sale of the bonds described in  
26 sec. 1 of this Act except for the accrued interest and premiums. There is  
27 appropriated from the "1972 Local Service Road and Trails Construction Fund"  
28 to the Department of Highways the sum of \$5,000,000. The specific uses of  
29 the proceeds of these bonds shall be determined by the governor.

1 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
2 voters of the state, the amount of \$17,500 or as much of that amount as is  
3 found necessary is appropriated from the general fund of the state to the  
4 state bond committee to carry out the provisions of this Act and to pay  
5 expenses incident to the sale and issuance of the bonds authorized in this  
6 Act. The amounts expended from the appropriation authorized by this section  
7 shall be reimbursed to the general fund from the proceeds of the sale of  
8 the bonds authorized by this Act.

9 \* Sec. 4. The question whether the bonds authorized in this Act are to  
10 be issued shall be submitted to the qualified voters of the state at the  
11 next state general election and shall read substantially as follows:

12 Proposition

13 State General Obligation 1972 Local Service Roads and

14 Trails Construction Bonds \$5,000,000

15 Shall the State of Alaska issue its general obligation bonds  
16 in the principal amount of not more than \$5,000,000 for the  
17 purpose of paying the cost of acquiring, constructing, and  
18 equipping and making other capital improvements to local  
19 service roads and trails in the state under AS 19.30.111 -  
20 19.30.251?

21 Bonds Yes [ ]

22 Bonds No [ ]

23 \* Sec. 5. This Act takes effect on the day after its passage and approval  
24 or on the day it becomes law without approval.  
25  
26  
27  
28  
29

Introduced: 3/6/72  
Referred: State Affairs,  
Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE  
BY REQUEST

2 SENATE BILL NO. 372

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$5,000,000, for the  
8 purpose of paying the cost of acquiring, constructing  
9 and equipping and making other capital improvements  
10 to local service roads and highways in the state that  
11 are not designated as part of the Federal-Aid Highway  
12 System; and providing for an effective date."

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

14 \* Section 1. For the purpose of paying the cost of acquiring, construc-  
15 ting and equipping and making other capital improvements to local service  
16 roads and highways in the state that are not designated as part of the  
17 Federal-Aid Highway System general obligation bonds of the state in the  
18 principal amount of not more than \$5,000,000 shall be issued and sold. The  
19 full faith, credit and resources of the state are pledged to the payment of  
20 the principal of and interest and redemption premium, if any, on these  
21 bonds. These bonds shall be issued under the provisions of AS 37.15 as  
22 those provisions read at the time of issuance.

23 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
24 voters of the state, a special fund of the state to be known as the "1972  
25 Local Service Road and Highway Construction Fund" shall be established, to  
26 which shall be credited the proceeds of the sale of the bonds described in  
27 sec. 1 of this Act except for the accrued interest and premiums. There is  
28 appropriated from the "1972 Local Service Road and Highway Construction Fund"  
29 to the Department of Highways the sum of \$5,000,000. The specific uses of

1 the proceeds of these bonds shall be determined by the governor.

2 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
3 voters of the state, the amount of \$17,500 or as much of that amount as is  
4 found necessary is appropriated from the general fund of the state to the  
5 state bond committee to carry out the provisions of this Act and to pay  
6 expenses incident to the sale and issuance of the bonds authorized in this  
7 Act. The amounts expended from the appropriation authorized by this section  
8 shall be reimbursed to the general fund from the proceeds of the sale of  
9 the bonds authorized by this Act.

10 \* Sec. 4. The question whether the bonds authorized in this Act are to  
11 be issued shall be submitted to the qualified voters of the state at the  
12 next state general election and shall read substantially as follows:

13 Proposition

14 State General Obligation 1972 Local Service Road and  
15 Highway Construction Bonds \$5,000,000

16 Shall the State of Alaska issue its general obligation bonds  
17 in the principal amount of not more than \$5,000,000 for the  
18 purpose of paying the cost of acquiring, constructing, and  
19 equipping and making other capital improvements to local  
20 service roads and highways in the state that are not desig-  
21 nated as part of the Federal-Aid Highway System?

22 Bonds Yes [ ]

23 Bonds No [ ]

24 \* Sec. 5. This Act takes effect on the day after its passage and approval  
25 or on the day it becomes law without approval.  
26  
27  
28  
29



# 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

S E N A T E

Ref: 3/17/72

3/27/72

Date

Mr. President:

The Committee on Finance has had SB 385  
(Investment surplus retirement fund money)  
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:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

## MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

[Signature]  
CHAIRMAN

Introduced: 3/17/72  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 385

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the investment of surplus retire-  
7 ment fund money; and providing for an effective date."

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

9 \* Section 1. AS 14.25.180(b) is amended to read:

10 (b) When, in the opinion of the commissioner of administration,  
11 there is on hand in the retirement fund a surplus over and above a  
12 reasonably safe amount to take care of current demands upon the fund,  
13 the surplus or so much of it as in the judgment of the commissioner of  
14 administration is considered proper may be invested by the commis-  
15 sioner of revenue in (1) bonds or other interest-bearing obligations and  
16 securities of the United States or an agency of the United States, a  
17 state of the United States, if the political subdivision has a popula-  
18 tion as shown by the last federal census preceding the investment of  
19 no less than 30,000 inhabitants, except no population limitation applies  
20 to a political subdivision of this state; (2) first lien real estate  
21 mortgage securities insured by the Federal Housing Administration under  
22 the National Housing Act of the United States, or held by the Department  
23 of Commerce, or the Department of Natural Resources; (3) corporation  
24 bonds, and preferred and common stocks as the commissioner of revenue  
25 considers proper investments for the funds; (4) shares of federally  
26 chartered savings and loan associations in Alaska, to the extent that  
27 the investment is insured by the federal government or by an agency of  
28 the federal government; (5) deposits with mutual savings banks in  
29 Alaska, to the extent that the investment is insured by the federal

1 government or an agency of the federal government; (6) deposits with  
2 state and national banks in Alaska to the extent that the investment is  
3 insured by the federal government or an agency of the federal govern-  
4 ment; (7) loans guaranteed by the division of veterans' affairs under  
5 AS 26.15.040(b); [AND] (8) mutual funds; and (9) the guaranteed portion  
6 of Small Business Administration loans. No more than 25 per cent of  
7 the surplus may be invested in mortgage securities of the Department of  
8 Commerce, and the state shall appropriate sufficient money from the  
9 general fund to reimburse the teachers' retirement system for any  
10 losses incurred as a result of failure of the obligors to pay on the  
11 notes. No more than \$400,000 of the surplus may be invested annually  
12 in the mortgage securities of the Department of Natural Resources, and  
13 the state shall appropriate sufficient money from the general fund to  
14 reimburse the teachers' retirement system for any losses incurred as a  
15 result of failure of the obligors to pay on the notes.

16 \* Sec. 2. AS 39.35.110(a) is amended by adding a new paragraph to read:  
17 (9) the guaranteed portion of Small Business Administration  
18 loans.

19 \* Sec. 3. This Act takes effect on the day after its passage and approval  
20 or on the day it becomes law without approval.  
21  
22  
23  
24  
25  
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27  
28  
29

Introduced: 3/17/72  
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 385

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the investment of surplus retire-  
7 ment fund money; and providing for an effective date."

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

9 \* Section 1. AS 14.25.180(b) is amended to read:

10 (b) When, in the opinion of the commissioner of administration,  
11 there is on hand in the retirement fund a surplus over and above a  
12 reasonably safe amount to take care of current demands upon the fund,  
13 the surplus or so much of it as in the judgment of the commissioner of  
14 administration is considered proper may be invested by the commis-  
15 sioner of revenue in (1) bonds or other interest-bearing obligations and  
16 securities of the United States or an agency of the United States, a  
17 state of the United States, if the political subdivision has a popula-  
18 tion as shown by the last federal census preceding the investment of  
19 no less than 30,000 inhabitants, except no population limitation applies  
20 to a political subdivision of this state; (2) first lien real estate  
21 mortgage securities insured by the Federal Housing Administration under  
22 the National Housing Act of the United States, or held by the Department  
23 of Commerce, or the Department of Natural Resources; (3) corporation  
24 bonds [, AND PREFERRED AND COMMON STOCKS AS THE COMMISSIONER OF REVENUE  
25 CONSIDERS PROPER INVESTMENTS FOR THE FUNDS]; (4) shares of federally  
26 chartered savings and loan associations in Alaska, to the extent that  
27 the investment is insured by the federal government or by an agency of  
28 the federal government; (5) deposits with mutual savings banks in  
29 Alaska, to the extent that the investment is insured by the federal

1 government or an agency of the federal government; (6) deposits with  
2 state and national banks in Alaska to the extent that the investment is  
3 insured by the federal government or an agency of the federal govern-  
4 ment; (7) loans guaranteed by the division of veterans' affairs under  
5 AS 26.15.040(b); [AND (8) MUTUAL FUNDS;] and (9) the guaranteed portion  
6 of Small Business Administration loans. No more than 25 per cent of  
7 the surplus may be invested in mortgage securities of the Department of  
8 Commerce, and the state shall appropriate sufficient money from the  
9 general fund to reimburse the teachers' retirement system for any  
10 losses incurred as a result of failure of the obligors to pay on the  
11 notes. No more than \$400,000 of the surplus may be invested annually  
12 in the mortgage securities of the Department of Natural Resources, and  
13 the state shall appropriate sufficient money from the general fund to  
14 reimburse the teachers' retirement system for any losses incurred as a  
15 result of failure of the obligors to pay on the notes.

16 \* Sec. 2. AS 39.35.110(a) is amended by adding a new paragraph to read:

17 (9) the guaranteed portion of Small Business Administration  
18 loans.

19 \* Sec. 3. This Act takes effect on the day after its passage and approval  
20 or on the day it becomes law without approval.  
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# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

## DEPARTMENT OF REVENUE

DIVISION OF THE TREASURY

POUCH SB - JUNEAU 99801

May 15, 1972

The Honorable Jay S. Hammond  
President of the Senate  
State Capitol  
Juneau, Alaska 99801

Dear Senator Hammond:

The Department of Revenue takes strong exception to the passage by the House of Representatives of Senate Bill No. 385 in its amended form. The deletion of the language, "and preferred and common stocks as the Commissioner of Revenue considers proper investment for the funds;" will potentially result in very serious consequences for the Alaska Teachers Retirement System.

The following items are presented for your consideration for a motion not to accept the House amendments to Senate Bill No. 385:

1. Historically common stocks have been the only investments which have provided a hedge against inflation over long time periods. The restrictions which the Department of Revenue has placed upon itself regarding the quality of common stocks purchased also dramatically reduces the risk factor involved in equity ownership. You will note by referring to the attached list of states, that in most all cases common stock investments represents a significant percent of their total retirement fund investments.

2. There is a continuing attempt to improve all levels of benefits in retirement systems. These benefits can only be increased if there is superior investment results over a long period of time and/or contributions are increased in a corresponding amount to the cost of the benefits granted. It is through the purchase of common stocks by the Alaska Teachers Retirement System that hopefully future benefit costs will be partially offset by the ability to invest in preferred and common stocks. Marsh & McLennan, Inc., the actuaries for the Teachers Retirement System currently assumes a rate of earnings of 4-3/4%. They are presently giving consideration to increasing this assumed rate of return to 5%. They advise us that if Senate Bill No. 385 passes in its amended form that it is highly unlikely they would consider a higher assumed rate of return than 4-3/4% and there is a distinct possibility that it may have to be lowered to 4-1/2% or less depending on the performance of the fixed income investment portion of the retirement system. A constant or lower assumed rate of earnings will result in higher costs to the State in the form of contributions.

May 15, 1972.

3. A. G. Becker and Company has completed a performance evaluation of the Teachers Retirement System for the calendar year 1971. This performance evaluation displays the fact that the common stock investments for the year 1971 had total earnings at a rate of 14.10%. Obviously, a rate of return of this magnitude is just not possible for investments in other than common stocks.

4. The Alaska statutes have permitted investments in preferred and common stocks since 1960. To exclude these investments could prove to be very detrimental to the Retirement System's ability to provide existing or improved benefits in the future.

For the above reasons cited we encourage the passage of this bill to permit the purchase of the guaranteed portion of Small Business Administration loans without the amendment as passed by the House. If we can provide you with any additional information concerning this issue please advise.

Very truly yours,

  
Robert S. Gates  
State Investment Officer

RSG:ge  
Enclosure

cc: Honorable Terry Miller  
Majority Leader, Alaska State Senate

Honorable John Butrovich, Chairman  
Senate Finance Committee

Honorable Joe Josephson  
Minority Leader, Alaska State Senate

The information given below was obtained from the Survey of State Retirement Systems dated June 30, 1970 published by the National Association of State Retirement Administrators.

<u>State</u>	<u>Corporate Stock Investments</u>	<u>Percentage Limitation of Total Invested Funds</u>
Alabama	Yes	20
Alaska	Yes	50
Arizona	Yes	40
Arkansas	Yes	None Given
California	Yes	25
Colorado	Yes	30
Connecticut	Not Shown	Not Shown
Delaware	Not Shown	Not Shown
Florida	None	None
Georgia	Yes	50
Hawaii	Yes	No Restriction
Idaho	Yes	No Restriction
Illinois	No	---
Indiana	Yes	None Given
Iowa	Yes	10
Kansas	Yes	50
Kentucky	Yes	None Given
Louisiana	Yes	None Given
Maine	Yes	None Given
Maryland	Yes	50
Massachusetts	Yes	Banks & Insurance Stocks Only
Michigan	Yes	25
Minnesota	Yes	45
Mississippi	None	---
Missouri	Yes	None Given
Montana	None	None Given
Nebraska	Not Shown	Not Shown
Nevada	Yes	No Restriction
New Hampshire	Yes	No Restriction
New Jersey	Yes	10
New Mexico	Yes	75
New York	Yes	None Given
North Carolina	Yes	None Given
North Dakota	Yes	50
Ohio	Yes	35
Oklahoma	Yes	None Given
Oregon	Yes	None Given
Rhode Island	Yes	No Restriction
South Carolina	No	---
South Dakota	Not Shown	Not Shown
Tennessee	Yes	50
Texas	Yes	75
Utah	Yes	None Given
Vermont	Yes	35
Virginia	Yes	None Given
Washington	Yes	None Given
West Virginia	No	---
Wisconsin	Yes	None Given
Wyoming	No	---

**STATE  
of ALASKA**

# MEMORANDUM

TO: [ Honorable John Butrovich  
Chairman, Senate Finance Committee  
Alaska State Legislature  
Juneau, Alaska

DATE: March 20, 1972

FROM: *R. D. Stevenson*  
R. D. Stevenson  
Deputy Commissioner  
Department of Revenue  
Alaska Office Building  
Juneau, Alaska

SUBJECT: Senate Bill No. 385

Senate Bill No. 385, an Act relating to the investments of surplus retirement fund money was introduced by request of the Governor at the advice of the Department of Revenue which is the custodian of the Teachers and the Public Employees Retirement Funds.

Benefits to be accomplished to the Funds and to the State, as a result of making eligible for investment the purchases of the guaranteed portion of Small Business Administration loans for the State's pension funds are described in detail in the attached copy of a memorandum dated March 20, 1972 concerning Senate Bill No. 385 from Robert S. Gates, State Investment Officer, Treasury Division, Department of Revenue.

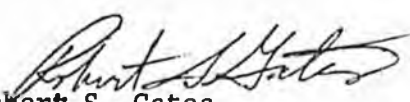
RDS:eh

## MEMORANDUM

## State of Alaska

TO:  R. D. Stevenson  
Deputy Commissioner  
Department of Revenue

DATE : March 20, 1972

FROM:   
Robert S. Gates  
State Investment Officer

SUBJECT: Senate Bill 385

It is recommended that the purchases of the guaranteed portion of Small Business Administration loans be permitted as eligible investments under both AS 14.25.180 and AS 39.35.110. There will be several benefits to the State retirement systems and the banking industry if the proposed amendments are enacted.

The following are the major benefits involved:

1. The retirement systems will have the ability to invest in the fully guaranteed portions of Small Business Administration loans.
2. The purchase of these loans from the Alaska banks will create a secondary market for such loans and give the banks the ability to expand their Small Business Administration program in the State of Alaska.
3. These investments will enable the two State retirement plans to capture greater earnings on their funds than is presently available on similar types securities.

It is difficult to state at this time the exact yield which is currently available through the purchase of this type of security, however, within the last month these loans were being offered for sale at a net yield after servicing costs of 7-3/4%. This compares favorably with the 7.10% yield currently available on government backed mortgages which are presently being purchased.

RSG:ge

# STATE OF ALASKA

STATE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

ARMY DIVISION  
FOURTH FLOOR — ALASKA STATE BUILDING

FINANCE DIVISION  
FOURTH FLOOR — STATE CAPITOL

JUNE 1968

## M E M O R A N D U M

TO: Myrton Charney, Director  
Budget and Management

DATE: 3/21/72

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 385,  
AND RETURN IT TO OUR OFFICE BY 3/27/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),  
PLEASE OBSERVE THE FOLLOWING:

Furnish explanation and justification of the proposed amendment to  
include:

1. Comparable yields;
2. Anticipated investments;
3. Other pertinent data or comments

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

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

I. REQUEST

Bill Identification: CSHB 312 and CSHB 385  
 Title: Establishing the tourism revolving fund  
 Requested by: Senate Finance Date: 4/24/72  
 Return Date Requested: 4/26/72  
 Agency: Department of Revenue 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-					

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	-0- /	/	/	/	/	/
MAN MONTHS (P./T.)	-0- /	/	/	/	/	/

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

See detailed memorandum from Richard E. Alexander, State Investment Officer, Department of Revenue as to requested information in Fiscal Note Request dated April 24, 1972. There will be a cost to the General Fund of \$1,000,000 per CS for House Bill No. 385 likely during FY 1972 to initially set up the Tourism Revolving Fund.

IV. ATTACHMENTS

V. DATE: April 26, 1972

PREPARED BY: \_\_\_\_\_

*R. D. Stevenson*  
R. D. Stevenson  
Deputy Commissioner

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

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

JUNEAU 99801

### M E M O R A N D U M

TO: Bob Stevenson  
Deputy Director  
Department of Revenue

DATE: April 24, 1972

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR CSHB 312  
AND RETURN IT TO OUR OFFICE BY 4/26/72. CSHB 385

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF \_\_\_\_\_),  
PLEASE OBSERVE THE FOLLOWING:

Reference Sec. 45.90.030 (b): Furnish comments, recommendations,  
and estimated annual amount of mortgages and notes that would  
be purchased over the next five years.

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

**STATE  
of ALASKA**

**MEMORANDUM**

TO: R. D. Stevenson  
Deputy Commissioner  
Department of Revenue

DATE: April 26, 1972

FROM: Richard E. Alexander *red*  
State Investment Officer  
Department of Revenue

SUBJECT: CSHB 312 and 385 - Tourism  
Revolving Loan Fund

In response to your memo and fiscal note request concerning CSHB 312 and 385, I would like to first submit some general information on the mortgage holdings in the general fund.

The following tabulation indicates present as well as an estimate of the commitment of the general fund to mortgage loan purposes by June 30, 1972:

	Ending Balance FY 1971	Purchases to Date FY 1972	Total To Date	Estimated Further Submissions	Estimated Total Ending FY 1972
Veterans Loans	\$1,613,982.81	\$ 7,650,186.17	\$ 9,264,168.98	\$2,200,000.00	\$11,464,168.98
Loan Incentive Program	3,775,908.53		3,775,908.53		3,775,908.53
GNMA		6,088,705.44	6,088,705.44		6,088,705.44
Alaska Housing Finance Corp.				7,500,000.00	7,500,000.00
Agricultural		529,825.01	529,825.01		529,825.01
Total	<u>\$5,389,891.34</u>	<u>\$14,268,716.62</u>	<u>\$19,658,607.96</u>	<u>\$9,700,000.00</u>	<u>\$29,358,607.96</u>

The Department of Revenue is obligated to purchase all veterans loans submitted, and comprises the principal portion of loans purchased. You will note that further submissions are expected during the current fiscal year of \$2,200,000 which will result in approximately \$11,500,000 in veterans loans held by the general fund by June 30, 1972.

The Division of Veterans Affairs advises that they will be submitting a minimum of \$10,000,000 for purchase each year through FY 1977. The following amortization schedule indicates that we will have over \$54,000,000 in veterans loans held by the general fund by June 30, 1977.

Fiscal Year	Beginning Balance	Loan Purchases	Principal Payments	Loan Payoffs	Ending Balance
1972	\$ 1,613,000	\$10,000,000	\$ 288,000	\$120,000	\$11,205,000
1973	11,205,000	10,000,000	504,000	210,000	20,491,000
1974	20,491,000	10,000,000	720,000	300,000	29,471,000
1975	29,471,000	10,000,000	936,000	390,000	38,145,000
1976	38,145,000	10,000,000	1,152,000	480,000	46,513,000
1977	46,513,000	10,000,000	1,344,000	560,000	54,609,000

Principal payments average \$24,000 per year for each \$1 million in mortgages. Payoffs average \$10,000 per year for each \$1 million in mortgages (Payoffs are low due to attractive interest rates). Schedule assumes \$10 million in loan purchases each year.

Although at the present time our obligated loan purchases consist only of veterans loans, indications are that in the near future we will be purchasing loans of the Small Business Loan Program, Alaska Housing Finance Corporation, as well as loans from other programs.

Of primary significance, in my view, is the fact that there is no secondary market for resale of these loans. This would include commercial fishing loans and tourist industry loans. In other words, these loans become a permanent investment of the general fund and will remain held by the fund until paid down by the respective mortgages. You must evaluate the capacity of the general fund to acquire unmarketable securities in the long term spending plan and projected fund balances in future years.

Given the uncertainties of revenue forecasting, date of oil flow, etc., it would be prudent to retain discretionary authority as to the purchase of loans. I say this in view of the rapid expansion of the veterans loan program and imminent initiation of other programs. However, Section 45.90.040(b) does allow discretion after the principal amount of mortgages purchased or held equals one percent of the unencumbered general fund balance for the preceding fiscal year, and is acceptable to us as written.

Our estimates of unencumbered general fund balances for the next five years are:

<u>Fiscal Year Ending</u>	<u>Amount</u>
1972	\$761,000,000
1973	663,000,000
1974	556,000,000
1975	433,000,000
1976	276,000,000

The following three examples indicate the principal amount of mortgages or notes we would be required to purchase or hold for the above five year period:

Example #1:

Using the above general fund ending balance estimates, the maximum principal amount of mortgages or notes we would be required to purchase in FY 1973 would be \$7.61 million. If we purchased the maximum, and our general fund estimates are correct, we would not be required to purchase additional mortgages over the remaining four year period. In fact, if we purchase \$6.6 million in FY 1973, we would not be required to purchase additional mortgages. (1% of FY 1973 balance.)

Example #2:

If we purchase \$3 million in FY 1973, we could then purchase a maximum of \$3.63 million during FY 1974, and would not be required to purchase additional mortgages over the remaining period. The maximum we would be required to hold would be \$6.63 million which equals 1% of the unencumbered general fund ending balance for FY 1973.

Example #3:

If we purchased \$2 million in FY 1973 and \$2 million in FY 1974, we would be required to purchase up to \$1.56 million in FY 1975, This would give us \$5.56 million in mortgages which equals 1% of the ending general fund balance for FY 1974 (\$556 million). We would not be required to purchase additional mortgages until the general fund balance exceeded \$556 million.

REA:ge



# 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

# STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801

## LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 25, 1972

TO: Senator John Butrovich

FROM: John M. Elliott  
Executive Director

SUBJECT: SB 388 (Legislative Supplemental)

This memorandum is in response to your request this date for a breakdown of the \$284,661 requested in SB 388 by the Legislative Council. This supplemental request is for the items listed below and would carry the legislature from April 9 through May 20, if adjournment did not occur at an earlier time. The extension to May 20 was arbitrary and, if it is reasonable to assume an earlier adjournment date, the supplemental can be reduced accordingly.

(1) Legislative per diem	\$ 88,200
(2) Temporary employees	180,600
(3) Legislative Reporting Service	5,040
(4) Alaska Reporting Service	8,021
(5) Rental of Cooper Building	1,900
(6) Rental of Masonic Temple	<u>900</u>
TOTAL	\$284,661

All of the above items, with one exception, are funded through April 8 by CSHB 526, reported out of the Senate Finance Committee last week. That one exception is the temporary employees. The sum earmarked in CSHB 526 for temporary employees falls some \$16,000 short of funding them even through April 8, the 90th day. The \$16,000 is accounted for by new hires and back pay authorized for certain employees since HB 526 was passed by the House, as set forth in my memorandum to the Senate Finance Committee of March 6. Per that memorandum, either the additional sum of \$10,011 must be inserted, by amendment on the floor, into CSHB 526, or that amount must be added to the amount being requested in SB 388 in order for the temporaries to be fully funded between March 27 and April 8. Also, the sum of \$6,000 is needed for post session work by the Senate Secretary, Chief Clerk, Sergeant-at-arms, Enrolling Typists, etc. This amount, also, if not inserted into CSHB 526 by floor amendment, should be added to the request in SB 388. The

Senator John Butrovich

-2-

March 25, 1972

additional \$16,000 would make the figure requested \$300,661. Again, the above amounts are based on the Legislature being able to function through May 20.

The Chairman and I, together with the Vice Chairman, will be most pleased to answer any questions concerning the items contained in this memorandum or regarding SB 388 at any time.

# STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU 99801

*file*  
AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

## MEMORANDUM

TO: John Elliott, Executive Dir.      DATE: 3/24/72  
Legislative Affairs Agency

FROM: LEGISLATIVE FINANCE                      SUBJ: FISCAL NOTE REQUEST  
ROOM 407  
CAPITOL BUILDING

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 388  
AND RETURN IT TO OUR OFFICE BY 3/27/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/72),  
PLEASE OBSERVE THE FOLLOWING:

Furnish back-up information detailing the items included in  
the request.

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

Introduced: 3/22/72  
Referred: Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE LEGISLATIVE  
COUNCIL

1 IN THE SENATE

2 SENATE BILL NO. 388

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Legislative Affairs  
7 Agency; and providing for an effective date."

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

9 \* Section 1. The sum of \$284,661 is appropriated from the general fund  
10 to the Legislative Affairs Agency for additional expenses for the fiscal year  
11 ending June 30, 1972.

12 \* Sec. 2. This Act takes effect on the day after its passage and approval  
13 or on the day it becomes law without approval.

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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

SENATE

3/25/70

*[Handwritten signature]*

Date

Mr. President:

The Committee on Finance has had HR 380  
(re compensation district judges)  
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:

<u><i>[Signature]</i></u>	<u><i>[Signature]</i></u>	<u>        </u>
<u>        </u>	<u>        </u>	<u>        </u>
<u><i>[Signature]</i></u>	<u>        </u>	<u>        </u>
<u>        </u>	<u>        </u>	<u>        </u>

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

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

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

*[Signature]*  
CHAIRMAN

A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: \_\_\_\_\_ SENATE BILL NO. 389

\_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page 1 Line 10

Delete "\$33,000" and insert "\$27,500"

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

I. REQUEST

Bill Identification: SB 389  
 Title: Relating to compensation of district judges  
 Requested by: Legislative Finance Date: 3/30/72  
 Return Date Requested: 4/6/72  
 Agency: Alaska Court System Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Administration of Justice

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		128,000	128,000	128,000	128,000	128,000
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		128,000	128,000	128,000	128,000	128,000

B. FUNDING: (Thousands of dollars)

GENERAL FUND		128,000	128,000	128,000	128,000	128,000
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

The court system presently has 16 district judges. SB 389 increases their compensation from \$25,000 to \$ 33,000 per annum or a tytal overall increase of \$128,000.

IV. ATTACHMENTS

V. DATE: 3 April 1972

PREPARED BY: G. A. Morrison  
G. A. Morrison

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

Introduced: 3/22/72  
Referred: Judiciary,  
Finance

BY THE JUDICIARY COMMITTEE  
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation of district judges;  
7 and providing for an effective date."

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

9 \* Section 1. AS 22.15.220(a) is amended to read:

10 (a) Each district judge shall receive \$33,000 [\$25,000] annually  
11 as compensation, payable monthly in 12 equal installments.

12 \* Sec. 2. This Act takes effect on July 16, 1972.

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Introduced: 3/22/72  
Referred: Judiciary,  
Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE  
BY REQUEST

2 SENATE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation of district judges;  
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12 \* Sec. 2. This Act takes effect on July 16, 1972.

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*Alaska Court System*

*State of Alaska*

ADMINISTRATIVE DIRECTOR  
ROBERT N. REEVES

OFFICE OF ADMINISTRATIVE DIRECTOR

941 FOURTH AVENUE  
ANCHORAGE, ALASKA  
99501

April 28, 1972

The Honorable Clifford J. Groh  
Senate Finance Committee  
Alaska State Senate  
Juneau, Alaska 99801

Dear Senator Groh:

We wish to thank you and the other members of the Senate Finance Committee for listening to our testimony on Tuesday, April 25, with regard to the judges' pay raise legislation. We were unfortunately confronted with a letter written by Judge Mary Alice Miller dated March 15, 1972. We had not been previously advised of the contents of this letter nor did Mrs. Miller afford us the simple courtesy of a copy. We refer to this omission of a copy for us simply because we could have advised Mrs. Miller of the correct facts. The facts are as follows:

Judge Miller's letter referred to the village magistrates at Buckland, Gamble, Hooper Bay, St. Mary's, Teller, Wainwright, Galena, Kiana, Nulato, Rampart, Hoonah and Kake and advised you that these magistrates are given more travel privileges than district judges and that not one of these magistrates handled a single case. It would have been more appropriate to say that not one of them were given any travel privileges and that overall they handled all the cases in their area. This is, however, an over simplification of the facts. The following statements are submitted as the actual history.

The magistrate's post at Hoonah was filled for only one-half month in fiscal year 1971, and during the first six months of 1972 the magistrate handled 29 cases with a total revenue of \$1,005. No travel.

The Honorable Clifford J. Groh  
April 28, 1972  
Page 2

The magistrate's post of Kake was filled for three and one-half months during the 1970 fiscal year and the magistrate handled 17 cases. The post was filled for one-half of one month in the 1971 fiscal year and handled three cases and one filing. Jim Strang, magistrate at Kake, was the only magistrate to travel with state funds during this two-year period. This consisted of a trip to Juneau for training.

The magistrate at Buckland had four filings during the 1970 fiscal year.

The magistrate at Emmonak had 12 cases in the 1971 fiscal year.

The magistrate posts at Hooper Bay and Nulato were not filled during the period referred to by the Judge.

The magistrate at St. Mary's had two cases and seven filings. No travel.

The magistrate at Kiana had four cases. No travel.

The magistrate at Teller had two cases. No travel.

The magistrate at Galena had four cases, many recordings and no travel.

Some of the magistrates during the period traveled to training seminars in Fairbanks and Anchorage, however, this travel was funded by federal funds specifically for training.

Since there are no court facilities in any of these magistrate posts, the magistrates use their own homes for offices and courtrooms. We pay them from \$25 to \$50 a month for providing these court facilities.

It is extremely difficult to attempt to equate justice in the bush with a caseload or a price tag. The whole concept of magistrates is to provide law and order for the citizens of Alaska who reside in the outlying areas. These people of Alaska are entitled to the protection of their lives and property. We, in the court system, have not haphazardly imposed magistrates on communities or villages. In each case the village leaders have come to the court system and requested a magistrate for their village. We then, in turn, go to the legislature and request funding for the magistrate.

The Honorable Clifford J. Groh  
April 28, 1972  
Page 3

We do not believe that the worth of any magistrate in a given area is determined by how many cases he handles but rather, within certain constraints, by the law and order he brings to the village. The simple fact that there is a magistrate in the area has a deterrent effect on criminality. The citizens in the villages do not flagrantly disregard the law when they know that they will be tried in that village before their peers. We have endeavored to fill magistrate posts with persons of the same ethnic background as their assigned area. It has been reported to us that this has been very effective.

Unfortunately, the reporting of magistrate court statistics is still in its infancy, and we are presently designing a format to more accurately portray the many functions now being performed which are not reported as court statistics. Among these are: (1) Hearings conducted by the magistrate before a case is filed. Many times this obviates the necessity of a formal complaint being filed. (2) Minor juvenile matters are handled by the magistrate in an informal hearing procedure with the minor and the parents. (3) Vital statistics are recorded with the magistrate. (4) Marriages are performed by the magistrate. (5) The magistrate acts as coroner in his village. These are a few of the functions the magistrates perform which are presently not statistically recorded.

We trust this will help to clear up the confusion and misdirection arising from previous conflicting information. We will be happy to answer any further questions you may have.

Very truly yours,



Robert N. Reeves  
Administrative Director

# STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH V — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

BUREAU 99801

## MEMORANDUM

TO: George Morrison, Comptroller  
Alaska Court System  
Anchorage, Alaska

DATE: March 30, 1972

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 389,  
AND RETURN IT TO OUR OFFICE BY 4/6/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),  
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ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT



District Court

State of Alaska

THIRD JUDICIAL DISTRICT

Box 1367

KODIAK, ALASKA

99615

CHAMBERS OF  
HAL R. HORTON, JUDGE

April 20, 1972

The Honorable John Butrovich  
Chairman  
Senate Finance Committee  
Pouch B  
Juneau, Alaska 99801

Re: Senate Bill 389

Dear Sir:

On April 3, 1972, I submitted my resignation as District Court Judge. As this is my last month on the bench, I feel free to write you on the judicial pay raise bill before you.

Other judges have cogently set out justification for the pay increase. I would like to set out in summary form the consequences if you fail to act.

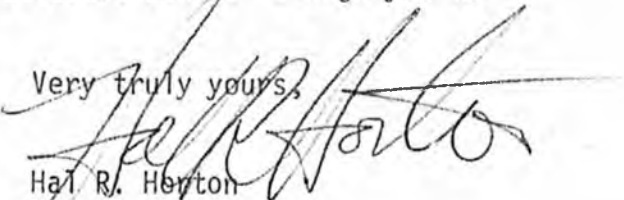
The initial impact will be on the most experienced of our district judges; those whose retirement rights are vested after years of service. The lack of adequate pay will force them into the job market to maintain their standard of living. These are men we can ill afford to lose. A more subtle impact will be on the young judges who are years away from acquiring retirement benefits. The lack of retirement incentive coupled with the dim prospects for pay increases will force these men to better positions elsewhere. I fall into this category.

The vacant benches will be filled with men who are willing to work for the current salary. This will require a higher level of dedication than is likely to be found or a lower level of ability than is likely to be desired.

Honorable John Butrovich  
April 20, 1972  
Page Two

With the current hue and cry over the court system in Alaska, we can ill afford to jeopardize the quality of the district court bench. I urge you to support Senate Bill 389.

Very truly yours,



Hal R. Herton  
District Judge

HRH/dw



District Court

State of Alaska

FIRST JUDICIAL DISTRICT

POUCH U

JUNEAU, ALASKA

99801

CHAMBERS OF  
BRUCE MONROE, PRESIDING JUDGE

April 24, 1972

The Honorable John Butrovich  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
Juneau, Alaska 99801

Re: Senate Bill 389

Dear Senator Butrovich:

I am certain at this late date in the legislative session you have wearied of reading anything, much less, long letters from district judges concerning salary increases. I do wish to impose upon you with one more letter. This letter concerns Senate Bill 389, a pay raise for district judges.

As a district judge, I would like to set forth the sum of my feelings and conclusions, which are based upon my training, education, five years on the bench and associations with judges from other states. Alaskans are told that Alaska has a "model" court system which is the envy of all the other states, but like other things which everyone believes, such a situation may not be properly appreciated.

During the summer of 1969, I attended the National College of State Trial Court Judges in Reno, Nevada. After discussing various court systems with judges of the other 49 states, I found it is true--we do have a model court system which is the envy of all other states.

Our court system is one of the few, completely integrated, court systems. And thus, we have avoided many of the pitfalls experienced in other states. For example, we do not have Justices of

Senator John Butrovich  
April 24, 1972  
Page Three

their training to eventually supply judges for the Superior Court. At present, there are two unfilled District Judgeships. Salaries should be placed at a high enough level to fill these judgeships with the best men available for their time on the District Court bench and to provide a necessary resource for our "model" court system. It is my personal belief that an annual salary of \$23,000 will not accomplish this objective. In point of fact, there is every reason to believe that additional vacancies will be created at that salary level.

Perhaps a judge's point of view would be helpful in determining exactly what is an adequate salary. I feel that several factors should be taken into consideration. First, the difference between a District Court Judges salary and a Superior Court Judges salary should not be so great. Secondly, no judge ascends the bench with the idea of getting rich or equalling his income in private practice. However, a lawyer taking the bench should know that if he utilizes his income intelligently, he will have a comfortable living. He should also know that he will be able to acquire a modest estate to allow the education of his children, and should be able to anticipate a comfortable retirement. Dignity is one attribute most expected in a judge. In order to accomplish this, he must be able to live with dignity among his contemporaries.

In considering District Judge salaries, each legislator should keep in mind that the average citizen has a greater chance of appearing in a District Court than in any other court in the land. District Judges handle many, many more cases than do the Superior Court Judges. Accordingly, the District Court is a show window of the court system. Impressions gained by our citizens who make appearances before these judges are the standards by which the court system and our system of justice, as a whole, is gauged. It is apparent that the legislature must guarantee that our system of justice puts its best foot forward. We must have qualified judges to do so. With judges, as with any other commodity, "You get what you pay for." Note should be taken of the substantial number of judges who must run for election this fall. This, in addition to the two judges to be appointed and the existing judges to be re-tained, should be enough incentive to provide an adequate salary. I hope these comments are of assistance to you. I do not wish to be interpreted as crying "wolfe," nor am I implying that there will be a mass exodus of judges from the District Court should the salary not be increased adequately. I do wish it understood that should the salary not be commensurate with the office, the better judges will move along to more remunerative work and they will probably be replaced with mediocre individuals who will draw a mediocre salary,

Senator John Butrovich  
April 24, 1972  
Page Two

the Peace who are elected locally and who are dependent upon the City Council for their budget and to whom the City Council looks for revenue. Our judges have tenure. Our judges need not participate in partisan politics nor run for election against opponents. Alaska judges have a fine retirement system. The groundwork and skeleton for the model court system is present. However, in putting the flesh on the skeleton, our legislature has failed to pay heed to lessons to be learned from other progressive court systems and our model court system is presently at a crossroads. We can continue to fulfill our great expectations, or in the alternative, fail and sink to mediocrity.

I have no intention of being melodramatic, however, history has taught other progressive court systems that their lower courts are, in fact, their foundation upon which the entire system is based. Almost without exception, all of the states on the west coast are envied for their court systems. These states realize that a strong system of courts of limited jurisdiction is a must. These courts are the training grounds for their judges in the courts of general jurisdiction. For example, in California, when an opening occurs in their Superior Court, the Municipal Courts usually supply their replacements. Municipal Courts in California are roughly equivalent to our District Courts. Along with other states, California has concluded that the best training for a judge is to be a judge. The Governor of California, as a matter of course, fills Superior Court Judgeships with judges from limited jurisdictional courts. This allows him to make two appointments for each opening and is the logical progression.

You will note that President Nixon has nominated several individuals for confirmation to the Supreme Court. With two exceptions, these nominees have been judges. Prior to making these appointments, the President had judicial decisions of over 100 judges researched. President Nixon wanted a known quality for judicial appointment. He wished to know the "track record" of any man whom he had elevated to the Supreme Court. History is replete with examples of lawyers who have been elevated to the Judiciary and demonstrated characteristics which were surprising to the person who appointed them.

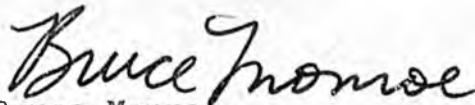
Unfortunately, in Alaska, our courts of limited jurisdiction, the District Courts, have never lived up to this concept. No district judge has been elevated to the Superior Court. At present, we have an opportunity to remedy this situation.

Salaries in the District Court could be placed at a level where capable men could be recruited and retained to begin and complete

Senator John Butrovich  
April 24, 1972  
Page Four

run mediocre courts, dispense mediocre justice, and ultimately betray the concept of a model court system for our great state.

Very truly yours,

A handwritten signature in cursive script that reads "Bruce Monroe".

Bruce Monroe  
Presiding District Judge

srd

cc The Honorable W. I. Palmer  
The Honorable C. R. Lewis  
The Honorable Jan M. Koslosky  
The Honorable Ron L. Rettig  
The Honorable Kathryn Poland  
The Honorable Bill Ray



# 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

# STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUGUST 1971  
POUCHET ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCHET WF — STATE CAPITOL

JUNEAU 99801

## MEMORANDUM

TO: George Morrison, Comptroller  
Alaska Court System  
Anchorage, Alaska

DATE: March 30, 1972

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR SB 390,  
AND RETURN IT TO OUR OFFICE BY 4/6/72.

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),  
PLEASE OBSERVE THE FOLLOWING:

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CC: BUDGET & MANAGEMENT

Introduced: 3/22/72  
Referred: Judiciary,  
Finance

1 IN THE SENATE BY THE JUDICIARY COMMITTEE BY REQUEST

2 SENATE BILL NO. 390

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to judicial compensation; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 22.05.140(a) is amended to read:

10 (a) The chief justice and each associate justice shall receive  
11 \$42,500 [\$36,000] annually as compensation. The compensation is payable  
12 monthly in 12 equal installments. Compensation of the chief justice  
13 or of an associate justice shall not be diminished during his term  
14 of office, unless by general law applying to all salaried officers of  
15 the state.

16 \* Sec. 2. AS 22.10.190(a) is amended to read:

17 (a) Each superior court judge shall receive \$40,000 [\$33,000]  
18 annually, as compensation, payable monthly in 12 equal installments.  
19 The compensation of a judge shall not be diminished during his term  
20 of office, unless by general law applying to all salaried officers of  
21 the state.

22 \* Sec. 3. AS 22.15.220(a) is amended to read:

23 (a) Each district judge shall receive \$33,000 [\$25,000] annually  
24 as compensation, payable monthly in 12 equal installments.

25 \* Sec. 4. This Act takes effect on July 16, 1972.  
26  
27  
28  
29