

LEG. FINANCE - BILLS 1979 - 1980 1158

HB 703 thru HB 707



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

3/20/90  
Date

Funding Information:  
General Fund: \$194,033.95  
Other Funds: -0-  
\$194,033.95

Introduced: 2/11/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 703

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Transportation and Public Facilities,  
8 Marine Transportation; and providing for an effective  
9 date."

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

11 \* Section 1. The sum of \$194,033.95 is appropriated from the general  
12 fund to the Department of Transportation and Public Facilities, Marine  
13 Transportation, to pay an out-of-court settlement of a sex discrimination  
14 suit.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

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HB 703

An Act making a supplemental appropriation to the Department of Transportation & Public Facilities, Marine Transportation; effective date.

IN: 2/11/80

*Inc. in*

*CSHB 60*

*Sec. 112*



*letter  
Backup.*

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Other Funds: -0-  
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Referred: Finance

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29 COMMITTEE COPY

JAY S. HAMMOND  
GOVERNOR



14B 703

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Transportation and Public Facilities, Marine Transportation, for the purpose of paying the costs of an out-of-court settlement of a sex discrimination suit.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond  
Governor

DOT/PF  
LEGAL COSTS OF SEX DISCRIMINATION CASE  
INCLUDED IN SUPPLEMENTAL APPROPRIATION REQUEST  
FOR FY 1980

14B 703

Settlement Cost, Attorney Fees, and Costs	\$191,107.00
Additional Cost Bill	<u>2,926.95</u>
	<u>\$194,033.95</u>

TO:  Robert W. Ward  
Commissioner  
DOT/PF

DATE: September 24, 1979

FILE NO:

TELEPHONE NO: 465-3630

FROM: Francis A. Glass  
Norman E. Staton *NS*  
Assistant Attorneys General  
Transportation Section  
Department of Law

SUBJECT: Sex Discrimination Cases  
Anderson, et al. v. State

The most recent settlement offers from Anderson, Castner and Kelsey's attorneys seem, for the most part, quite reasonable, given the nature of their case against the state. It is our opinion that their offers should be accepted and the cases dismissed once and for all.

Their offers are:

Castner \$ 45,000

Anderson 65,000

Kelsey 60,000

\$170,000

Attorney's Fees

Fletcher 10,200

Brothers 9,935

Costs

Fletcher 900

Brothers 72

\$191,107

Our most recent offers have been:

Castner	\$ 35,000
Anderson	47,500
Kelsey	<u>50,000</u>
Total	\$132,500

Therefore, the disparity between our settlement offers is \$37,500, which we do not view as unacceptable, given the circumstances of the case.

Rebecca Castner's method of calculating damages is difficult to argue with. She earned \$26,000 in 1976 and estimates that she would have earned as much in 1975, 1977 and 1978.

The plaintiffs argue that their damages are continuing, i.e., that the passage of time tends to increase the state's liability. While we do not agree with that approach and prefer an approach of terminating liability as of the time they left the state payroll, their approach can be supported as plausible.

Both Anderson and Kelsey want back pay plus an award for loss of time and experience. Their claims have reasonable basis: if we allow a claim for back pay, it would follow that there could be an award for the loss of experience during the time they did not work.

In a memo to you of July 31, 1979, the status of the cases was outlined. The only additional item, as of this date, is the failure of the Inlandboatmen's Union to agree to any settlement contribution. While we believe that the plaintiffs could prove that the IBU is in part liable, we have been unable to determine any way, short of litigation, to force them into settlement. We have made repeated efforts to convince the IBU to contribute to the settlement or at least pay the attorney fees; however, their only response has been "No, we have no money." We propose settling with the plaintiffs and they in turn could choose whether or not to proceed against the IBU.

Robert W. Ward  
September 24, 1979  
Page 3

The plaintiffs have stated that their settlement offers are good only until October 1, 1979. If we do not settle by that date, future settlement may very well be more costly. The plaintiffs' present settlement offers do not include calculations for 1979 and they have a motion pending in federal district court to certify a class action. This is a major risk which we highly recommend you avoid, for the class proposed by the plaintiffs would surely contain at least ten and possibly more claimants whose aggregate recovery could exceed \$500,000 and be a problem in awarding back seniority. If the class is not certified, the possible claimants from the time of 1975 would be barred by the statute of limitations. Avoiding this prospect is enough to make settlement at this time a prudent decision.

FAG/NES/bt

cc: Ms. Donna Page  
Mr. James Eide

OCT 04 1979

TO:  Merv Griggs  
Financial Administrative Officer  
Marine Highway Systems  
DOT/PF

DATE: October 3, 1979

FILE NO:

TELEPHONE NO: 465-3630

FROM: *MS* Norm Eaton  
Assistant Attorney General  
Transportation Section  
Department of Law

SUBJECT: Cost Bill for McLean,  
Marksheffel and Blackman

I was contacted by Tim Stearns, attorney for the above-named defendants regarding payment of costs in the sex discrimination settlement. As of this date, he has not received payment of those costs.

I contacted Frank Glass, attorney representing the Marine Highways, and he informed me that it has been an oversight that the costs papers had not been sent to your office earlier, as the costs were stipulated to as part of the judgment against us.

As a result, I have attached a copy of the Cost Bill for your files and would appreciate your forwarding me a check in the amount of \$2,926.95 made payable to the Legal Clinic of Stearns and Hansen as soon as possible.

If you have any questions regarding this matter, please call me.

NES/bt  
Attachment

Oct 13 38

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
 FIRST JUDICIAL DISTRICT AT JUNEAU

BERNEDA McLEAN,  
 Plaintiff,  
 vs.  
 STATE OF ALASKA, et al.,  
 Defendants.

Civil Action No. 76-109



FREDERICKA MARKSHEFFEL,  
 Plaintiff,  
 vs.  
 STATE OF ALASKA, et al.,  
 Defendants.

Civil Action No. 76-231

SHEILA BLACKMAN,  
 Plaintiff,  
 vs.  
 STATE OF ALASKA, et al.,  
 Defendants.

Civil Action No. 76-851

COST BILL

The plaintiffs to this action having entered into a settlement agreement and having agreed that plaintiffs would receive their costs, plaintiffs now submit their costs as follows:

2-19-76	Filing fee (McLean)	\$ 56.00	
	Certified mail	3.24	
	Xerox	<u>19.50</u>	\$ 78.74
4-12-76	Filing fee (Marksheffel)	\$ 56.00	
	Certified mail	3.24	
	Xerox	<u>6.30</u>	65.54
9-23-76	Filing fee (Blackman)	\$ 56.00	
	Certified mail	3.99	
	Xerox	<u>1.05</u>	61.04
9-8-76	Long distance charges and copying costs through 9-8-76		39.49
11-2-76	Long distance charges and copying costs 9-8-76 through 11-2-76		40.89

LAW OFFICER  
 LEGAL CLINIC OF STEARNS & HANSEN  
 419 L. BYRNETT  
 ANCHORAGE, ALASKA 99501  
 (907) 576-2020

11-13-76	Service of process	\$ 40.00
11-28-76	Alaska Airlines, transportation to Juneau	158.28
11-28-76	Expenses in Juneau	27.55
12-15-76	Xerox	1.00
2-2-77	Stansbury deposition	91.88
5-12-77	Xerox	4.00
2-8-78	Capital City Civil Process, service	120.00
2-6-79	Ted Weiting, deposition fee	8.50
	Ron Hamilton, deposition fee	8.50
	Josephine Purcell, deposition fee	8.50
	Kenneth LaFavour, deposition fee	8.50
	Wendy Kirkpatrick, deposition fee	8.50
2-7-79	Alaska Airlines, Goldstreak subpoenas	23.00
2-8-79	Alaska Airlines, transportation to Juneau	145.48
2-16-79	Taku Reporters, depositions	161.97
4-18-79	Capital City Process, costs and shipping	165.00
4-18-79	Alaska Airlines, Goldstreak	23.00
4-19-79	Alaska Airlines, Goldstreak	34.00
4-19-79	Alaska Airlines, transportation to Seattle and Ketchikan	254.55
4-20-79	Ketchikan Airport	1.50
4-26-79	Ketchikan Motel, lodging	35.36
6-11-79	Capital City Process	27.01

Long distance telephone charges

8-3-78	206-624-0861	3.40
11-13-78	225-9312 collect	5.85
11-21-78	465-3630	2.60
11-22-78	465-3630	4.30
1-16-79	465-3630	2.60
1-17-79	465-3630	2.60
1-18-79	225-2378	19.60
1-23-79	465-3630	2.60
1-25-79	465-3631	13.65
1-26-79	225-6861	22.15
1-26-79	225-2378	11.10
1-26-79	225-6861	2.60
1-29-79	465-3631	4.30
2-1-79	465-3631	6.00
2-2-79	465-3631	15.35
2-8-79	Juneau, collect	3.90
3-2-79	465-3600	12.80
3-7-79	465-3631	4.30
3-7-79	465-3630	6.85
3-7-79	465-3631	15.35

LAW OFFICES  
**LEGAL CLINIC OF STEARNS & HANSEN**  
 418 L STREET  
 ANCHORAGE, ALASKA 99501  
 (907) 278-2828

Long distance telephone charges, continued

3-13-79	465-3631	2.60
3-28-79	465-3630	2.60
4-3-79	225-2378	1.95
4-4-79	465-3630	2.60
4-6-79	465-3600	2.60
4-10-79	247-2377	9.40
4-10-79	225-2378	1.95
4-10-79	225-5087	1.95
4-10-79	225-4544	19.50
4-10-79	225-5013	1.95
4-16-79	479-4956	.85
4-18-79	586-3530	2.60
4-18-79	465-3630	7.70
4-19-79	206-612-8833	9.89
4-19-79	586-3530	2.60
4-19-79	465-3630	3.45
4-20-79	225-6861	2.15
4-24-79	479-4956	3.85
4-24-79	247-2377	9.75
4-24-79	465-3630	2.60
4-24-79	465-3630	12.80
4-26-79	465-3630	20.45
4-26-79	465-3600	7.70
4-27-79	465-3630	2.60
4-27-79	247-2377	19.60
5-1-79	465-3630	6.85
5-3-79	465-3630	3.45
5-4-79	465-3630	2.60
5-8-79	465-3630	2.60
5-10-79	206-622-3548	4.01
5-10-79	465-3630	3.45
5-10-79	465-3630	2.60
5-11-79	465-3630	1.70
5-11-79	465-3630	3.45
5-12-79	465-3630	1.25
5-14-79	465-3630	5.15
5-16-79	465-3630	2.60
5-16-79	465-3630	6.85
5-21-79	465-3630	2.60
5-21-79	465-3630	2.60
5-22-79	465-3630	2.60
5-22-79	465-3630	2.60
5-23-79	465-3630	2.60
5-24-79	465-3630	5.15
5-24-79	465-3630	2.60
5-25-79	465-3630	2.60
5-25-79	465-3630	2.60
5-25-79	465-3600	14.50
5-25-79	465-3600	5.15
5-25-79	465-3631	5.00
5-25-79	479-4956	2.60
5-29-79	465-3631	2.60
5-30-79	465-3631	2.60
5-30-79	247-2377	2.60
5-30-79	465-4050	2.60
5-30-79	247-2377	2.75
5-31-79	465-3631	3.45
5-31-79	465-3631	1.30
5-31-79	247-2377	1.30
6-5-79	465-3631	2.60
6-6-79	465-3631	2.60
6-7-79	247-2377	2.60
6-11-79	247-2377	11.10
6-11-79	465-3630	2.60

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Long distance telephone charges, continued

5-12-79	465-3630	2.60
6-12-79	465-3630	6.00
6-13-79	247-2377	2.60
6-13-79	465-3630	2.60
6-13-79	465-3630	2.60
6-14-79	247-2377	2.60
6-21-79	247-2377	2.60

470.65

3% federal tax

14.38

494.03

\$ 2,135.81

McLean expenses

Long distance telephone charges	264.90
Motel, Seattle, April 1979	42.23
Plane fare, Seattle, April 1979	163.46
Plane fare, Juneau, November 1976	<u>80.00</u>

550.59

Marksheffel expenses

Long distance telephone charges

114.20

Blackman expenses

Long distance telephone charges	103.35
Alaska Airlines, Goldstreak	<u>23.00</u>

126.35

TOTAL COSTS

\$ 2,926.95

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND.. Session

HOUSE ..BILL..... NO. 703...

By THE RULES COMMITTEE BY.....  
REQUEST OF THE GOVERNOR

"An Act making a supplemental appropriation to the Department of Transportation and Public Facilities, Marine Transportation; and providing for an effective date."

Supp appro, Marine Transportation

Introduced in the House . 2/11...., 1980.

HISTORY IN THE HOUSE

1980

Feb. 11

Read first time and referred to Committee on

Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

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Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:  
VOTE

Failed to concur in Senate amendment; asked Senate to recede  
VOTE

Senate receded from amendment  
VOTE

Senate failed to recede from amendment  
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House  
VOTE

CC adopted by Senate  
VOTE

To enrolling  
Reported correctly enrolled  
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

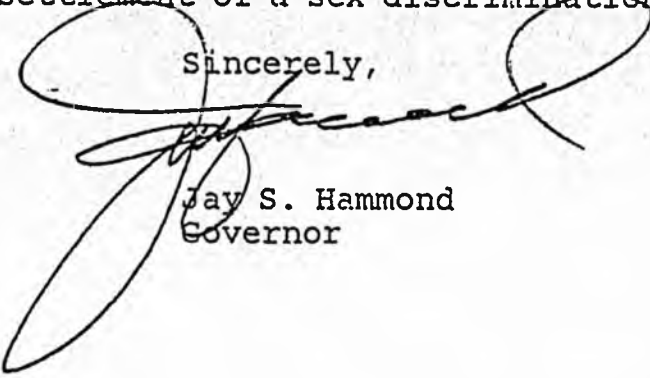
February 11, 1980

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Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Transportation and Public Facilities, Marine Transportation, for the purpose of paying the costs of an out-of-court settlement of a sex discrimination suit.

Sincerely,



Jay S. Hammond  
Governor

DOT/PF  
LEGAL COSTS OF SEX DISCRIMINATION CASE  
INCLUDED IN SUPPLEMENTAL APPROPRIATION REQUEST  
FOR FY 1980

LB 703

Settlement Cost, Attorney Fees, and Costs	\$191,107.00
Additional Cost Bill	<u>2,926.95</u>
	<u>\$194,033.95</u>

TO:  Robert W. Ward  
 Commissioner  
 DOT/PF

DATE: September 24, 1979

FILE NO.

TELEPHONE NO. 465-3630

FROM: Francis A. Glass  
 Norman E. Staton *NS*  
 Assistant Attorneys General  
 Transportation Section  
 Department of Law

SUBJECT: Sex Discrimination Cases  
 Anderson, et al. v. State

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Brothers	9,935
<u>Costs</u>	
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Brothers	<u>72</u>
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FAG/NES/bt

cc: Ms. Donna Page  
Mr. James Eide

OCT 04 1979

TO:  Merv Griggs  
Financial Administrative Officer  
Marine Highway Systems  
DOT/PF

DATE: October 3, 1979

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TELEPHONE NO: 465-3630

FROM: *MS*  
Norm Staton  
Assistant Attorney General  
Transportation Section  
Department of Law

SUBJECT: Cost Bill for McLean,  
Marksheffel and Blackman

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Civil Action No. 76-109



*Grand delin  
 by Tim  
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 LEGAL CLINIC OF STEARNS & HANSEN  
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 ANCHORAGE, ALASKA 99501  
 19071 278-2820

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11-22-78	465-3630	4.30
1-16-79	465-3630	2.60
1-17-79	465-3630	2.60
1-18-79	225-2378	19.60
1-23-79	465-3630	2.60
1-25-79	465-3631	13.65
1-26-79	225-6861	22.15
1-26-79	225-2378	11.10
1-26-79	225-6861	2.60
1-29-79	465-3631	4.30
2-1-79	465-3631	6.00
2-2-79	465-3631	15.35
2-8-79	Juneau, collect	3.90
3-2-79	465-3600	12.80
3-7-79	465-3631	4.30
3-7-79	465-3630	6.85
3-7-79	465-3631	15.35

LAW OFFICES  
**LEGAL CLINIC OF STEARNS & HANSEN**  
 418 L STREET  
 ANCHORAGE, ALASKA 99501  
 (907) 276-2020

Long distance telephone charges, continued

3-13-79	465-3631	2.60
3-28-79	465-3630	2.60
4-3-79	225-2378	1.95
4-4-79	465-3630	2.60
4-6-79	465-3600	2.60
4-10-79	247-2377	9.40
4-10-79	225-2378	1.95
4-10-79	225-5087	1.95
4-10-79	225-4544	19.50
4-10-79	225-5013	1.95
4-16-79	479-4956	.85
4-18-79	586-3530	2.60
4-18-79	465-3630	7.70
4-19-79	206-612-8833	9.89
4-19-79	586-3530	2.60
4-19-79	465-3630	3.45
4-20-79	225-6861	2.15
4-24-79	479-4956	3.85
4-24-79	247-2377	9.75
4-24-79	465-3630	2.60
4-24-79	465-3630	12.80
4-26-79	465-3630	20.45
4-26-79	465-3600	7.70
4-27-79	465-3630	2.60
4-27-79	247-2377	19.60
5-1-79	465-3630	6.85
5-3-79	465-3630	3.45
5-4-79	465-3630	2.60
5-8-79	465-3630	2.60
5-10-79	206-622-3548	4.01
5-10-79	465-3630	3.45
5-10-79	465-3630	2.60
5-11-79	465-3630	1.70
5-11-79	465-3630	3.45
5-12-79	465-3630	1.25
5-14-79	465-3630	5.15
5-16-79	465-3630	2.60
5-16-79	465-3630	6.85
5-21-79	465-3630	2.60
5-21-79	465-3630	2.60
5-22-79	465-3630	2.60
5-22-79	465-3630	2.60
5-23-79	465-3630	2.60
5-24-79	465-3630	5.15
5-24-79	465-3630	2.60
5-25-79	465-3630	2.60
5-25-79	465-3630	2.60
5-25-79	465-3600	14.50
5-25-79	465-3600	5.15
5-25-79	465-3631	5.00
5-25-79	479-4956	2.60
5-29-79	465-3631	2.60
5-30-79	465-3631	2.60
5-30-79	247-2377	2.60
5-30-79	465-4050	2.60
5-30-79	247-2377	2.75
5-31-79	465-3631	3.45
5-31-79	465-3631	1.30
5-31-79	247-2377	1.30
6-5-79	465-3631	2.60
6-6-79	465-3631	2.60
6-7-79	247-2377	2.60
6-11-79	247-2377	11.10
6-11-79	465-3630	2.60

LAW OFFICES  
**LEGAL CLINIC OF STEARNS & HANSEN**  
 418 L STREET  
 ANCHORAGE, ALASKA 99501  
 (907) 278-2028

Long distance telephone charges, continued

6-12-79	465-3630	2.60
6-12-79	465-3630	6.00
6-13-79	247-2377	2.60
6-13-79	465-3630	2.60
6-13-79	465-3630	2.60
6-14-79	247-2377	2.60
6-21-79	247-2377	2.60

		470.65
3% federal tax		<u>14.38</u>

494.03

\$ 2,135.81

McLean expenses

Long distance telephone charges	264.90
Motel, Seattle, April 1979	42.23
Plane fare, Seattle, April 1979	163.46
Plane fare, Juneau, November 1976	<u>80.00</u>

550.59

Marksheffel expenses

Long distance telephone charges

114.20

Blackman expenses

Long distance telephone charges	103.35
Alaska Airlines, Goldstreak	<u>23.00</u>

126.35

TOTAL COSTS

\$ 2,926.95

LAW OFFICES  
LEGAL CLINIC OF STEARNS & HANSEN  
415 L STREET  
ANCHORAGE, ALASKA 99501  
(907) 278-2028



# 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 O. Smith  
Signature of Camera Operator

3/20/90  
Date

Funding Information:  
 General Fund: -0-  
 Other Funds: -0-  
 -0-

Introduced: 2/11/80  
 Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
 REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 706

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriation adjustments for the  
 7 Department of Natural Resources, Division of Parks;  
 8 and providing for an effective date."

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

10 \* Section 1. Section 23, ch. 80 SLA 1979, page 26, lines 18-21 (Parks  
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12 FUNDING				
	13 ALLOCATIONS	14 APPROPRIATIONS	15 GENERAL	16 OTHER
17 Parks and Recreation				
18 Districts		\$1,340,777	\$1,340,777	
19 Mat-Su (14				
20 positions)	\$ 309,012			
21 Chugach (13				
22 positions)	293,738			
23 Kenai-Kodiak (9				
24 positions)	182,463			

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 26 ment), is repealed and re-enacted to read:

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	28 ALLOCATIONS	29 APPROPRIATIONS	GENERAL	OTHER
30 Park Management		\$ 400,084	\$ 369,733	\$ 30,351

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33 ALLOCATIONS

1 Administration

2 and Support \$ 209,603

3 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
4 10.070(c).

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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriation adjustments for the Department of Natural Resources, Division of Parks, which are necessary to fund budgeted personnel and pay for projected office space, telephone service, and office equipment rental.

Section 1 of the bill repeals and re-enacts lines 18-21, page 26, sec. 23, ch. 80 SLA 1979, as follows:

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Current:	\$1,362,177	\$1,362,177
As amended:	1,340,777	1,340,777

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Current:	\$ 310,612
As amended:	309,012

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Current:	\$ 302,438
As amended:	293,738

Line 21:

Current:	\$ 193,563
As amended:	182,463

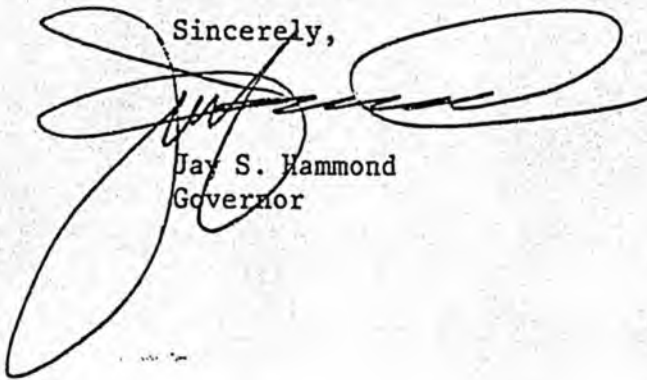
Section 2 of the bill repeals and re-enacts line 26, page 26, sec. 23, ch. 80 SLA 1979, as follows:

Current:	\$ 378,684	\$ 348,333	\$ 30,351
As amended:	400,084	369,733	30,351

Section 3 of the bill repeals and re-enacts line 29, page 26, sec. 23, ch. 80 SLA 1980, as follows:

Current:	\$ 188,203
As amended:	209,603

Sincerely,



Jay S. Hammond  
Governor

DEC 07 1979

TO: [ Ronald D. Lehr, Director  
Division of Budget & Management  
Office of the Governor

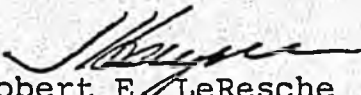
DATE: October 31, 1979

FILE NO:

POLICY DEVELOPMENT  
& PLANNING

TELEPHONE NO:

143706

FROM:   
Robert E. LeResche  
Commissioner

SUBJECT: FY80 Supplemental Request--  
Division of Parks

This is a request for initiation of a zero-balance supplemental FY80 operating budget reappropriation action which would transfer 21.4 from three components of the District Operations BRU into the Administration and Support component of the Park Management BRU. Both BRU's are within the Parks and Recreation cover program.

The FY80 funding situation for Administration and Support is similar to that of last year; namely, the FCC appropriation is below the critical minimums for that component and for the Park Management BRU as a whole. Last year the Legislature responded to the funding problem by approving a zero-balance supplemental (47SLA1979) which increased the allocation for Administration and Support by 22.7. This year the critical minimum expenditures for Administration and Support are projected to be a total of 24.5 below the FCC authorization. Of that amount, 3.1 can be transferred in from the Park Development component within the same BRU, and that RP request will be prepared later in the year when the expenditure requirements can be estimated more precisely; for now, we are again requesting that the balance of the shortfall, 22.7, be transferred from another BRU within the same cover program. The effects of this request are described below.

#### Administration and Support Component

The two problem areas are personal services and contractual services. The personal services continuation level for FY80 is 201.2, while the projected actual costs will be 209.2, or 18.1 more than the FCC authorization of 191.1. Since this seven-position component funds all personal services for the Director and Deputy Director positions and for the word processing center, which performs typing work for all Division functions in the Anchorage office (including ACAC, Historic Resource Management, Park Planning, Park Development, State-Federal Coordination, and Operations Administration), an 8 per cent actual underfunding for personal services is below the amount necessary to provide minimum support to other Division activities. The requested action would raise the personal services funding from 191.2 (8 per cent underfunding) to 198.8 (4 per cent underfunding).

The Administration and Support component also provides direct contractual services support to other functions within the Division, including office space for Park Planning and Development personnel, local phone service for all components in the Anchorage office, and all equipment rental for the word processing and xerox equipment. Projected contractual services costs for FY80 are either the minimum for the level of staffing to be provided or are unvariable. The projected FY80 costs for contractual services are 83.0; the authorization

for FY79 after the Legislature passed the zero-balance supplemental was 72.7: the difference is 10.3, or 14 per cent. This represents inflation and 5.0 for a consultant contract to assess Division of Parks management problems, a need which is regarded as critical by the Department of Natural Resources.

#### District Operations

Requested transfers of 21.4 from this BRU will have the following effect on the authorized FY80 work plan for District Operations: (a) personal services in the Mat-SU District will be reduced by 1.6; (b) an 8.7 transfer from Chugach District contractual services will eliminate double-funding for shop space (this item was funded in the Park Development component); and (c) the new 6-month position and associated costs authorized for the Kenai/Kodiak District will be left vacant.

#### Cover Program Summary: Legislative Intent

As is well-known, the Legislature set out to pass an FY80 budget which would be less in actual dollars than the FY79 budget. A necessary consequence would be cuts in FY79 program activity levels. Although legislative intent was not specified for any of the BRU's in this cover program, intent appears evident in a comparison of the FCC budget as a percentage of the FY80 continuation level for the four BRU'S:

	<u>FY80 Cont.</u>	<u>FY80 FCC</u>	<u>FCC as % of Cont.</u>
ACAC/YCC	518.4	460.2	88%
District Operations	1,973.5	2,033.1	103%
Park Management	565.8	565.2	100%
Historic Resource Mgmt.	358.0	30.6	83%
Totals	3,415.7	3,359.1	98%

Functions of the cover program directly involved with and immediately supportive of operations and maintenance of the State Parks System received priority funding--District Operations and Park Management. The other functions--ACAC/YCC and Historic Resource Management--were funded at levels significantly below continuation: 88 and 83 per cent, respectively. Accordingly, in preparing the FY80 operating budget plan, no transfers have been proposed to modify program reductions in ACAC/YCC or Historic Resource Management. It does seem to fulfill legislative intent, however, to request a transfer from District Operations in order to provide within the Park Management BRU and the Administration and Support component specifically a level of activity necessary to adequately support the programs carried out by the District Operations BRU at the FCC budget level.

REL:TAM:HW:hw

Attachments



STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	Park Management
BUDGET COMPONENT	Administration and Management
APPROPRIATION	Park Management
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	191.1		7.7						198.8
02	TRAVEL	13.8								13.8
03	CONTRACTUAL	69.3		13.7						83.0
04	COMMODITIES	6.7								6.7
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	<b>TOTAL</b>	<b>280.9</b>		<b>21.4</b>						<b>302.3</b>
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	280.9		21.4						302.3
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	7.0								7.0
16	PART TIME									
17	TEMPORARY									
18	MAN-MONTHS	84.0								84.0



STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	District Operations
BUDGET COMPONENT	Mat-Su
APPROPRIATION	District Operations
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	307.3		(1.6)						305.7
02	TRAVEL	.4.3								4.3
03	CONTRACTUAL	133.8								133.8
04	COMMODITIES	14.2								14.2
05	EQUIPMENT	4.0								4.0
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	TOTAL	463.6		(1.6)						462.0
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	463.3		(1.6)						462.0
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	4.0								4.0
16	PART TIME	10.0								10.0
17	TEMPORARY									
18	MAN-MONTHS	128.0								128.0

STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	District Operations
BUDGET COMPONENT	Kenai/Kodiak
APPROPRIATION	District Operations
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	156.0		(10.2)						145.8
02	TRAVEL	5.7		(0.5)						5.2
03	CONTRACTUAL	95.9		(0.4)						95.9
04	COMMODITIES	31.3								30.9
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	TOTAL	288.9		(11.1)						277.8
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	288.9		(11.1)						277.8
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	1.0								1.0
16	PART TIME	9.0								9.0
17	TEMPORARY	1.0								1.0
18	MAN-MONTHS	77.6								77.6

STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	District Operations
BUDGET COMPONENT	Chugach
APPROPRIATION	District Operations
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	285.8								285.8
02	TRAVEL	4.8								4.8
03	CONTRACTUAL	130.8		(8.7)						122.1
04	COMMODITIES	28.1								28.1
05	EQUIPMENT	1.9								1.9
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	TOTAL	451.4		(8.7)						442.7
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	451.4		(8.7)						442.7
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	8.0								8.0
16	PART TIME	5.0								5.0
17	TEMPORARY									
18	MAN-MONTHS	131.0								131.0



letter +  
Bookup

Funding Information:

General Fund: -0-  
Other Funds: -0-  
-0-

Introduced: 2/11/80  
Referred: Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 706

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriation adjustments for the  
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8 and providing for an effective date."

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22 positions)	293,738			
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1 Administration

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HB 106  
143706

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1980

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Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

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Current:	\$ 310,612
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Current:	\$ 302,438
As amended:	293,738

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Current:	\$ 193,563
As amended:	182,463

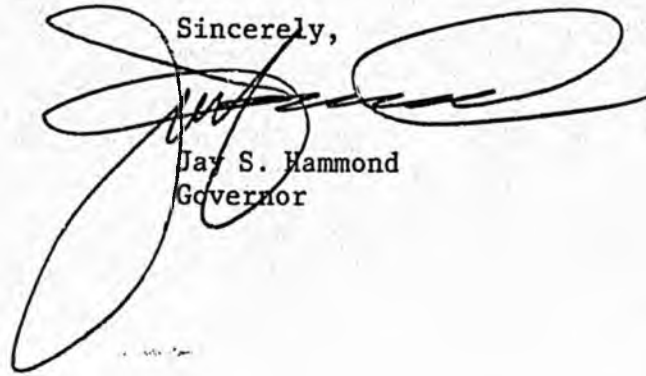
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Current:	\$ 188,203
As amended:	209,603

Sincerely,



Jay S. Hammond  
Governor

STATE  
of ALASKA

DEPARTMENT OF NATURAL RESOURCES  
OFFICE OF THE COMMISSIONER

MEMORANDUM

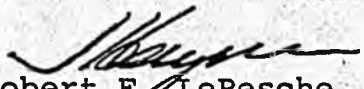
RECEIVED 10-1  
DEC 07 1979

TO: [ Ronald D. Lehr, Director  
Division of Budget & Management  
Office of the Governor

DATE: October 31, 1979  
FILE NO: POLICY DEVELOPMENT  
& PLANNING

TELEPHONE NO.

14B 706

FROM:   
Robert E. LeResche  
Commissioner

SUBJECT: FY80 Supplemental Request--  
Division of Parks

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As is well-known, the Legislature set out to pass an FY80 budget which would be less in actual dollars than the FY79 budget. A necessary consequence would be cuts in FY79 program activity levels. Although legislative intent was not specified for any of the BRU's in this cover program, intent appears evident in a comparison of the FCC budget as a percentage of the FY80 continuation level for the four BRU'S:

	<u>FY80</u> <u>Cont.</u>	<u>FY80</u> <u>FCC</u>	<u>FCC as %</u> <u>of Cont.</u>
ACAC/YCC	518.4	460.2	88%
District Operations	1,973.5	2,033.1	103%
Park Management	565.8	565.2	100%
Historic Resource Mgmt.	358.0	300.6	83%
Totals	3,415.7	3,359.1	98%

Functions of the cover program directly involved with and immediately supportive of operations and maintenance of the State Parks System received priority funding--District Operations and Park Management. The other functions--ACAC/YCC and Historic Resource Management--were funded at levels significantly below continuation: 88 and 83 per cent, respectively. Accordingly, in preparing the FY80 operating budget plan, no transfers have been proposed to modify program reductions in ACAC/YCC or Historic Resource Management. It does seem to fulfill legislative intent, however, to request a transfer from District Operations in order to provide within the Park Management BRU and the Administration and Support component specifically a level of activity necessary to adequately support the programs carried out by the District Operations BRU at the FCC budget level.

REL:TAM:HW:hw

Attachments



STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	Park Management
BUDGET COMPONENT	Administration and Management
APPROPRIATION	Park Management
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	191.1		7.7						198.8
02	TRAVEL	13.8								13.8
03	CONTRACTUAL	69.3		13.7						83.0
04	COMMODITIES	6.7								6.7
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	<b>TOTAL</b>	<b>280.9</b>		<b>21.4</b>						<b>302.3</b>
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	280.9		21.4						302.3
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	7.0								7.0
16	PART TIME									
17	TEMPORARY									
18	MAN-MONTHS	84.0								84.0



STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	District Operations
BUDGET COMPONENT	Mat-Su
APPROPRIATION	District Operations
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	307.3		(1.6)						305.7
02	TRAVEL	4.3								4.3
03	CONTRACTUAL	133.8								133.8
04	COMMODITIES	14.2								14.2
05	EQUIPMENT	4.0								4.0
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	<b>TOTAL</b>	<b>463.6</b>		<b>(1.6)</b>						<b>462.0</b>
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	463.3		(1.6)						462.0
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	4.0								4.0
16	PART TIME	10.0								10.0
17	TEMPORARY									
18	MAN-MONTHS	128.0								128.0

STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	District Operations
BUDGET COMPONENT	Kenai/Kodiak
APPROPRIATION	District Operations
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	156.0		(10.2)						145.8
02	TRAVEL	5.7		(0.5)						5.2
03	CONTRACTUAL	95.9		(0.4)						95.9
04	COMMODITIES	31.3								30.9
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	<b>TOTAL</b>	<b>288.9</b>		<b>(11.1)</b>						<b>277.8</b>
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	288.9		(11.1)						277.8
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	1.0								1.0
16	PART TIME	9.0								9.0
17	TEMPORARY	1.0								1.0
18	MAN-MONTHS	77.6								77.6

STATE OF ALASKA  
Office of the Governor  
Budget & Management Div.

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	NRMEC
COVER PROGRAM	Parks & Recreation
AGENCY	Natural Resources
DIVISION	Parks
BUDGET REQUEST UNIT	District Operations
BUDGET COMPONENT	Chugach
APPROPRIATION	District Operations
ALLOCATION	

		FY80 INITIAL AUTHORIZATION	RP	THIS RP REQUEST	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	285.8								285.8
02	TRAVEL	4.8								4.8
03	CONTRACTUAL	130.8		(8.7)						122.1
04	COMMODITIES	28.1								28.1
05	EQUIPMENT	1.9								1.9
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS									
08	MISCELLANEOUS									
	<b>TOTAL</b>	<b>451.4</b>		<b>(8.7)</b>						<b>442.7</b>
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	451.4		(8.7)						442.7
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
15	FULL TIME	8.0								8.0
16	PART TIME	5.0								5.0
17	TEMPORARY									
18	MAN-MONTHS	131.0								131.0

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND. Session

HOUSE ..... BILL ..... NO. 706

By THE RULES COMMITTEE BY...  
REQUEST OF THE GOVERNOR

"An Act making appropriation adjustments for the Department of Natural Resources, Division of Parks; and providing for an effective date."

Appro adjustments for Dept of Natural Resources, Div of Parks

Introduced in the House 2/11....., 19.80

HISTORY IN THE HOUSE

19 80

Feb. 11. Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:  
VOTE

Failed to concur in Senate amendment; asked Senate to recede  
VOTE

Senate receded from amendment  
VOTE

Senate failed to recede from amendment  
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House  
VOTE

CC adopted by Senate  
VOTE

To enrolling  
Reported correctly enrolled  
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....



# 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 O. Smith  
Signature of Camera Operator

3/20/90  
Date

Funding Information:  
General Fund: -0-  
Other Funds: \$129,000  
\$129,000

Introduced: 2/11/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 707

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Revenue, Treasury Management; and pro-  
8 viding for an effective date."

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

10 \* Section 1. The sum of \$129,000 is appropriated to the Department of  
11 Revenue, Treasury Management, for the treasury management computer system,  
12 from the following sources:

13 Public Employees Retirement System \$ 64,500

14 Teachers' Retirement System 64,500

15 \* Sec. 2. The appropriation made in sec. 1 of this Act is for a capital  
16 project and is subject to AS 37.25.020.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

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29

JAY S. HAMMOND  
GOVERNOR

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

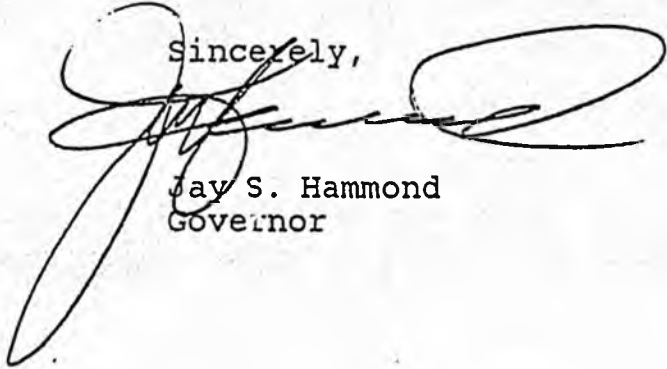
February 11, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Revenue, Treasury Management, for the purpose of completing the treasury management computer system. This system will result in better information and control of the investments made by the general fund, permanent fund, and retirement funds, with the desired effect of increasing the return on investments from those funds.

Sincerely,



Jay S. Hammond  
Governor

# MEMORANDUM

JAN 15 REC'D  
143  
707

TO: Ron Lehr, Director  
Division of Budget & Management  
Office of the Governor

DATE: January 11, 1980

FILE NO:

TELEPHONE NO:

THRU: Peter A. Bushre *PA Bushre*  
Deputy Commissioner - Treasury  
FROM: Department of Revenue

SUBJECT: FY80 Supplemental Appropriation  
and FY81 Budget Revision

Anselm C. Staack *Anselm C. Staack*  
Treasury Comptroller  
2351

This cover memo and supporting attachments relate to the following request:

1. \$129,000 FY80 Supplemental Appropriation for the Treasury Computer System Capital Project, originally approved and funded in FY78; to provide for proper completion of the project.
2. \$80,000 FY81 Operating Budget revision; to fund additional operating costs not included in that budget submission for continued operation of the system.

These two requests are linked in that the \$80,000 budget revision is necessary if the \$129,000 supplemental to bring the computer system to operational status is approved.

The attached memo of December 6, 1979, from myself to Peter A. Bushre describes in detail the rationale for this request. It is supported by four schedules which provide cost analysis, present funding, funding needs and suggested funding sources.

Further clarification of several points are necessary.

## \$129,000 SUPPLEMENTAL FUNDED BY RETIREMENT FUNDS

You will note that I have suggested that the retirement funds provide the needed \$129,000. In terms of total project costs, with \$270,000 already provided by the general fund, the composition of funding for capital project implementation would be 68% general fund, 32% retirement funds. In terms of dollars at June 30, 1979, the general, segregated and permanent funds had 69%, (\$1,312,951,342 cost basis total for all funds other than the retirement funds), and correspondingly the retirement funds had 31%. With new state surpluses, this composition could change to 75% v. 25% retirement accordingly, (estimated).

However, dollars under management are deceptive. The retirement funds, for their size, have a greater work load requirement on Treasury due to the mortgage loan programs handled by each.

The retirement funds have extensive mortgage holdings and we in Treasury handle the review, payout to the servicing institution, receipt the payments from the banks in block groups. Extensive accounting takes place. Comparatively, the general fund has the veterans, business loans and others but they perform the bulk of the accounting in Commerce and Economic Development; we do accounting also, but not as extensive as the retirement funds.

Taken as a whole, the proposed funding is not out of line with true work requirements.

#### \$80,000 BUDGET REVISION FUNDING

The suggested funding \$56,000 general fund and \$24,000 retirement funds, 70% general/30% retirement funds, follows the same basic logic as above. Adjustments will be made based on actual transaction volumes once the system is in operation.

These additional operating costs are based upon the systems design and estimated operating volume. It should be noted that \$120,000 is the total operating costs, \$40,000 would be transferable from old systems replacement to this system.

The analysis is based on 36-month lease/purchase. If the equipment is purchased outright about \$65,000 would be added to the capital budget, about a \$27,000 reduction during each of the first three years in operating expenditures. Considering the time value of money, inflation factors, the constant introduction of new generation equipment, etc. to buy or lease/purchase will both do the job equally, considered on the whole. It won't change the basic decision necessary.

#### \$44,000 CAPITAL PROJECT EXPENDITURES TO DATE

The funds have been spent/encumbered during the FY79 for the Conceptual Systems Design. This has been a detailed review of Treasury needs. This process was crucial because we now know affirmatively what we need in a very detailed manner. Extensive time was spent interviewing all involved personnel to verify the facts as to the system requirements. Processing alternatives were reviewed and a recommendation made. This process verified that our existing manual system could be adequately transferred with modification to an existing software package already used by several other state treasuries.

#### NEED FOR THE SYSTEM

The need remains the same. We are presently dependant on the outside safekeeping agents for most of our investment portfolio data. Our loan accounting is by manual process. Treasury's summary general ledgers are hand kept. The State's PBA general accounting system was not designed for our needs and is not modifiable to accomodate them. It's not a matter of us asking something unique and different, it's simply a lack of design of a subsystem that should be there.

Ron Lehr  
January 11, 1980  
Page Three

EFFECT OF NOT APPROVING.

Our volume is too large and detailed for us to keep up as our accounts grow. We have relentless information demands and when you consider we have portfolios which total about two billion dollars of the public's money, continued growth will only slow up our ability to react to demands.

Further, our auditors who audit these funds every year and the requirements of generally accepted accounting principles, will force us to some solution as ability for compliance is stretched to the limit at this point with the existing combination of records kept.

We must meet all audit requirements. Not meeting them will not only raise questions as to accountability but will affect state bonding and the state's relationships with the general financial community. The effect of a negative audit opinion is obvious.

One very important note; if proper funding is not available to do it the right way, the resulting mess would cost much more to clean up.

SUMMARY/FORMS

Attached is a schedule which summarizes the request analysis and funding source. I have also filled out the Budget and Management form with modification as indicated.

If you have need of any further information, please contact me at 465-2351.

:dw

Attachments - FY80/FY81 Analysis Schedule  
FY80 Supplemental Request Analysis Form  
Memo, 7 pages; Technical Analysis

cc: Jeff Morrison, Budget Analyst

Treasury Computerized Accounting/Reporting/MIS System  
FY80 Supplemental/FY81 Budget Amendment

REQUEST ANALYSIS

<u>Category</u>	<u>FY78 Authorized</u>	<u>7/1/77- 12/31/79 Actual</u>	<u>12/31/79 Balance</u>	<u>FY80 &amp; FY81 Projected Expenditure to Complete</u>	<u>FY80 Supplemental</u>	<u>FY81 Operating Budget Revision</u>
Capital Project Computer System	270,000	44,000	226,000	355,000	129,000	--
Continuing Operations Cost	--	--	--	--	--	80,000

FUNDING SOURCE

General Fund	270,000	44,000	226,000	226,000	--	56,000
PERS	--	--	--	64,500	64,500	12,000
TRS	--	--	--	64,500	64,500	12,000

AGENCY: Department of Revenue  
PROGRAM: Revenue Collection & Management  
BRU: Treasury Management  
DATE: 1/11/80  
REVISED: --

# MEMORANDUM

TO: [ Peter A. Bushre  
Deputy Commissioner  
Treasury Division  
Department of Revenue

DATE: December 6, 1979

FILE NO:

TELEPHONE NO:

FROM: Anselm Staack *A. Staack*  
Treasury Comptroller

SUBJECT: Treasury Computerized Accounting/  
Reporting/MIS System; Costs/Funding

Before we start the next phase of the Treasury computer system it is necessary to review both system costs for implementation and estimated recurring operations costs.

Certain basic assumptions are apparent and inherent to this analysis and the alternatives indicated.

1. It is apparent, after review of Treasury's needs, that the most cost-effective means of implementation would be to utilize existing software which is already developed and proven for our type of applicaiton.

Our conceptual design process verified that our requirements are not dissimilar from those of other states already using the software package under consideration.

2. For any such standard package, software modifications are necessary to accomodate the unique needs of Treasury Alaska, as other states have done for their particular circumstances.
3. Such modifications are far less costly than bottom-up systems design; creating a new system from scratch.

Simply put, we don't want to reinvent the wheel (old cliché, but applicable), rather use a proven working product for our needs. Too many present state computer systems exhibit needless development failures when adequate existing, operational systems were available from outside vendors.

In the attached schedules I have laid out the costs for start-up/implementation and continuing operations costs; funding sources are suggested. Based on the analysis presented, we will need an additional \$129,000 in capital project costs to do implementation, and budget an additional \$80,000 on a recurring basis for each of the first three years, dropping to \$50,000 recurring for each year starting with year four of operation. These recurring costs are based on a 36-month lease/purchase option.

Peter A. Bushre  
December 6, 1979  
Page Two

On site equipment, if purchased would be about \$65,000, which would increase the capital project amount and lower the operating expenses during each of the first three years by about \$27,000. (Identifiable; the balance being the contingency set aside). Considering the time value of money, inflation factor, the constant introduction of new generation equipment, etc. to buy or lease/purchase will both do the job equally considered on the whole. It won't change the basic decision necessary.

I feel the cost estimates and the figures used, considering the project scope, (a fully integrated accounting system), are reasonable. To design such a system from bottom-up, not using a body of developed software with its demonstrated capabilities, would cost in the range of \$800,000-\$1,000,000 for implementation, (if we're lucky). My assessment is based on my own knowledge of similar type projects, projects I have designed and implemented myself and information generally available in the field of data processing.

Quite frankly, my decision is that unless we can obtain the additional funding to properly complete the project we should not consider implementation. I'd rather this be understood up front, than proceeding and when we're two thirds through, discover we can't complete it. I feel the system is necessary to fulfill our tasks in a more efficient manner. As you are aware, the relentless demand for information is taxing our abilities under the present manual operation. I do not propose any new employees.

Simply put, however, it should either be done right or not at all; and we try to live with what we have (not a desirable situation, believe me). Why? A high probability of systems design/implementation failure exists if we try to go on the cheap, (about 90% probability in my estimation). I'm sure there are vendor's out there who would propose at a reduced cost, however, the result would be asking for more later on. The numbers presented simply make sense; (the continuing operational costs are an implicit integral part of the design and would not be much less, in fact, probably more, if a reduced implementation cost alternative were chosen).

The present capital budget funding is 100% General Fund. Since a major portion of the loan/mortgage accounting is for the retirement funds and in fact, the design requires that one of the three data bases be retirement only; asking them to come up with \$129,000 is supportable, in terms of dedication of parts of the system and transaction volume. This makes their cost 32% of total implementation costs. In fact, the retirement funds have to be on the system as they are part of our presently integrated accounting process for all funds.

Several points as to perspective of cost-benefit and the assets/income handled are:

1. Implementation cost is .02% of the total assets under management at 6/30/79. (\$1,878.1 million)

Peter A. Bushre  
December 6, 1979  
Page Three

2. Operating cost is .006% of total assets under management at 6/30/79.
3. Implementation cost is .3% of total interest earnings on all investments for FY79. (\$14.1 million)
4. Operating cost is .1% of total interest earnings on all investments for FY79.
5. Increasing ROI on investments by .1% will pay for operating costs..

The proper funding should be committed and available, as well as operating funding concurred to, before going ahead. Doing otherwise is simply not prudent.

Treasury Computerized Accounting/Reporting/MIS System  
Project Implementation Costs

---

1.	One-time license fees for standard software package use.	\$ 88,000
2.	"Customization" professional services necessary to modify standard package to Treasury Alaska specific needs for accounting, summarization, reporting, etc. (range \$180,000-\$220,000)	200,000
3.	Programming/Professional services for "intelligent" on-site CRT terminals for data entry, transmissions, storage, ledger/report printing, search/recall, etc. (range \$26,000-\$33,000)	30,000
4.	Installation and training-professional services to train employees in use of system, equipment ordering, instruction as to form fill out, data entry, user's manual use, etc.	19,000
5.	Initial time/sharing connect/transmission charges to bring system to full operational status and accomplish instruction and debug.	<u>18,000</u>
	Total Start-up/Project Implementation	\$ <u>355,000</u>

Treasury Computerized Accounting/Reporting/MIS System  
Funding/Funding Needs Summary  
Start-up/Project Implementation

Funding Need

Initial capital Project Budget (appropriated FY78)	\$ 270,000
Disbursed to date for conceptual systems design	<u>44,000</u>
Balance available for implementation	\$ <u>226,000</u>
Project costs need for start-up/implementation	<u>355,000</u>
Additional Funding Need	\$ <u><u>129,000</u></u>

Total Implementation Cost

Initial project funding	\$ 270,000
Additional need to complete	<u>129,000</u>
Total Implementation Cost	\$ <u><u>399,000</u></u>

Suggested Funding Source

Initial capital project - 100% General Fund appropriated FY78	\$ 270,000
Additional:	
Public Employees' Retirement Fund	64,500
Teachers' Retirement Fund	<u>64,500</u>
Total Implementation Cost	\$ <u><u>399,000</u></u>

Treasury Computerized Accounting/Reporting/MIS System  
On-Going Operating Costs

1. Equipment/Computer Hardware

1 Intelligent CRT Terminal with low speed printer	\$ 700/month
1 Intelligent CRT Terminal with high speed printer	1,100/month
Diskette/Disk Storage device with additional add-on memory	200/month
Telephone Modems	250/month
Maintenance agreement on all equipment	1,200/month
Contingency (about 15%)	550/month
	\$ 4,000/month

Above is on the basis of 36-month lease/purchase

First 3 years - \$4,000/month	\$ 48,000/year
After 3 years - \$1,500/month	\$ 18,000/year

2. Time-Sharing connect/transmission charges  
     \$5,000/month \$ 60,000/year
3. Continuing program maintenance and support. (Keep  
     software up to date; modification as required.)  
     \$1,000/month \$ 12,000/year

SUMMARY

	Per Year	
	First 3 Years	After 3 Years
Equipment/Computer Hardware	\$ 48,000	\$ 18,000
Time-Sharing connect/transmission	60,000	60,000
Continuing software maintenance and support	12,000	12,000
	\$ 120,000	\$ 90,000

Treasury Computerized Accounting/Reporting/MIS System  
 Funding/Funding Needs Summary  
On-Going Operating Costs

<u>Funding Need</u>	<u>Per Year</u>	
	<u>First 3 Years</u>	<u>After 3 Years</u>
Annual Operating Costs	\$ 120,000	\$ 90,000
Amounts presently budgeted transferable to this system	<u>40,000</u>	<u>40,000</u>
Additional Need/Year	<u>\$ 80,000</u>	<u>\$ 50,000</u>
 <u>Suggested Source of Additional Operating Funds</u>		
General Fund	\$ 56,000	\$ 35,000
Public Employees' Retirement Fund	12,000	7,500
Teachers' Retirement Fund	<u>12,000</u>	<u>7,500</u>
Additional Funds	<u>\$ 80,000</u>	<u>\$ 50,000</u>

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH. Continuing	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTINUAT (Deficit)
PERSONAL SERVICES											
TRAVEL											
(Operating) CONTRACTUAL SERVICES											(80,000)
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS.. CLAIMS. ....											
MISCELLANEOUS Capital Project		270,000	13,400		256,600		30,600		355,000	(129,000)	(80,000)
TOTAL		270,000	13,400		256,600		30,600		355,000	(129,000)	(80,000)
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND		270,000	13,400		256,600		30,600		256,600		(56,000)
INTER-AGENCY RECEIPTS											
PERS									64,500	(64,500)	(12,000)
TRS									64,500	(64,500)	(12,000)

AGENCY: Department of Revenue

BRU: Treasury Management

COMPONENT:

REVISED: NEW 1/11/80

COMMITTEE REPORT

(11)

HOUSE

2/11/80

FURTHER:

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 707

"An Act making a supplemental appropriation to the Department of Revenue, Treasury Management; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

*letter  
+ Boekamp*

Funding Information:  
General Fund: -0-  
Other Funds: \$129,000  
\$129,000

Introduced: 2/11/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 707

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Revenue, Treasury Management; and pro-  
8 viding for an effective date."

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

10 \* Section 1. The sum of \$129,000 is appropriated to the Department of  
11 Revenue, Treasury Management, for the treasury management computer system,  
12 from the following sources:

13	Public Employees Retirement System	\$ 64,500
14	Teachers' Retirement System	64,500

15 \* Sec. 2. The appropriation made in sec. 1 of this Act is for a capital  
16 project and is subject to AS 37.25.020.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Revenue, Treasury Management, for the purpose of completing the treasury management computer system. This system will result in better information and control of the investments made by the general fund, permanent fund, and retirement funds, with the desired effect of increasing the return on investments from those funds.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond  
Governor

STATE  
of ALASKA

# MEMORANDUM

JAN 15 REC'D  
HAB  
707

TO: Ron Lehr, Director  
Division of Budget & Management  
Office of the Governor

DATE: January 11, 1980

FILE NO:

TELEPHONE NO:

THRU: Peter A. Bushre *P.A. Bushre*  
Deputy Commissioner - Treasury

FROM: Department of Revenue

SUBJECT: FY80 Supplemental Appropriation  
and FY81 Budget Revision

Anselm C. Staack *Anselm C. Staack*  
Treasury Comptroller

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This cover memo and supporting attachments relate to the following request:

1. \$129,000 FY80 Supplemental Appropriation for the Treasury Computer System Capital Project, originally approved and funded in FY78; to provide for proper completion of the project.
2. \$80,000 FY81 Operating Budget revision; to fund additional operating costs not included in that budget submission for continued operation of the system.

These two requests are linked in that the \$80,000 budget revision is necessary if the \$129,000 supplemental to bring the computer system to operational status is approved.

The attached memo of December 6, 1979, from myself to Peter A. Bushre describes in detail the rationale for this request. It is supported by four schedules which provide cost analysis, present funding, funding needs and suggested funding sources.

Further clarification of several points are necessary.

## \$129,000 SUPPLEMENTAL FUNDED BY RETIREMENT FUNDS

You will note that I have suggested that the retirement funds provide the needed \$129,000. In terms of total project costs, with \$270,000 already provided by the general fund, the composition of funding for capital project implementation would be 68% general fund, 32% retirement funds. In terms of dollars at June 30, 1979, the general, segregated and permanent funds had 69%, (\$1,312,951,342 cost basis total for all funds other than the retirement funds), and correspondingly the retirement funds had 31%. With new state surpluses, this composition could change to 75% v. 25% retirement accordingly, (estimated).

However, dollars under management are deceptive. The retirement funds, for their size, have a greater work load requirement on Treasury due to the mortgage loan programs handled by each.

The retirement funds have extensive mortgage holdings and we in Treasury handle the review, payout to the servicing institution, receipt the payments from the banks in block groups. Extensive accounting takes place. Comparatively, the general fund has the veterans, business loans and others but they perform the bulk of the accounting in Commerce and Economic Development; we do accounting also, but not as extensive as the retirement funds.

Taken as a whole, the proposed funding is not out of line with true work requirements.

#### \$80,000 BUDGET REVISION FUNDING

The suggested funding \$56,000 general fund and \$24,000 retirement funds, 70% general/30% retirement funds, follows the same basic logic as above. Adjustments will be made based on actual transaction volumes once the system is in operation.

These additional operating costs are based upon the systems design and estimated operating volume. It should be noted that \$120,000 is the total operating costs, \$40,000 would be transferable from old systems replacement to this system.

The analysis is based on 36-month lease/purchase. If the equipment is purchased outright about \$65,000 would be added to the capital budget, about a \$27,000 reduction during each of the first three years in operating expenditures. Considering the time value of money, inflation factors, the constant introduction of new generation equipment, etc. to buy or lease/purchase will both do the job equally, considered on the whole. It won't change the basic decision necessary.

#### \$44,000 CAPITAL PROJECT EXPENDITURES TO DATE

The funds have been spent/encumbered during the FY79 for the Conceptual Systems Design. This has been a detailed review of Treasury needs. This process was crucial because we now know affirmatively what we need in a very detailed manner. Extensive time was spent interviewing all involved personnel to verify the facts as to the system requirements. Processing alternatives were reviewed and a recommendation made. This process verified that our existing manual system could be adequately transferred with modification to an existing software package already used by several other state treasuries.

#### NEED FOR THE SYSTEM

The need remains the same. We are presently dependant on the outside safekeeping agents for most of our investment portfolio data. Our loan accounting is by manual process. Treasury's summary general ledgers are hand kept. The State's PBA general accounting system was not designed for our needs and is not modifiable to accomodate them. It's not a matter of us asking something unique and different, it's simply a lack of design of a subsystem that should be there.

Ron Lehr  
January 11, 1980  
Page Three

EFFECT OF NOT APPROVING.

Our volume is too large and detailed for us to keep up as our accounts grow. We have relentless information demands and when you consider we have portfolios which total about two billion dollars of the public's money, continued growth will only slow up our ability to react to demands.

Further, our auditors who audit these funds every year and the requirements of generally accepted accounting principles, will force us to some solution as ability for compliance is stretched to the limit at this point with the existing combination of records kept.

We must meet all audit requirements. Not meeting them will not only raise questions as to accountability but will affect state bonding and the state's relationships with the general financial community. The effect of a negative audit opinion is obvious.

One very important note; if proper funding is not available to do it the right way, the resulting mess would cost much more to clean up.

SUMMARY/FORMS

Attached is a schedule which summarizes the request analysis and funding source. I have also filled out the Budget and Management form with modification as indicated.

If you have need of any further information, please contact me at 465-2351.

:dw

Attachments - FY80/FY81 Analysis Schedule  
FY80 Supplemental Request Analysis Form  
Memo, 7 pages; Technical Analysis

cc: Jeff Morrison, Budget Analyst

Treasury Computerized Accounting/Reporting/MIS System  
FY80 Supplemental/FY81 Budget Amendment

REQUEST ANALYSIS

<u>Category</u>	<u>FY78 Authorized</u>	<u>7/1/77- 12/31/79 Actual</u>	<u>12/31/79 Balance</u>	<u>FY80 &amp; FY81 Projected Expenditure to Complete</u>	<u>FY80 Supplemental</u>	<u>FY81 Operating Budget Revision</u>
Capital Project Computer System	270,000	44,000	226,000	355,000	129,000	--
Continuing Operations Cost	--	--	--	--	--	80,000

FUNDING SOURCE

General Fund	270,000	44,000	226,000	226,000	--	56,000
PERS	--	--	--	64,500	64,500	12,000
TRS	--	--	--	64,500	64,500	12,000

AGENCY: Department of Revenue  
PROGRAM: Revenue Collection & Management  
BRU: Treasury Management  
DATE: 1/11/80  
REVISED: --

# MEMORANDUM

TO:  Peter A. Bushre  
Deputy Commissioner  
Treasury Division  
Department of Revenue

DATE: December 6, 1979

FILE NO.

TELEPHONE NO.

FROM: Anselm Staack *A. Staack*  
Treasury Comptroller

SUBJECT: Treasury Computerized Accounting/  
Reporting/MIS System; Costs/Funding

Before we start the next phase of the Treasury computer system it is necessary to review both system costs for implementation and estimated recurring operations costs.

Certain basic assumptions are apparent and inherent to this analysis and the alternatives indicated.

1. It is apparent, after review of Treasury's needs, that the most cost-effective means of implementation would be to utilize existing software which is already developed and proven for our type of applicaiton.

Our conceptual design process verified that our requirements are not dissimiliar from those of other states already using the software package under consideration.

2. For any such standard package, software modifications are necessary to accomodate the unique needs of Treasury Alaska, as other states have done for their particular circumstances.
3. Such modifications are far less costly than bottom-up systems design; creating a new system from scratch.

Simply put, we don't want to reinvent the wheel (old cliché, but applicable), rather use a proven working product for our needs. Too many present state computer systems exhibit needless development failures when adequate existing, operational systems were available from outside vendors.

In the attached schedules I have laid out the costs for start-up/ implementation and continuing operations costs; funding sources are suggested. Based on the analysis presented, we will need an additional \$129,000 in capital project costs to do implementation, and budget an additional \$80,000 on a recurring basis for each of the first three years, dropping to \$50,000 recurring for each year starting with year four of operation. These recurring costs are based on a 36-month lease/purchase option.

On site equipment, if purchased would be about \$65,000, which would increase the capital project amount and lower the operating expenses during each of the first three years by about \$27,000. (Identifiable; the balance being the contingency set aside). Considering the time value of money, inflation factor, the constant introduction of new generation equipment, etc. to buy or lease/purchase will both do the job equally considered on the whole. It won't change the basic decision necessary.

I feel the cost estimates and the figures used, considering the project scope, (a fully integrated accounting system), are reasonable. To design such a system from bottom-up, not using a body of developed software with its demonstrated capabilities, would cost in the range of \$800,000-\$1,000,000 for implementation, (if we're lucky). My assessment is based on my own knowledge of similar type projects, projects I have designed and implemented myself and information generally available in the field of data processing.

Quite frankly, my decision is that unless we can obtain the additional funding to properly complete the project we should not consider implementation. I'd rather this be understood up front, than proceeding and when we're two thirds through, discover we can't complete it. I feel the system is necessary to fulfill our tasks in a more efficient manner. As you are aware, the relentless demand for information is taxing our abilities under the present manual operation. I do not propose any new employees.

Simply put, however, it should either be done right or not at all; and we try to live with what we have (not a desirable situation, believe me). Why? A high probability of systems design/implementation failure exists if we try to go on the cheap, (about 90% probability in my estimation). I'm sure there are vendor's out there who would propose at a reduced cost, however, the result would be asking for more later on. The numbers presented simply make sense; (the continuing operational costs are an implicit integral part of the design and would not be much less, in fact, probably more, if a reduced implementation cost alternative were chosen).

The present capital budget funding is 100% General Fund. Since a major portion of the loan/mortgage accounting is for the retirement funds and in fact, the design requires that one of the three data bases be retirement only; asking them to come up with \$129,000 is supportable, in terms of dedication of parts of the system and transaction volume. This makes their cost 32% of total implementation costs. In fact, the retirement funds have to be on the system as they are part of our presently integrated accounting process for all funds.

Several points as to perspective of cost-benefit and the assets/income handled are:

1. Implementation cost is .02% of the total assets under management at 6/30/79. (\$1,878.1 million)

2. Operating cost is .006% of total assets under management at 6/30/79.
3. Implementation cost is .3% of total interest earnings on all investments for FY79. (\$114.1 million)
4. Operating cost is .1% of total interest earnings on all investments for FY79.
5. Increasing ROI on investments by .1% will pay for operating costs..

The proper funding should be committed and available, as well as operating funding concurred to, before going ahead. Doing otherwise is simply not prudent.