

BILLS 1981 - 1982
CSHB 194 cont. - CSHB 198

1478

1478

OKLAHOMA

Abattoir/Meat Processing
Cannery
Garment
Mattress/Pillow
Boxes (Cardboard)
Printing
Auto Tags
Signs (Metal)
Records Conversion

OREGON

Furniture
Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Shoes (New & Repair)
Metal Working
Sheet Metal
Tubular
Auto Repair
Laundry/Dry Cleaning

PENNSYLVANIA

Abattoir/Meat Processing
Cannery
Coffee & Tea
Dairy Products
Farming
Knitting
Spin/Weave
Drapery
Garment
Linens
Furniture
Saw Mill & Lumber Products

PENNSYLVANIA (Cont'd)

Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Boxes (Cardboard)
Printing
Validation Stickers
Janitorial Products
Soap Products
Shoes (New & Repair)
Auto Tags
Metal Working
Sheet Metal
Tubular
Auto Repair
Dental (Prosthetics/Lab)
Educational Toys
Freight Service
Nursery
Records Conversion

RHODE ISLAND

Flags
Printing
Auto Tags
Signs (Metal)

SOUTH CAROLINA

Abattoir/Meat Processing
Dairy Products
Farming
Garment
Furniture
Wood (New)
Metal (New)

SOUTH CAROLINA (Cont'd)

Repair/Refinishing
Upholstering
Mattress/Pillow
Venetian Blinds
Bookbinding/Repair
Decals
Silkscreening
Auto Tags
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products
Laundry/Dry Cleaning
Janitorial Products

SOUTH DAKOTA

Farming
Furniture
Wood (New)
Repair/Refinishing
Upholstering
Bookbinding/Repair
Printing
Auto Tags
Signs (Metal)

TENNESSEE

Garment
Linens
Furniture
Misc. Wood Products
Wood (New)
Upholstering
Printing
Janitorial Products
Paint

TENNESSEE (Cont'd)

Soap Products
Metal Working
Sheet Metal
Tubular
Signs (Metal)

TEXAS

Abattoir/Meat Processing
Coffee
Spin/Weave
Canvas Specialty Products
Drapery
Flags
Garment
Linens
Furniture
Saw Mill & Lumber Products
Misc. Wood Products
Wood (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Boxes (Cardboard)
Engraving (Name Plates, Plaques)
Validation Stickers
Janitorial Products
Soap Products
Plastic Products
Tire Recapping
Belts
Shoes (New & Repair)
Auto Tags
Sheet Metal
Signs (Metal)
Misc. Metal Products
Bus Repair
Truck Repair

TEXAS (Cont'd)

Dental (Prosthetics/Lab)
Brooms/Brushes/Mops
Educational Toys
Freight Service
Records Conversion

UTAH

Abattoir/Meat Processing
Dairy Products
Metal (New)
Printing
Auto Tags
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal)

VERMONT

Coffee & Tea
Farming
Saw Mill & Lumber Products
Misc. Wood Products
Printing
Validation Stickers
Auto Tags
Signs (Metal)

VIRGINIA

Garment
Linens
Furniture
Misc. Wood Products
Wood (New)
Metal (New)
Upholstering
Office Partitions
Boxes (Cardboard)
Bookbinding/Repair
Engraving (Name Plates, Plaques)
Printing
Tire Recapping
Shoes (New & Repair)
Concrete
Auto Tags
Machine Shop
Metal Working
Sheet Metal
Signs (Metal)
Dental (Prosthetics/Lab)
Laundry/Dry Cleaning
Records Conversion

WASHINGTON

Dairy Products
Farming
Metal (New)
Upholstering
Printing
Validation Stickers
Auto Tags
Metal Working
Sheet Metal
Signs (Metal)
Business & Office Machine
Repair
Auto Repair
Records Conversion

WEST VIRGINIA

Garment
Linens
Printing
Auto Tags
Signs (Metal)

WISCONSIN

Farming
Furniture
Wood (New)
Metal (New)
Upholstering
Decals
Engraving (Name Plates, Plaques)
Printing
Silkscreening
Validation Stickers
Auto Tags
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Business & Office Machine Repair
Records Conversion

WYOMING

Garment
Upholstering
Mattress/Pillow
Printing
Shoes (New & Repair)
Auto Tags
Signs (Metal)

FEDERAL

Spin/Weave
Canvas Specialty Products
Drapery
Garment
Glove
Linens
Rugs
Furniture
Misc. Wood Products
wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Printing
Plastic Products
Tire Recapping
Shoes (New & Repair)
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products
Electronics
Auto Repair
Brooms/Brushes/Mops
Records Conversion

POSITION PAPER

CS FOR HOUSE BILL NO. 194 (HESS) am

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

The Division of Adult Corrections proposes establishment of a correctional industries program as one of the measures needed to overcome idleness in the Alaskan prisons. The lack of opportunities for meaningful work is one of the most destructive aspects of confinement. The public is not served well when prisoners are released to the community after many months, sometimes years, of having been able to do little or no useful work. Pervasive idleness in prisons has contributed to the personal deterioration of inmates and the volatile instability of many prisons. The elimination of idleness within a correctional institution is one subject of great concern to facility administrators.

A primary advantage of a good industries program is that it can eventually become partially, if not fully, self-supporting. Of greater significance, it can provide prisoners with valuable training; especially in terms of basic work habits; the ability to work well with others, to follow instructions, to adhere to schedules and to have an interest in the product or service being produced. While these factors may be taken for granted by mainstream citizens accustomed to the world of work, they are foreign to many of those who tend chronically to get into trouble with the law. The point to be made here is that a good correctional industries program can be a tremendously important aspect of an effective correctional system.

Today, forty-seven states and the District of Columbia now have correctional industry enabling statutes written into law. The three states remaining without legislation are Delaware, Nevada, and Alaska. Of these three states, Delaware and Nevada are involved in correctional industries without enabling legislation. The State of Alaska is the last state to become actively involved in correctional industries activities. (Attached is a comparison study of Correctional Industry Programs operating in other state systems.)

The Division of Adult Corrections anticipates initiating a correctional industries program on a modest scale with an emphasis during the first year on market research and the development of potential industries. While we would want to establish certain correctional industries activities based on those which have proven successful in other states, our long-range interest lies in identifying approaches which will best serve the unique needs of the Alaskan prison population and will become compatible with the best interest of the people of the State. The proposed bill would establish a Correctional Industries Commission which would address the problems of idleness and lack of training in the prisons and would also have close ties to business, agriculture, organized labor and to the public as a whole. With the guidance

of such a Commission, a carefully balanced correctional industries program can be developed.

The marketing of products and services of correctional industries programs to private industry has the potential for contributing to the economy of the State and actively developing Alaska's resources. State capital invested in correctional industries can maintain a dual purpose of providing meaningful work for prison inmates with some real linkage to post release employment and also improve the position of industry in the State with the net result of increasing the gross product of the State.

Possibilities of promising industries include the establishment of an agricultural processing plant to process crops not presently cultivated but have had success in previous years. A netting operation for the developing bottomfish industry may be economically feasible and provide valuable training for the inmates. A data input service could be established to satisfy increasing state needs while providing inmates with marketable skills. Another possibility could be the establishment of a highway sign shop with decal-making capabilities for state markings on vehicles and property. The production of hardwood office furniture is another industry which has had much success in other state programs. A laundry operation may be considered for the State Ferry system. The Marine Highway system has considered establishing its own laundry and might therefore welcome a correctional industry as a regular supplier. Tire recycling within our facilities could produce crumb rubber for use as an asphalt mix aggregate for roadbed construction and joint crack fillers. Correctional Industries could develop an upholstering shop, a welding metal shop, the production of janitorial supplies, small engine repairs and numerous other successful ventures currently in operation within other states' correctional industry programs.

Recently, Chief Justice Warren Burger urged a revised approach to the rehabilitation of prisoners to bring crime under control. In remarks prepared for delivery at the University of Nebraska on December 16, the Chief Justice said, "The current human warehouse system should be changed to factories with fences around them, with inmates paid to produce goods."

The Division of Corrections endorses CS for House Bill 194 (HESS) am but requests one technical amendment that would align the proposed legislation more distinctly with administrative procedures. The amendment and the narrative supporting this revision are as follows:

AMENDMENT TO CSHB 194 (HESS) am
"An Act relating to Prisoner Employment"

* See 2. AS. 33.30.250(c) is amended to read:

(c) Whenever the prisoner is not employed and between the hours or periods of employment, he shall be confined in the prison facility (JAIL) unless the court directs otherwise.

EXPLANATION

The Department of Law has advised us that an ambiguity in the statutes regarding work furloughs needs to be clarified. Currently the statutes require the prisoners when not employed to be confined in the jail unless

the court directs otherwise. The term "jail" limits the possible work placement opportunities for our prisoners.

The Division of Adult Corrections has had furlough programs since 1969 and, since 1971, has been utilizing halfway houses under contract as furlough centers. By operating the program from furlough centers rather than from the prison setting, the problem of work furlough participants being placed under pressure to bring in contraband is avoided. There are other advantages as well. Furlough in Alaska has functioned successfully with regards to work and other rehabilitative measures.

The emphasis on development of community-based alternatives to imprisonment for appropriate offenders began during the mid-1960's and has become an important component of progressive corrections programs throughout the country. The rationale for furloughs is based on the belief that, after a term of conventional imprisonment, the offender is in need of a period of structured reintegration into the community. Work furlough and utilization of furloughs for other appropriate purposes serve the best interest of the public by enabling the Division of Adult Corrections to avoid releasing prisoners directly to the community without adequate preparation.

Aside from the rehabilitative value, work release benefits the state by reducing the need for construction. The Alaska corrections system is presently experiencing an upsurge in prisoner population. All institutions are filled to capacity and there are presently 188 prisoners housed in the Federal Bureau of Prisons system outside of Alaska.

Work release programs serve to help alleviate our critical bed space need. Presently, we have 85 prisoners in halfway house programs. If these 85 persons were to be required to return to a prison at the end of the workday, rather than a halfway house, as is the current practice, the State would be required to build a new prison to accommodate the increase in prison population. Currently, construction costs per prison bed range from \$69,000 - \$136,200 in Alaska.

These ambiguities should be corrected if our continued use of contract halfway houses is to be on firm legal ground. The above language would clarify this ambiguity.

Recommended by: Robert S. Hatrak
for Robert S. Hatrak
Director, Division of Adult
Corrections

Date: April 6, 1982

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner

Date: 4-6-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 194 (HESS) am
Title An Act Relating to prisoner employment and correctional industries
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Health & Social Services
Program Category Affected Offender Confinement, Reformation & Supervision
BRU, Program, Or Subprogram(s) Affected Adult Confinement, Prison Industries
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		39.8	127.3	334.8	364.9	397.7
200 TRAVEL		21.8	23.8	19.7	21.5	23.4
300 CONTRACTUAL		10.9	11.9	13.0	14.1	15.5
400 COMMODITIES		100.0	150.0	163.5	178.2	194.3
500 EQUIPMENT		150.0	200.0	100.0	25.0	25.0
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		33.0	67.5	97.5	105.0	114.4
TOTAL	-0-	355.5	580.5	728.5	708.7	770.3

FUNDING (Thousands of Dollars)

		*	*	*	*	*
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

* See Analysis, Paragraph I

POSITIONS

		1	2	4	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions:

A. Staff

- It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years, on the following schedule:

IV. DATE April 7, 1982

PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

PHONE 465-3376

Original: Legislative Finance
cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Joanne C. Clark, Acting Director
Division of Management & Budget

<u>DATE</u>	<u>LOCATION</u>	<u># OF POSITIONS</u>
July, 1982	Palmer	1
July, 1983	Juneau	2
Oct., 1984	Eagle River	2
Oct., 1984	Fairbanks	2

A. The positions will all be Range 16 - Shop Supervisors; FY 1983 cost is computed as follows:

Monthly Salary \$2556

Annual Salary	\$30,672
Variable Benefits	5,101
Supplemental Benefits	1,880
Health Benefits	2,196
Total	\$39,849

B. Travel

1. Board travel consists of 4 board meetings to be held at institutions with industries programs. It is assumed an average of 6 board members will attend each meeting, with 4 requiring air travel. It is assumed each meeting will be of a three day duration. \$10,560
2. Public Hearings will be conducted at @ Board meeting whenever possible. However two meetings a year in addition may be needed in FY 83 and FY 84 for start up of industries. \$5,280
3. Staff travel of \$6,000 is included for supervision of the program.

C. Contractual funds are included for specialized services not available from state agencies plus long distance telephone and postage costs. It is assumed that the cost for additional heat and electricity will be absorbed by the institutions conducting the industries programs.

D. Commodities funds are to purchase raw materials needed in the manufacturing of products.

E. Funds to purchase equipment will be needed in significant amounts for the first three years for the new product/service lines, as they are developed.

F. Funds requested in Grants and Claims is for the payment to inmates of wages earned. The following table represents the estimates of persons in the program, average wages, etc.

<u>FISCAL YEAR</u>	<u>FULL TIME INMATES</u>	<u>DAYS PER YEAR WORKED</u>	<u>HOURS PER DAY WORKED</u>	<u>AVE. HOURLY WAGE</u>	<u>TOTAL WAGES</u>
1983	40	250	7.5	\$.44	\$33,000
1984	75	250	7.5	.48	67,500
1985	100	250	7.5	.52	97,500
1986	100	250	7.5	.56	105,000
1987	100	250	7.5	.61	114,375

G. Capital expenditures are addressed in the Governor's Capital budget, as follows:

FY 1983	Juneau Prison Industries Building	\$1,248,500
FY 1983	Eagle River Prison Industries	1,306,200
FY 1983	Fairbanks Prison Industries	1,542,000
FY 1985	Palmer Prison Industries Remodel	200,000

The above costs are, therefore, not included in the fiscal note.

H. Inflation

It is assumed that there will be a uniform 9% inflation rate through FY 1986.

- I. Funding identification has not been made as the proposed legislation is not specific as to the manner program receipts are to be handled. Funding could be identified as all general funds or a combination of general funds and program receipts.

Without knowing what specific industries are to be developed or the time frame in which goods or services are available to the specified consumers, no estimate of program receipts can be made at this time. It is assumed, however, that all program receipts will either be identified as part of the funding or deposited directly into the state treasury.

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

2/3/82

Date: Mar 11 1982

Mr. Speaker:

The Committee on FINANCE has had HB 194

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 194 (1982) same title
 new title
- and recommends do pass with attached amendment
- 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:

[Signature]

[Signature]
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By Finance Committee

To: CS HOUSE BILL NO. 194 (HSS)

 SENATE BILL NO.

AMENDMENT: Page 3 Line 1

Before "use?" insert "subject to the Fiscal Procedures Act
(AS 37.05)."

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 194 (HESS)

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Roger C. Lange

IV. DATE February 4, 1982

PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

Original: Legislative Finance

PHONE 465-3376

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

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dm P. 3

Original sponsor: Rules/Governor

Offered: 2/3/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 194 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to prisoner employment and correc-
7 tional industries; and providing for an effective
8 date."

9

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

10

* Section 1. AS 33.30.225 is repealed and reenacted to read:

11

Sec. 33.30.225. INSTITUTIONAL EMPLOYMENT. (a) It is the policy
12 of the state that prisoners be productively employed for as many hours
13 each day as feasible, not to exceed 40 hours per week unless overtime
14 has been specifically approved by the commissioner. The term "pro-
15 ductively employed" includes the following kinds of employment:

16

(1) routine maintenance and support services essential to the
17 operation of the prison;

18

(2) education including both academic and vocational;

19

(3) industrial, agricultural, and service activities con-
20 ducted in accordance with AS 33.30.400 - 33.30.490; and

21

(4) public conservation projects including but not limited to
22 forest fire prevention and control, forest and watershed management,
23 recreational area development, fish and game management, soil conserva-
24 tion, and forest watershed revegetation.

25

(b) The commissioner may enter into contracts or cooperative
26 agreements with any public agency for the performance of conservation
27 projects.

28

* Sec. 2. AS 33.30 is amended by adding a new section to read:

29

Sec. 33.30.227. INMATE PAY. (a) Each prisoner who is productively

1 employed, as defined in AS 33.30.225(a)(1), (3) or (4), may receive for
2 that work compensation at a rate determined by the commissioner under
3 AS 33.30.450 and which is available from legislative appropriations.
4 The provisions of AS 33.30.450 apply to prisoners productively employed
5 in activities other than in the correctional industries program as well
6 as in those activities that are a part of that program.

7 (b) Nothing in this chapter prohibits the commissioner from estab-
8 lishing a wage comparable to the prevailing wage rate.

9 * Sec. 3. AS 33.30 is amended by adding new sections to read:

10 ARTICLE 4. CORRECTIONAL INDUSTRIES.

11 Sec. 33.30.400. PURPOSE. It is the purpose of AS 33.30.400 -
12 33.30.490 to:

13 (1) develop and operate agricultural, industrial, and service
14 enterprises employing prisoners under the jurisdiction of the commis-
15 sioner;

16 (2) provide realistic work experience for prisoners under
17 conditions as much like those that prevail in private industry as
18 possible, consistent with proper penal administration, and to direct
19 their efforts toward financial responsibility, acquiring or improving
20 effective work habits and occupational skills, and increasing the
21 probability of opportunities for employment after release; and

22 (3) operate a work program for prisoners that will be as
23 nearly self-supporting as possible by generating a sufficient amount of
24 money from the sale of products and services to pay all or most of the
25 expenses of the program.

26 Sec. 33.30.410. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
27 commissioner may establish and administer a correctional industries
28 program that is based on voluntary prisoner participation.

29 (b) The commissioner may

1 (1) use, purchase, lease, equip, and maintain buildings,
2 machinery, and other equipment, and may purchase materials and enter
3 into contracts, which may be necessary for the correctional industries
4 program;

5 (2) provide for prisoners to be employed in rendering ser-
6 vices and producing articles, materials, and supplies needed by a state
7 agency, a political subdivision of the state, an agency of the federal
8 government, other states or their political subdivisions, or for use by
9 nonprofit organizations;

10 (3) if the commission established in AS 33.30.470 approves,
11 the commissioner may employ prisoners to provide services or products as
12 needed by private industry if the services or products have potential
13 for contributing to the economy of the state and will have minimal
14 negative impact on existing private industry in the state.

15 Sec. 33.30.420. CORRECTIONAL INDUSTRIES FUND. (a) There is
16 established in the department a fund to be known as the correctional
17 industries fund. All expenses of the correctional industries program,
18 except salaries and benefits of state employees, are to be financed from
19 the correctional industries fund and budgeted in accordance with the
20 Executive Budget Act (AS 37.07). The commissioner shall report annually
21 to the legislature all activities and balances of the fund.

22 (b) The legislature may appropriate to the correctional industries
23 fund any amounts necessary to implement AS 33.30.400 - 33.30.490, which
24 may equal or exceed the amounts received by the state for services
25 rendered or products sold by the correctional industries program.

26 (c) Unless otherwise expressly provided, money appropriated to the
27 correctional industries fund is not a one-year appropriation under
28 AS 37.25.010. Any amount that is appropriated but that is not required
29 for the purposes of the fund in that fiscal year remains available for

1 spending in succeeding fiscal years.

2 Sec. 33.30.430. MARKETING OF CORRECTIONAL INDUSTRIES PRODUCTS.

3 (a) The commissioner shall market correctional industries products to
4 appropriate entities as provided for in AS 33.30.410(b)(2). Because of
5 the potential for contributing to the economy of the state, agricultural
6 produce may be sold to commercial processors, wholesalers, or distri-
7 butors, in addition to the entities provided for in AS 33.30.410(b)(2).

8 (b) The commissioner may sell a product or service of a correc-
9 tional industries program to a private industry, subject to the approval
10 of the commission established in AS 33.30.470. Before giving its ap-
11 proval, the commission must determine that the product or service has
12 potential for contributing to the economy of the state and will have
13 minimal negative impact on existing private industry in the state.

14 (c) A product or service provided by correctional industries that
15 meets marketable standards of quality and that meets the needs of state
16 agencies at reasonable cost, as determined by the commissioner of
17 administration, shall be purchased by state agencies through procedures
18 established by the Department of Administration in such a manner as to
19 facilitate the purchase. A product or service of the type and quality
20 of that supplied by the correctional industries may not be obtained from
21 a source outside correctional industries unless the commissioner certi-
22 fies to the Department of Administration that correctional industries is
23 not able to provide the product or service. State agencies shall make
24 maximum use of the resources of the correctional industries program both
25 in the purchase of existing products and by assisting in the development
26 of new products or adaptation of existing products to meet future needs.

27 (d) The commissioner shall periodically determine the prices at
28 which products and services will be sold. Prices must approximate the
29 fair market value of products and services of comparable quality offered

1 by commercial sources.

2 (e) The commissioner of administration shall establish suitable
3 methods of accounting and purchasing to facilitate the production and
4 marketing of correctional industries products and to assure accurate
5 cost data.

6 Sec. 33.30.440. LEGAL RIGHTS OF PRISONER WORKERS. (a) In ad-
7 ministering the correctional industries program, the department shall
8 comply with federal and state health and safety regulations, except for
9 the provision of workers' compensation under AS 23.30.

10 (b) The provisions of AS 23 do not apply to correctional indus-
11 tries nor to prisoners who work in correctional industries.

12 (c) Prisoners working in correctional industries are not state
13 employees nor do they have the rights or privileges accorded to state
14 employees, including the right to participate in collective bargaining.

15 Sec. 33.30.450. PRISONER PAYMENT; FORFEITURE. (a) The commis-
16 sioner shall establish a pay plan for prisoners working in correctional
17 industries based on the quantity and quality of work performed and skill
18 required. Wage incentive plans to increase productivity may be included
19 in the pay plan. The commissioner shall determine the amount to be
20 credited to the prisoner after disbursements made under (b) of this
21 section.

22 (b) The commissioner shall disburse prisoners' payments in amounts
23 determined to be appropriate under procedures adopted by the commis-
24 sioner based on the following order of priority:

- 25 (1) for support of the prisoner's dependents, if any;
26 (2) to reimburse the state for compensation awarded under
27 AS 18.67 resulting from the prisoner's criminal conduct;
28 (3) to pay a civil judgment resulting from the prisoner's
29 criminal conduct;

1 (4) for the purchase of clothing and commissary items for the
2 prisoner's personal use;

3 (5) to pay a restitution or fine of the prisoner ordered by a
4 sentencing court.

5 (c) Money credited to a prisoner must be retained by the com-
6 missioner for the primary purpose of being available to the prisoner at
7 the time of his release. The commissioner may, however, permit the
8 prisoner to draw upon a portion of the money for other purposes that the
9 commissioner considers appropriate.

10 (d) If a prisoner escapes, a portion of his earnings, as deter-
11 mined by the commissioner, is to be forfeited. The commissioner shall
12 deposit any forfeited earnings in the general fund.

13 Sec. 33.30.460. ATTACHMENT OF PRISONER PAYMENTS. Only the prisoner
14 payments retained by the commissioner under AS 33.30.450(c) are subject
15 to lien, attachment, garnishment, execution, or similar procedures to
16 encumber funds or property.

17 Sec. 33.30.470. CORRECTIONAL INDUSTRIES COMMISSION. (a) The
18 Correctional Industries Commission is established to provide general
19 policy direction to the correctional industries program through the
20 commissioner of health and social services. The commission consists of
21 seven members, five of whom are to be appointed by the governor to serve
22 staggered terms of four years. The appointed members must include a
23 representative of private industry, organized labor, agriculture, and
24 the general public, and one ex-offender. The commissioner of admini-
25 stration is also a member, as is the commissioner of health and social
26 services who is to serve as chairperson.

27 (b) The commission shall meet at least four times during each
28 fiscal year and may hold additional meetings at the call of the chair-
29 person. Four members of the commission constitute a quorum and a vote

1 of a majority of the quorum is necessary for the transaction of the
2 business of the commission.

3 (c) Members of the commission serve without compensation, but are
4 entitled to receive the per diem and travel allowance provided in
5 AS 39.20.180 for attending meetings of the commission and making investi-
6 gations either as a commission or individually as members of the commis-
7 sion at the request of the chairperson.

8 Sec. 33.30.480. POWERS AND DUTIES OF THE COMMISSION. (a) The
9 Correctional Industries Commission shall monitor the correctional
10 industries program, annually review the proposed budget of the program,
11 and make appropriate recommendations to the commissioner. This budget
12 must be transmitted in the normal budgetary process to the legislature
13 as part of the governor's budget.

14 (b) The commission shall hold public hearings to provide an op-
15 portunity for persons or organizations who may be affected by the plans
16 of the correctional industries program to appear and present testimony
17 concerning those plans. The commission shall adopt rules governing the
18 conduct of those hearings, including provisions to assure that adequate
19 public notice of the hearing is given before the hearing. The commis-
20 sion may also hold public hearings under these rules on any matter
21 within its jurisdiction. Rules adopted under this subsection are not
22 subject to the Administrative Procedure Act (AS 44.62).

23 (c) The commission shall recommend to the commissioner the ad-
24 visability of establishing, expanding, diminishing, or discontinuing
25 industrial, agricultural, or service activities to enable the program to
26 operate as nearly as possible in a self-supporting manner, to provide as
27 much employment for prisoners as is feasible, to provide diversified
28 work activities with minimal negative impact on existing private
29 industry in the state, and contribute to the economy of the state. In

1 making recommendations, the commission shall consider testimony received
2 at public hearings.

3 Sec. 33.30.490. COOPERATION WITH STATE AGENCIES. With the ap-
4 proval of the commissioner, a state agency may, without charge, transfer
5 to the department for the correctional industries program any property
6 or equipment suitable for the purposes of that program.

7 * Sec. 4. AS 37.05.230 is amended by adding a new paragraph to read:

8 (9) the provisions of this section relative to competitive
9 bids do not apply to the purchase of products or services provided by
10 the correctional industries program established under AS 33.30.400 -
11 33.30.490.

12 * Sec. 5. AS 33.30.270, 33.30.280, and AS 36.10.060 are repealed.

13 * Sec. 6. AS 33.30.400 - 33.30.490 are repealed July 1, 1987.

14 * Sec. 7. This Act takes effect July 1, 1982.

Introduced: 2/19/81
Referred: Health, Education &
Social Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 194

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to prisoner employment and correc-
7 tional industries; and providing for an effective
8 date."

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

10 * Section 1. AS 33.30.225 is repealed and reenacted to read:

11 Sec. 33.30.225. INSTITUTIONAL EMPLOYMENT. (a) It is the policy
12 of the state that prisoners be productively employed for as many hours
13 each day as feasible, not to exceed 40 hours per week. The term "pro-
14 ductively employed" includes the following kinds of employment:

15 (1) routine maintenance and support services essential to
16 the operation of the prison;

17 (2) education including both academic and vocational;

18 (3) industrial, agricultural, and service activities con-
19 ducted in accordance with AS 33.30.400 -- 33.30.490; and

20 (4) public conservation projects including but not limited
21 to forest fire prevention and control, forest and watershed management,
22 recreational area development, fish and game management, soil conserva-
23 tion and forest watershed revegetation.

24 (b) The commissioner may enter into contracts or cooperative
25 agreements with any public agency for the performance of conservation
26 projects.

27 * Sec. 2. AS 33.30 is amended by adding a new section to read:

28 Sec. 33.30.227. INMATE PAY. Each prisoner who is productively
29 employed, as defined in AS 33.30.225(a), is entitled to receive for his

1 or her work compensation at a rate determined by the commissioner under
2 AS 33.30.440 and which is available from legislative appropriations.
3 The provisions of AS 33.30.440 apply to prisoners productively employed
4 in activities other than in the correctional industries program as well
5 as in those activities which are a part of that program.

6 * Sec. 3. AS 33.30 is amended by adding new sections to read:

7 ARTICLE 4. CORRECTIONAL INDUSTRIES.

8 Sec. 33.30.400. PURPOSE. It is the purpose of AS 33.30.400 --
9 33.30.490 to:

10 (1) develop and operate agricultural, industrial, and ser-
11 vice enterprises employing prisoners under the jurisdiction of the
12 commissioner;

13 (2) provide realistic work experience for prisoners under
14 conditions as much like those which prevail in private industry as
15 possible, consistent with proper penal administration, and to direct
16 their efforts toward financial responsibility, acquiring or improving
17 effective work habits and occupational skills, and increasing the
18 probability of opportunities for employment after release; and

19 (3) operate a work program for prisoners which will be as
20 nearly self-supporting as possible by generating a sufficient amount of
21 funds from the sale of products and services to pay all or most of the
22 expenses of the program.

23 Sec. 33.30.410. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
24 commissioner may establish and administer a correctional industries
25 program which is based on voluntary prisoner participation.

26 (b) The commissioner may:

27 (1) use, purchase, lease, equip, and maintain buildings,
28 machinery, and other equipment, and may purchase materials and enter
29 into contracts, which may be necessary for the correctional industries

1 program;

2 (2) provide for prisoners to be employed in rendering ser-
3 vices and producing articles, materials, and supplies needed by any
4 agency of the state, any political subdivision of the state, any agency
5 of the federal government, other states or their political subdivi-
6 sions, or for use by nonprofit corporations.

7 Sec. 33.30.420. MARKETING OF CORRECTIONAL INDUSTRIES PRODUCTS.

8 (a) The commissioner shall market correctional industries products to
9 appropriate entities as provided for in AS 33.30.410(b)(2).

10 (b) Products and services provided by correctional industries
11 which meet marketable standards of quality and which meet the needs of
12 state agencies at reasonable cost, as determined by the commissioner of
13 administration, shall be purchased by state agencies through procedures
14 established by the Department of Administration in such a manner as to
15 facilitate such purchases. Products and services of the type and
16 quality of those supplied by the correctional industries may not be
17 obtained from sources outside correctional industries unless the com-
18 missioner certifies to the Department of Administration that correc-
19 tional industries is not able to provide the products or services.
20 State agencies shall make maximum use of the resources of the correc-
21 tional industries program both in the purchase of existing products and
22 by assisting in the development of new products or adaptation of
23 existing products to meet future needs.

24 (c) The commissioner shall periodically determine the prices at
25 which products and services will be sold. Prices must approximate the
26 fair market value of products and services of comparable quality of-
27 fered by commercial sources.

28 (d) Because of the potential for contributing to the economy of
29 the state, agricultural produce may be sold to commercial processors,

1 wholesalers, or distributors, in addition to the entities provided for
2 in AS 33.30.410(b)(2).

3 (e) The commissioner of administration shall establish suitable
4 methods of accounting and purchasing to facilitate the production and
5 marketing of correctional industries products and to assure accurate
6 cost data.

7 Sec. 33.30.430. LEGAL RIGHTS OF PRISONER WORKERS. (a) In ad-
8 ministering the correctional industries program, the department shall
9 comply with federal and state health and safety regulations, except for
10 the provision of workers' compensation under AS 23.30.

11 (b) The provisions of AS 23 do not apply to correctional indus-
12 tries nor to prisoners who work in correctional industries.

13 (c) Prisoners working in correctional industries are not state
14 employees nor do they have the rights or privileges accorded to state
15 employees, including the right to participate in collective bargaining.

16 Sec. 33.30.440. PRISONER PAYMENT; FORFEITURE. (a) The commis-
17 sioner shall establish a pay plan for prisoners working in correctional
18 industries based on the quantity and quality of work performed and
19 skill required. Wage incentive plans to increase productivity may be
20 included in the pay plan. The commissioner shall determine the amount
21 to be credited to the prisoner after disbursements made under (b) of
22 this section.

23 (b) The commissioner shall disburse prisoner payments in amounts
24 determined to be appropriate under procedures adopted by the commis-
25 sioner, for the following purposes:

26 (1) to pay any restitution or fine ordered by the sentencing
27 court;

28 (2) to reimburse the state for an award made for violent
29 crimes compensation under AS 18.67 arising out of the prisoner's crim-

1 inal conduct;

2 (3) to pay a civil judgment arising out of the prisoner's
3 criminal conduct;

4 (4) for support of the prisoner's dependents, if any; and

5 (5) for the purchase of clothing and commissary items for
6 the prisoner's personal use.

7 (c) Funds credited to a prisoner must be retained by the com-
8 missioner for the primary purpose of being available to the prisoner at
9 the time of his release. The commissioner may, however, permit the
10 prisoner to draw upon a portion of these funds for other purposes which
11 the commissioner considers appropriate.

12 (d) If a prisoner escapes, a portion of his or her earnings, as
13 determined by the commissioner, is to be forfeited. The commissioner
14 shall deposit any forfeited earnings in the general fund.

15 Sec. 33.30.450. ATTACHMENT OF PRISONER PAYMENTS. Only the pris-
16 ner payments retained by the commissioner under AS 33.30.440(c) are
17 subject to lien, attachment, garnishment, execution, or similar pro-
18 cedures to encumber funds or property.

19 Sec. 33.30.460. CORRECTIONAL INDUSTRIES COMMISSION. (a) The
20 Correctional Industries Commission is established to provide general
21 policy direction to the correctional industries program through the
22 commissioner of health and social services. The commission consists of
23 seven members, five of whom are to be appointed by the governor to
24 serve staggered terms of four years. The appointed members must in-
25 clude a representative of private industry, organized labor, agricul-
26 ture, and the general public, and one ex-offender. The commissioner of
27 administration is also a member, as is the commissioner of health and
28 social services who is to serve as chairperson.

29 (b) The commission shall meet at least four times during each

1 fiscal year and may hold additional meetings at the call of the chair-
2 person. Four members of the commission constitute a quorum and a vote
3 of a majority of the quorum is necessary for the transaction of the
4 business of the commission.

5 (c) Members of the commission serve without compensation, but are
6 entitled to receive the per diem and travel allowance provided in
7 AS 39.20.180 for attending meetings of the commission and making
8 investigations either as a commission or individually as members of the
9 commission at the request of the chairperson.

10 Sec. 33.30.470. POWERS AND DUTIES OF THE COMMISSION. (a) The
11 commission shall monitor the correctional industries program, annually
12 review the proposed budget of the program, and make appropriate recom-
13 mendations to the commissioner. This budget must be transmitted in the
14 normal budgetary process to the legislature as part of the governor's
15 budget.

16 (b) The commission shall hold public hearings to provide an op-
17 portunity for persons or organizations who may be affected by the plans
18 of the correctional industries program to appear and present testimony
19 concerning those plans. The commission shall adopt rules governing the
20 conduct of those hearings, including provisions to assure that adequate
21 public notice of the hearing is given before the hearing. The commis-
22 sion may also hold public hearings under these rules on any matter
23 within its jurisdiction. Rules adopted under this subsection are not
24 subject to the Administrative Procedure Act (AS 44.62).

25 (c) The commission shall recommend to the commissioner the ad-
26 visability of establishing, expanding, diminishing, or discontinuing
27 industrial, agricultural, or service activities to enable the program
28 to operate as nearly as possible in a self-supporting manner, to pro-
29 vide as much employment for prisoners as is feasible, to provide di-

1 verified work activities to minimize the impact on existing private
2 industry in the state, and to provide a service for the state. In
3 making recommendations, the commission shall consider testimony re-
4 ceived at public hearings.

5 Sec. 33.30.480. COOPERATION WITH STATE AGENCIES. With the ap-
6 proval of the commissioner, any state agency may, without charge,
7 transfer to the department for the correctional industries program any
8 property or equipment suitable for the purposes of that program.

9 Sec. 33.30.490. CONTINUATION OF PROGRAM. After five years of
10 operation of the correctional industries program, the legislature will
11 review the program's current status and future plans to determine
12 whether it is to continue in operation. Among the factors to be con-
13 sidered by the legislature will be the number of inmates employed, the
14 financial status of the program, and the contribution which the program
15 is making both to the effectiveness of the prison system and to the
16 economy of the state. If the legislature does not act, the program
17 continues.

18 * Sec. 4. AS 37.05.230 is amended by adding a new paragraph to read:

19 (9) the provisions of this section relative to competitive
20 bids do not apply to the purchase of products or services provided by
21 the correctional industries program established under AS 33.30.400 --
22 33.30.490.

23 * Sec. 5. AS 33.30.270, 33.30.280, and AS 36.10.060 are repealed.

24 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

February 18, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would provide for the creation of certain industries within our present correctional system. The purpose of the bill is to provide appropriate employment for prisoners, consistent with proper penal administration, and to direct prisoner effort toward self-betterment, financial responsibility, and the creation or improvement of job skills that can be used upon release.

The commissioner of health and social services would be empowered to establish the necessary mechanisms for correctional industries and would be responsible for marketing the products and services. Sales would be made to governmental agencies and to private non-profit organizations. Prices to be charged for the products and services provided would be determined by the commissioner, and the program would be exempt from collective bargaining and the provisions of AS 23.

Wages for work done by prisoners would be determined by the commissioner and would be credited to the individual prisoners. Disbursement of a portion of these wages would be made so as to allow the state to recover any related violent crime compensation award made and to pay any restitution order or court award against the prisoner for damages arising out of the criminal conduct. The prisoner could also be made to pay for care of his dependents. The prisoner may then opt to buy personal items, retain the balance of earnings until his release, or for another proper purpose.

A correctional industries commission would be established to hold public hearings to provide an opportunity for persons or organizations who may be affected by the

program to contribute ideas. The commission would then make recommendations to the commissioner regarding the industries program. The commission would have representatives from private industry, labor, agriculture, the public, the state government, and one ex-offender.

This bill also includes provisions dealing with institutional employment of prisoners in general. They declare a policy of the state that prisoners be productively employed while imprisoned; list the types of employment, one of which is the correctional industries program; provide for earnings as determined appropriate by the commissioner; and provide for the forfeiture of all or a portion of earnings of prisoners who escape as determined appropriate by the commissioner. Section 4 of the bill would repeal three provisions which would be inconsistent with and superseded by the statutes in this bill. (However, existing AS 41.20.110(b), on trail and campsite work by prisoners, is left intact.)

It is suggested that, if this bill passes, the revisor of statutes should relocate the "general provisions" article of AS 33.30 to the end of the chapter.

Sincerely,

S/SSH

Jay S. Hammond
Governor

POSITION PAPER

HOUSE BILL NO. 194

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

The Division of Adult Corrections supports establishment of a prison industries program as one of the measures needed to overcome idleness in the Alaskan prisons. The lack of opportunities for meaningful work is one of the most destructive aspects of confinement. The public is not served well when prisoners are released to the community after many months, sometimes years, of having been able to do little or no useful work.

A primary advantage of a good industries program is that it can eventually become partially, if not fully, self-supporting. Of greater significance, it can provide prisoners with valuable training; not always with respect to specific skills, but certainly in terms of basic work habits; the ability to work well with others, to follow instructions, to adhere to schedules and to have an interest in the product or service being produced. While these factors may be taken for granted by mainstream citizens accustomed to the world of work, they are foreign to many of those who tend chronically to get into trouble with the law. The point to be made here is that a good prison industries program can be a tremendously important aspect of an effective correctional system.

The Division of Adult Corrections anticipates initiating a prison industries on a modest scale with an emphasis during the first year on planning. While we would want to establish certain prison industries activities based on those which have proven successful in other states, our long range interest lies in identifying approaches which will best serve the unique needs of the Alaskan prison population and will become compatible with the best interest of the people of the state. The proposed bill would establish a prison Correctional Industries Commission which would address the problems of idleness and lack of training in the prisons and would also have close ties to business, agriculture, organized labor and to the public as a whole. With the guidance of such a commission, a carefully balanced prison industries program can be developed.

Recommended by:

C. F. Campbell

Charles F. Campbell, Director
Division of Adult Corrections

Date:

3-19-81

Approved by:

Helen D. Beirne

Helen D. Beirne, Commissioner
Dept. of Health & Social Services

Date:

3-19-81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 194

Title An Act Relating to prisoner employment and correctional industries

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected Offender Confinement, Reformation, & Supervision

BRU, Program, or Subprogram(s) Affected Adult Confinement, Prison Industries

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES			110.2	324.2	366.5	399.5
200 TRAVEL			3.3	8.3	9.0	9.8
300 CONTRACTUAL						
400 COMMODITIES			.6	1.5	1.6	1.7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 MISC. - REVOLVING FUND		500.0				
TOTAL		500.0	114.1	334.0	377.1	411.0

FUNDING (Thousands of Dollars)

GENERAL FUND		500.0	114.1	334.0	377.1	411.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	3	7	7	7
PART TIME						
TEMPORARY						

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

Assumptions:

A. Staff

1. It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years, on the following schedule:

IV. DATE March 5, 1981

PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

Original: Legislative Finance

PHONE 465-3376

cc: Budget and Management

Prime Sponsor (First Legislator Named)

W. C. Ward 3/6/81

<u>DATE</u>	<u>LOCATION</u>	<u># of POSITIONS</u>
July, 1982	Eagle River, Palmer	2
January, 1983	Juneau	1
July, 1983	Juneau, Palmer, Fairbanks	3
October, 1983	Juneau	1

2. The positions will all be Range 16 - Shop Supervisors; FY 1982 cost is computed, as follows:

Monthly Salary \$2640

Annual Salary	\$31,680
Variable Benefits	5,243
Supplemental Benefits	1,942
Health Benefits	1,560
Total	<u>\$40,425</u>

B. Revolving Fund

The bill would authorize a revolving fund, for which \$500,000 is requested. This fund would be used to purchase industries equipment and the raw materials necessary for the manufacture of products. Inmate labor costs will be paid from this fund. Receipts from the sale of products would be deposited into the revolving account so that the program could gradually expand without additional appropriations. The fund will also be used to replace worn-out and obsolete equipment.

It is a long range goal to have the entire cost of the Prison Industry Program to be paid from the revolving fund, including the salary and related costs of the staff. It is not possible to project at this time when or if the self-sustaining level might be achieved.

C. Inflation

It is assumed that there will be a uniform 9% inflation rate through FY 1986.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

HB 194

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 194
Title An Act Relating to Prison Industries
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services - Division of Adult Corrections
Program Category Affected Offender Confinement, Reformation & Supervision
BRU, Program, or Subprogram(s) Affected Adult Confinement, Prison Industries
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			40.4	110.2	324.2	366.5
200 TRAVEL			1.0	3.3	8.3	9.0
300 CONTRACTUAL						
400 COMMODITIES			.2	.6	1.5	1.6
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Misc. - Revolving Fund			500.0			
TOTAL			541.6	114.1	334.0	377.1

FUNDING (Thousands of Dollars)

GENERAL FUND			541.6	114.1	334.0	377.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			1	3	7	7
PART TIME						
TEMPORARY						

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

Assumptions:

A. Staff

- It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years, on the following schedule:

Roger C. Lange

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

Prepared by: Roger C. Lange Date: December 30, 1979
Division/Office: Adult Corrections PH: 465-3376
Department of Health & Social Services

<u>Date</u>	<u>Location</u>	<u># of Positions</u>
July, 1981	Palmer	1
July, 1982	Eagle River	1
January, 1983	Juneau	1
July, 1983	Juneau, Palmer, Fairbanks	3
October, 1983	Juneau	1

2. The positions will all be Range 16 - Shop Supervisors; FY 1982 cost is computed, as follows:

Monthly Salary \$2640

Annual Salary	\$31,680
Variable Benefits	5,243
Supplemental Benefits	1,942
Health Benefits	1,560
Total	<u>40,425</u>

B. Revolving Fund

The bill would authorize a revolving fund, for which \$500,000 is requested. This fund would be used to purchase industries equipment and the raw materials necessary for the manufacture of products. Inmate labor costs will be paid from this fund. Receipts from the sale of products would be deposited into the revolving account so that the program could gradually expand without additional appropriations. The fund will also be used to replace worn-out and obsolete equipment.

It is a long range goal to have the entire cost of the Prison Industry Program to be paid from the revolving fund, including the salary and related costs of the staff. It is not possible to project at this time when the self-sustaining level might be achieved.

C. Inflation

It is assumed that there will be a uniform 9% inflation rate through FY 1985.

COMMITTEE REPORT

HOUSE

FURTHER:

4/1/81

(11)

Date: 5-15-81

Mr. Speaker:

The Committee on FINANCE has had HB 196

"An Act relating to establishment of the Alaska State Center and a state weather and climate program."

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 \$114.0 ^{2/4/81}
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

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CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: THE FINANCE COMMITTEE

To: _____ HOUSE BILL No. 196

SENATE BILL No. _____

PAGE: 1

LINE: 6-7

Please change title to HB 196 to read:

"An Act relating to establishment of the Alaska
State Climate Center and a state weather and
climate program."

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 196 (Page 1 of 3)

Title An Act relating to establishment of the Alaska State weather and Climate Program and Alaska State Climate Center

Requested by the Rules Committee by Request of the Governor Date: _____

II. FISCAL DETAIL

Agency Affected University of Alaska

Program Category Affected Public Information Service

BRU, Program, or Subprogram(s) Affected Org. Research, Arctic Environmental Info & Data Cntr

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		77.7	83.2	89.0	95.2	101.9
200 TRAVEL		6.8	7.7	8.8	10.0	11.4
300 CONTRACTUAL		16.4	18.7	21.3	24.3	27.7
400 COMMODITIES		4.6	5.2	5.9	6.7	7.6
500 EQUIPMENT		8.5	2.9	1.6	1.6	1.6
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		114.0	117.7	126.6	137.8	150.2

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		114.0	117.7	126.6	137.8	150.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME *		3	3	3	3	3
PART TIME		1	1	1	1	1
TEMPORARY						

*Of these, one position is new

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

This bill establishes formally a state weather and climate program to recognize and improve the existing program and develop additional program elements.

Since July of 1973 the University of Alaska's Arctic Environmental Information and Data Center has absorbed the costs of public climate information services previously furnished by the National Weather Service's regional/state climatology program. During FY81 the center dedicated 7 man months to this effort. Due to increasing demand for such services caused by both government and private interest in alternative energies, resource development and transportation, etc., the need arises for an increase in the level of effort by 21 man months,

(see attached page 2)

IV. DATE February 4, 1981

PREPARED BY Willy E. Rensenbrink

AGENCY Arctic Environmental Information and Data Center, University of Alaska

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

PHONE: 279-4523

making for a total dedicated 28 man months. The above personal service dollar figure is based on 6 additional man months for a combination of 2 atmospheric scientists, 8 additional man months of a science technician, and 6 man months for a new position of data control clerk.

This will also provide for increased user oriented services through: design of wind data summaries for wind power; environmental data information specifically for solar energy; climatic data information for construction design planning, etc.; initiation of summaries and the extension of record periods of existing summaries by computer processing of voluminous raw data.

Years subsequent to FY82 have been estimated by using a 7% increment factor in personal services and a 14% inflationary factor in travel, contractual, and commodities. These factors will be subject to changes in the actual price structures.

BUDGETARY BACK-UP FOR

- FY82 PROJECTED

PERSONAL SERVICES:

(incl. Staff Benefits)

	MAN MONTHS TOTAL			This budget	GF	Amount
	FY81	GF	RF			
J. Wise, Atmosph.Sci.	4		8	9	3	\$ 29,070
A. Comiskey, Atmosph.Sci.	1		5	3	3	10,712
R. Becker, Sci. Technician	2		10	10	2	22,504
Data Control Clerk Gr. 12	-		-	6	6	<u>15,438</u>
				Total Personal Services		<u>77,724</u>

TRAVEL:

In-State Meetings & Conferences	2,800	
Out-of-State Meetings and Confs.	<u>4,000</u>	
	Total Travel	6,800

CONTRACTUAL:

Programming Consultant	5,700	
Duplicator rental	2,050	
Microfilm services	1,900	
Computer charges/time sharing	2,300	
Communications	3,250	
Equipment maintenance and misc.	<u>1,200</u>	
	Total Contractual Services	16,400

COMMODITIES:

Climate data acquisition	1,220	
Office and computer supplies	2,800	
Storage boxes and misc.	<u>580</u>	
	Total Commodities	4,600

EQUIPMENT:

Computer I/O equipment	6,800	
Microfiche & tape storage cabs.	1,150	
Calculator	<u>550</u>	
	Total Equipment	<u>8,500</u>

TOTAL PROJECTED FY82 EXPENDITURES

\$114,024

Introduced: 2/19/81
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 196

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to establishment of the Alaska State
7 Center and a state weather and climate program."

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

9 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that:

10 (1) weather and climate changes affect all human activities and
11 general welfare;

12 (2) an understanding of weather and climate patterns is essential
13 to food and energy production; construction; natural resource development
14 and management; determinations of land use; community development; improve-
15 ment of transportation, communications, and use of water resources; and the
16 well-being of the people of Alaska;

17 (3) programs of basic and applied climatic research are important
18 functions of several University of Alaska institutes and centers, including
19 the Agricultural Experiment Station; the Arctic Environmental Information
20 and Data Center; the Geophysical Institute; the Institutes of Arctic Bio-
21 logy, Marine Science, and Water Resources; and the Alaska Sea Grant Program;

22 (4) weather and climate information is essential to the programs
23 of several agencies, especially the Departments of Commerce and Economic
24 Development, Environmental Conservation, Fish and Game, Natural Resources,
25 Public Safety, and Transportation and Public Facilities;

26 (5) the National Climate Program Act, 15 U.S.C. 2901-2908, pro-
27 vides for the establishment of a program for federal and state cooperative
28 activities in climate studies and advisory services, and for annual grants
29 to states for these activities if the state has adopted a state climate

1 program in accordance with the provisions of the National Climate Program
2 Act;

3 (6) the Arctic Environmental Information and Data Center present-
4 ly provides climatological services for the state under agreement between
5 the University of Alaska and the National Oceanic and Atmospheric Adminis-
6 tration; and

7 (7) by virtue of the National Climate Program Act, it would be
8 highly beneficial for the State of Alaska to establish a state weather and
9 climate program to recognize and improve the existing program, and to de-
10 velop additional programs as required.

11 * Sec. 2. AS 14.40 is amended by adding a new section to read:

12 Sec. 14.40.085. ESTABLISHMENT OF ALASKA STATE CLIMATE CENTER.

13 (a) The university shall establish an Alaska State Climate Center
14 within an appropriate unit of the university. The administration and
15 management of the center is under the direction of a university em-
16 ployee designated the "state climatologist."

17 (b) The Alaska State Climate Center shall:

18 (1) prepare and update on a biennial basis a plan for the
19 systematic acquisition and dissemination of climate-related informa-
20 tion; the plan must include:

21 (A) an assessment of weather and climate information
22 needs in Alaska;

23 (B) a reasonable basis for setting priorities among
24 these needs; and

25 (C) a program for coordinating the activities of all
26 available sources of weather- and climate-related information
27 sources in order to meet the highest priority needs and to carry
28 out the provisions of this section;

29 (2) establish a state climate planning advisory group com-

1 posed of at least three members from organizations which provide
2 climate-related information, and at least three members from organi-
3 zations which use climate-related information on a regular basis or
4 from the general public;

5 (3) solicit and consider the advice and recommendations of
6 the state climate planning advisory group in preparing and updating the
7 biennial plan for acquisition and dissemination of climate-related
8 information;

9 (4) operate and maintain a central repository and archive
10 for reports, books, maps and other records, and publications relating
11 to weather and climatological information;

12 (5) provide for public access to weather and climatological
13 information and technical advisory services; and

14 (6) enter into cooperative agreements, on behalf of the
15 state and the university, in order to achieve intergovernmental climate
16 program participation by the United States and the state; these agree-
17 ments must be consistent with the provisions of the National Climate
18 Program Act, 15 U.S.C. 2901 -- 2908.

19 (c) The Alaska State Climate Center may:

20 (1) investigate, describe, and interpret the characteristics
21 of the weather and climate of the state, including its hazards and
22 limitations;

23 (2) coordinate with state and federal agencies in matters
24 concerning weather data acquisition, collection, integration and stor-
25 age;

26 (3) monitor federal weather-related activities to assure
27 that the interests of the state are being served;

28 (4) conduct research activities on the availability of
29 solar, wind, and water resources which assess the impact of climate

1 fluctuations on these resources;

2 (5) publish bulletins, circulars, maps, or reports of the
3 results of all research and investigations undertaken by the climate
4 center, and distribute them to state agencies, government officials,
5 industry, and the public;

6 (6) provide lectures, talks, displays, and exhibits on the
7 climate of the state for the general education of the public; and

8 (7) enter into cooperative arrangements with local, state,
9 and federal government agencies; foundations; universities; businesses;
10 and other organizations engaged in climate-related research and ser-
11 vices.
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HB 196

February 18, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment of a state climate and weather program and a state climate center. This bill was originally introduced in the last legislature as HB 413. This version is virtually identical to the House Resources Committee's CSHB 413.

The program would begin with the preparation of a plan, updated on a biennial basis, for the acquisition and dissemination of climate related data and information. The plan would include an assessment of the state's climate data and information needs, a basis for establishing priorities among these needs, and a program for orchestrating activities directed toward meeting these needs. A State Climate Planning Advisory Group, composed of members from organizations which provide climate related information and data and from the public sector and organizations which use this information, would participate in preparing and updating the plan.

In order to implement the plan, the bill would provide that the state climate center be established within the University of Alaska. The center would operate and maintain a central repository for information and data relating to the weather and climate of Alaska, provide weather and climatological information and technical advisory services to climate information users, and cooperate with other state and federal agencies in order to satisfy the intergovernmental climate program participation requirements of the National Climate Program Act.

In addition, the center would be authorized to investigate the characteristics of Alaska's climate;

research and assess the impact of climate fluctuations on the availability of solar, wind, and water resources; make available the results of all research undertaken by the center; contribute to the general education of the public on the climate of the state; and enter into cooperative arrangements with other organizations engaged in climate-related research.

This bill is consistent with the provisions of the National Climate Program Act, Public Law 95-367, under which the state may be eligible to receive up to a 50 percent grant to cover the costs of conducting climate-related studies and providing climate-related services.

Sincerely,

S/JSH

Jay S. Hammond
Governor



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: House Finance Committee Staff
FROM: Kristine Harder, A.A. *KH*
House Resources Committee
RE: H.B. 196

Please have the Finance Committee change the title of H.B. 196 to read "An Act relating to establishment of the Alaska State Climate Center and a state weather and climate program." The bill title was drafted incorrectly, and the Resources Committee Substitute inadvertently neglected to correct the oversight.

Original sponsor: Rules/Governor

Offered: 6/2/81
Referred: Finance

1 IN THE HOUSE

Finance Committee
BY THE ~~RESOURCES COMMITTEE~~

2 SENATE CS FOR CS FOR HOUSE BILL NO. 198 (*Finance*
~~Resources~~)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the promotion of the marketing of
7 seafood; and providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that a cooperative effort
10 by the state and private industry to stabilize and develop the seafood
11 industry of Alaska, promote quality control within the industry, and foster
12 expansion of the market for Alaska seafoods throughout the state, nation,
13 and world is in the public interest and is a valid public purpose. The
14 legislature further finds that such a cooperative effort would inure to the
15 benefit of the seafood industry in Alaska, and that some of the costs of
16 maintaining such an effort should be borne by the industry. The legislature
17 further recognizes that assessments which seafood processors levy upon them-
18 selves under this Act are levied to reimburse the state for the industry's
19 rightful share of the seafood marketing effort, while reserving its right
20 under the state constitution to spend the money so collected for any
21 purpose. The legislature finds that public financing of this program in
22 excess of the amounts realized from the assessment during the development
23 phases of the program is appropriate.

24 * Sec. 2. PURPOSE. The purposes of this Act are to

25 (1) encourage the seafood industry in the state to make greater
26 use of the seafood resources in the coastal and freshwater areas of the
27 state;

28 (2) expand the range of species of seafood harvested by the
29 seafood industry in the state;

1 (3) enable the seafood industry to maintain and enhance the
2 quality and purity of seafood harvested and processed by fishermen and
3 processors in the state;

4 (4) enable the seafood industry in the state to stimulate consumer
5 identification of Alaska seafood to increase the use and consumption of
6 seafood harvested and processed in the state;

7 (5) stabilize and diversify the distribution of seafood products
8 processed and harvested in the state by encouraging consumers to purchase
9 Alaska seafood;

10 (6) provide for the reimbursement to the state, through assess-
11 ments made on seafood processors, a part of the financial assistance provided
12 by the state to maintain the seafood marketing effort provided for under
13 this Act;

14 (7) create an effort which will be financed jointly by the state
15 and by seafood processors.

16 * Sec. 3. AS 16 is amended by adding a new chapter to read:

17 CHAPTER 51. ALASKA SEAFOOD MARKETING INSTITUTE.

18 Sec. 16.51.010. ALASKA SEAFOOD MARKETING INSTITUTE ESTABLISHED.

19 There is established the Alaska Seafood Marketing Institute. The
20 institute is a public corporation of the state. It is an instrumentality
21 of the state in the Department of Commerce and Economic Development,
22 but has a legal existence independent of and separate from the state.
23 Exercise by the institute of the powers conferred by this chapter is an
24 essential governmental function of the state.

25 Sec. 16.51.020. BOARD OF DIRECTORS. (a) The governing body of
26 the institute is a board of directors. The board consists of 18 voting
27 members appointed by the governor. In making appointments to the board
28 the governor shall consider, but need not appoint, nominees presented
29 by persons engaged in fish processing, the financing of fish processing,

1 or commercial fishing.

2 (b) ~~Thirteen~~ ^{Twelve} members of the board shall be seafood processors:
3 ~~nine~~ ^{eight} of the seafood processors must have an annual payroll in the state
4 of \$1,000,000 or more; four of the seafood processors must have an
5 annual payroll in the state of \$50,000 - \$1,000,000. Five members of
6 the board must be engaged in commercial fishing. *one member shall*
7 *be a lay person selected by the Governor.*

8 (c) The board shall annually elect a chairman and other necessary
9 officers from among its members.

10 Sec. 16.51.030. TERM OF OFFICE. The members of the board ap-
11 pointed by the governor under AS 16.51.020 serve three-year terms and
12 may be reappointed. Terms shall be staggered. An appointee to fill a
13 vacancy shall hold office for the balance of the term for which his
14 predecessor on the board was appointed.

15 Sec. 16.51.040. REMOVAL AND VACANCIES. The members of the board
16 appointed by the governor under AS 16.51.020 serve at his pleasure. A
17 vacancy on the board occurring other than by expiration of term shall
18 be filled in the same manner as the original appointment but for the
19 unexpired term only.

20 Sec. 16.51.050. QUORUM. Nine members of the board appointed
21 under AS 16.51.020 constitute a quorum for the transaction of business
22 and the exercise of the powers and duties of the board.

23 Sec. 16.51.060. COMPENSATION OF BOARD MEMBERS. Board members
24 receive no salary, but are entitled to per diem and travel expenses
25 authorized by law for other state boards and commissions under AS 39.-
26 20.180.

27 Sec. 16.51.070. MEETINGS. The board shall meet at least once a
28 year. A meeting of the board shall occur at the call of the chairman,
29 or upon the written request of two members of the board.

Sec. 16.51.080. EMPLOYMENT OF PERSONNEL. The board may employ

1 and determine the salary of an executive director. The executive
2 director may, with the approval of the board, select and employ addi-
3 tional staff as necessary. The executive director and all employees of
4 the board are in the exempt service under AS 39.25.

5 Sec. 16.51.090. POWERS. In carrying out the powers of the insti-
6 tute, the board may

7 (1) adopt, alter, and use a corporate seal;

8 (2) prescribe, adopt, amend, and repeal bylaws;

9 (3) sue and be sued in the name of the institute;

10 (4) enter into any agreements necessary to the exercise of
11 its powers and functions;

12 (5) cooperate with a public or private board, organization,
13 or agency engaged in work or activities similar to the work or activi-
14 ties of the institute, including entering into contracts for joint
15 programs of consumer education, sales promotion, quality control,
16 advertising and research in the production, processing, or distribution
17 of seafood;

18 (6) conduct, or contract for, scientific research to develop
19 and discover health, dietetic, or other uses of seafood harvested and
20 processed in the state;

21 (7) receive contributions of money from persons;

22 (8) establish offices in the state and otherwise incur
23 expenses incidental to the performance of its duties;

24 (9) appear on behalf of the institute before boards, commis-
25 sions, departments, or other agencies of municipal, state, or federal
26 government;

27 (10) acquire, hold, lease, sell, or otherwise dispose of
28 property of any kind, real, personal, or mixed, or an interest in it;

29 (11) establish and maintain one or more bank accounts for the

1 transaction of the institute's business;

2 (12) prepare market research and product development plans
3 for the promotion of any species of seafood and their by-products which
4 may be harvested in the state and processed for sale;

5 (13) do everything necessary or desirable to carry out the
6 purposes of the institute.

7 Sec. 16.51.095. EXECUTIVE BUDGET ACT. The operating budget of
8 the institute shall be prepared and submitted in accordance with the
9 Executive Budget Act (AS 37.07).

10 Sec. 16.51.100. DUTIES. The board shall

11 (1) conduct programs of education, research, advertising, or
12 sales promotion designed to accomplish the purposes of this chapter;

13 (2) promote all species of seafood and their by-products
14 which are harvested in the state and processed for sale;

15 (3) develop market-oriented quality specifications for
16 Alaska seafoods to be used in developing a high quality image for
17 Alaska seafood in world markets, and adopt and distribute recommenda-
18 tions regarding the handling of seafood from the moment of capture to
19 final distribution;

20 (4) prepare market research and product development plans
21 for the promotion of all species of seafood and their by-products which
22 are harvested in the state and processed for sale; and

23 (5) submit an annual report to the governor and the legisla-
24 ture describing the activities of the institute.

25 Sec. 16.51.110. PROHIBITED PROMOTIONS. The board may not promote
26 or make a contract which promotes seafood by

27 (1) geographic origin other than from the state generally;

28 (2) geographic region of the state; or

29 (3) specific brand name.

1 Sec. 16.51.120. SEAFOOD MARKETING ASSESSMENT. (a) A seafood
2 marketing assessment shall be levied on seafood products purchased in
3 Alaska as provided in (b), (c), (d), or (e) of this section if an
4 election is held in accordance with AS 16.51.140 in which the assessment
5 is approved by eligible processors who together purchase at least 51
6 percent of the value of seafood purchased in Alaska in the calendar
7 year.

8 (b) Each processor who purchases at least \$50,000 or more of
9 seafood products in Alaska shall pay a seafood marketing assessment of
10 .1 percent of the value paid by the processor.

11 (c) Each processor who purchases at least \$50,000 or more of
12 seafood products in Alaska shall pay a seafood marketing assessment of
13 .2 percent of the value paid by the processor.

14 (d) Each processor who purchases at least \$50,000 or more of
15 seafood products in Alaska shall pay a seafood marketing assessment of
16 .3 percent of the value paid by the processor.

17 (e) Each processor who purchases at least \$50,000 or more of
18 seafood products in Alaska shall pay a seafood marketing assessment of
19 .4 percent of the value paid by the processor.

20 (f) An election under (a) of this section shall be held if the
21 proposed election for the levying of an assessment under AS 16.51.120-
22 (b), (c), (d), or (e) is approved by a majority of the whole membership
23 of the board at a regularly scheduled meeting.

24 Sec. 16.51.130. TERMINATION OF THE SEAFOOD MARKETING ASSESSMENT.

25 (a) A seafood marketing assessment levied under AS 16.51.120(b), (c),
26 (d), or (e) shall be terminated by the commissioner if

27 (1) an election is held in accordance with AS 16.51.140 in
28 which the termination is approved by eligible processors who together
29 purchase at least 51 percent of the total value of seafood products

1 purchased in Alaska during the calendar year; or

2 (2) the board, at a regularly scheduled meeting, adopts a
3 resolution approved by two-thirds of the voting membership of the board
4 requesting the commissioner of revenue to terminate the assessment.

5 (b) An election under (a)(1) of this section shall be held if

6 (1) the proposed election for the termination of the assess-
7 ment is approved by a majority of the whole membership of the board at
8 a regularly scheduled meeting; or

9 (2) a petition is presented to the director of the division
10 of elections requesting termination of the seafood marketing assessment
11 by eligible processors who together purchase at least 25 percent of the
12 total value of seafood products purchased in Alaska during the calendar
13 year.

14 (c) The institute shall provide notice of an election in accor-
15 dance with AS 16.51.140 within 60 days after receiving notice from the
16 director of the division of elections that a valid petition under
17 (b)(2) of this section has been received.

18 (d) The seafood marketing assessment is terminated under AS 16.-
19 51.120 on the effective date stated on the ballot.

20 Sec. 16.51.140. PROCEDURES FOR AN ELECTION TO APPROVE OR TERMINATE
21 A SEAFOOD MARKETING ASSESSMENT. (a) The institute may conduct an
22 election under this section after the director of the division of
23 elections approves

24 (1) the notice to be published by the institute;

25 (2) the ballot to be used in the election; and

26 (3) the registration and voting procedures for the approval
27 or termination of the seafood marketing assessment.

28 (b) In conducting the election under this section, the institute
29 shall adopt the following procedures:

1 (1) The proposed levy or termination of the assessment shall
2 be adopted at a regularly scheduled meeting of the board held not less
3 than 60 days before the date on which the ballots must be postmarked to
4 be counted unless the election is for termination of the assessment and
5 has been initiated by a petition under AS 16.51.130(b)(2).

6 (2) The institute shall hold at least one meeting, not less
7 than 30 days before the date on which ballots must be postmarked to be
8 counted, to explain the reason for the proposed seafood marketing
9 assessment or termination of the assessment and to explain the voting
10 procedure to be used in the election. The institute shall provide
11 notice of the meeting by

12 (A) mailing the notice to each eligible processor; and

13 (B) publishing the notice in at least one newspaper of
14 general circulation in each region of the state at least two weeks
15 before the meeting.

16 (3) The institute shall mail ballots to each eligible proces-
17 sor not more than 45 days before the date specified as the date ballots
18 must be postmarked.

19 (4) The ballot shall

20 (A) indicate whether the assessment is to be levied
21 under AS 16.51.120(b), (c), (d), or (e) and shall state the per-
22 centage of the assessment;

23 (B) indicate the effective date of the levy of the
24 assessment or termination of the assessment;

25 (C) ask whether the assessment shall be levied or, if
26 the election is to terminate the assessment, whether the assess-
27 ment shall be terminated.

28 (5) The ballots shall be returned by mail and shall be
29 counted by the director of the division of elections or his representa-

1 tive.

2 (c) The director of the division of elections shall certify the
3 results of an election under this section if the director determines
4 that the requirements of (a) and (b) of this section have been satis-
5 fied.

6 (d) For the purposes of this section a ballot submitted by a
7 corporation is presumed valid if the ballot is signed by an individual
8 who is indicated to be an officer of the corporation and the ballot is
9 imprinted with the corporate seal.

10 Sec. 16.51.150. DETERMINATION OF VALUE. Upon request from the
11 director of the division of elections, the commissioner of revenue
12 shall determine

13 (1) the total value of seafood products purchased in Alaska
14 during any calendar year;

15 (2) whether the eligible processors approving the levy or
16 termination of a seafood marketing assessment together purchased at
17 least 51 percent of the total value of seafood products purchased in
18 Alaska during the calendar year; or

19 (3) whether the eligible processors petitioning for an
20 election under AS 16.51.130(b)(2) together purchased at least 25 percent
21 of the total value of seafood purchased in Alaska during the calendar
22 year.

23 Sec. 16.51.160. COLLECTION OF ASSESSMENTS AND DISPOSITION OF
24 PROCEEDS. (a) Processors shall remit to the Department of Revenue by
25 April 1 of each year the total amount of the assessment owed on the
26 value paid for seafood products by the processor in the previous cal-
27 endar year.

28 (b) The seafood marketing assessment collected under this chapter
29 shall be deposited in the general fund. The legislature may make

1 appropriations to the Department of Commerce and Economic Development
2 for the purpose of providing financing to the institute based on collec-
3 tions of the seafood marketing assessment, and may appropriate addi-
4 tional money beyond the assessment collected under AS 16.51.120 as need
5 is demonstrated by the institute.

6 Sec. 16.51.170. ENFORCEMENT OF ASSESSMENTS. The provisions of ^{AS 43.05 and}
7 AS 43.10 apply for the enforcement and collection of the seafood market-
8 ing assessment.

9 Sec. 16.51.180. DEFINITIONS. In this chapter,

10 (1) "board" means the Board of Directors of the Alaska
11 Seafood Marketing Institute;

12 (2) "institute" means the Alaska Seafood Marketing Insti-
13 tute;

14 (3) "processor" means a person who engages in processing
15 seafood for sale by freezing, cooking, salting, or other method and
16 includes but is not limited to canneries, cold storages, freezer ships,
17 and processing plants;

18 (4) "promote or make a contract which promotes seafood"
19 means to advertise or publicize, or make a contract for advertising or
20 publicizing, the use, value, attractiveness, or quality of seafood;

21 (5) "seafood" means fin fish, shellfish, and fish by-
22 products, including but not limited to salmon, halibut, herring,
23 flounder, crab, clam, cod, shrimp, and pollock;

Insert
24 ~~(6) "value" means the compensation actually received by a~~
25 ~~person taking seafood from an eligible processor or other person pur-~~
26 ~~chasing the seafood, including indirect consideration such as fuel,~~
27 ~~supplies, or gear, whether paid at the time of purchase of the seafood~~
28 ~~or tendered as a deferred or delayed payment, except that "value" means~~
29 ~~the market value of the seafood if the taking of the seafood is under-~~

1 ~~taken in company-owned or company-subsidized boats operated by employees~~
2 ~~of the eligible processors or in boats which are operated under lease~~
3 ~~or other arrangement.~~

4 * Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:
5 (26) employees of the Alaska Seafood Marketing Institute.

6 * Sec. 5. AS 39.50.200(b) is amended by adding a new paragraph to read:
7 (44) Alaska Seafood Marketing Institute (AS 16.51.010).

8 * Sec. 6. AS 18.90 is repealed.

9 * Sec. 7. AS 16.51.095 added by sec. 3 of this Act applies to operating
10 budgets of the Alaska Seafood Marketing Institute for fiscal years beginning
11 after June 30, 1982.

12 * Sec. 8. Initial appointments to the Board of Directors of the Alaska
13 Seafood Marketing Institute under AS 16.51.020 enacted in sec. 3 of this Act
14 shall be made for the following terms:

- 15 (1) six members shall serve for one year;
16 (2) six members shall serve for two years;
17 (3) six members shall serve for three years.

18 * Sec. 9. Section 6 of this Act takes effect July 1, 1981.
19
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29



JUNEAU, ALASKA

Alaska State Legislature
Senate

*to know
Bob Mulcahy
1/8/69*

PROPOSED AMENDMENTS TO SCS CS HB 198 (Resources):

* Page 10; Line 4: Insert AS 43.05 and before AS 43.10

Insert

Page 10; Lines 21 through 29: (6) "value" means the actual price paid for the fisheries resource by the fisheries business, including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is done in company-owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement; (Same definition of "value" as used in SCS CS HB 460 (resources).)

* The insertion of AS 43.05 pertains to the Administration of Revenue laws. The chapter includes:

- Section 10: Duties of the Commissioner
- 20: Collection Agencies
- 25: Audit agents
- 30: Branch Offices
- 40: Inspection of records or premisses and issuance of summons
- 50: Return by the Dept upon failure to make return, or making false or fraudulent return
- 60: Agreements with Dept respecting liability
- 70: Compromise of tax or penalty
- 80: Adoption of regulations
- 85: List of contributors

AS43.05 Continued:

- Section 90: Preparation and publication of statistics
- 100: Mailing receipts and disposition of money
- 110: Property in possession of deceased employee
- 120: Concealing property or evidence
- 130: Misdemeanor

AS 43.10 pertains to the enforcement and collection of taxes

SENATE JOURNAL

LETTER OF INTENT
TO ACCOMPANY
SCS FOR CSHB 198 (FINANCE) AND HB 453

In passing these bills, it is the intention of the Legislature that during FY '82 and prior to the submission of ASMI's budget request for FY '83, ASMI develop a methodology and program for evaluating the success of their efforts.

Prior to future funding of ASMI, the Legislature should have sufficient information on which to judge the cost effectiveness of the program by having information available on the results of the various activities undertaken by the ASMI.

Specifically, the ASMI shall develop a baseline and program for measuring the degree of its success at achieving the development of the seafood industry in Alaska, the achievement of quality control within the industry and the expansion of national, state and international markets for each type of seafood dealt with by the Institute.



Don Bennett
Co-chairman
Senate Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCSCSHB 198 (Resources)

Title An Act relating to the promotion of the marketing of seafood.

Requested by Senate Resources Committee

Date June 2, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

See the attached memorandum to R. D. Stevenson dated June 5, 1981.

IV. DATE June 5, 1981

PREPARED BY Gary L. Jenkins

AGENCY Audit Division

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Legislative Assistant

DATE : June 5, 1981

FROM: Gary D. Jenkins
Director
Audit DivisionSUBJECT: SCSCSHB 198
(Resources)

The latest amendments to this bill have resolved some of the potential problems which will result from attempting to administer the act; however, there are still some remaining problems.

The proposed AS 16.51.170 on page 10 of the bill provides for limited enforcement authority by a cross reference to AS 43.10; however, the cross reference should also be to AS 43.05 if the Department of Revenue is to have authority to audit the information reported, assess any interest or penalties for failure to file or pay the assessment, bill a processor for the assessment if he refuses to file and report the amount due or impose any criminal penalties for evasion of their liability.

In several places in the bill the term "Eligible Processor" is used; however, it is not defined. It would provide considerable clarity if that term were defined.

Further, the definition of "value" on page 11 of the bill is not the same definition for value which is included in AS 43.75. The fiscal note showing no cost is predicated on the concept that this definition of value means exactly the same as the definition in AS 43.75. If they mean different things, then we will need funds for both additional staff and supplies to operate this program separately. The possibility of the terms being interpreted differently could be resolved by directly cross-referencing to the definition in AS 43.75.140(7).

There are several places in the bill which include the phrase "value paid by the processor". Since value will not be determined in all cases on the basis of a purchase, it would appear to be clearer if the phrase "value of the seafood products acquired by the processor" were used in place of the current phrase.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS CSHB 198 (Resources)
 Title Relating to the Promotion of the Marketing of Seafood
 Requested by Senate Finance Committee Date June 4, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

	a)	b)	c)	d)
<u>FUNDING</u> (Thousands of Dollars)	472	943	1,415	1,886
GENERAL FUND	519	1,037	1,556	2,075
FEDERAL FUNDS	570	1,141	1,711	2,282
OTHER (Specify Fund Source)	628	1,255	1,883	2,510
	690	1,381	2,071	2,761

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

The figures represent the anticipated revenues collected and available for legislative appropriation, if eligible processors elect a seafood market assessment. The possible assessment rate scenarios are presented as follow:

- a) .1 percent of value
- b) .2 percent of value
- c) .3 percent of value
- d) .4 percent of value

Value was determined by using Department of Fish and Game catch and price projections for FY 1982, with a 10% inflation rate adjustment for subsequent years.

Robert W. Elliott

IV. DATE June 4, 1981 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 PHONE 465-2309
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsor: Rules/Governor

Offered: 4/14/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 198 (Finance) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the promotion of the marketing of
7 seafood."

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

9 * Section 1. FINDINGS. The legislature finds that a cooperative effort
10 by the state and private industry to stabilize and develop the seafood
11 industry of Alaska, promote quality control within the industry, and foster
12 expansion of the market for Alaska seafoods throughout the state, nation,
13 and world is in the public interest and is a valid public purpose. The
14 legislature further finds that such a cooperative effort would inure to the
15 benefit of the seafood industry in Alaska, and that some of the costs of
16 maintaining such an effort should be borne by the industry. The legislature
17 further recognizes that assessments which seafood processors levy upon them-
18 selves under this Act are levied to reimburse the state for the industry's
19 rightful share of the seafood marketing effort, while reserving its right
20 under the state constitution to spend the money so collected for any
21 purpose. The legislature finds that public financing of this program in
22 excess of the amounts realized from the assessment during the development
23 phases of the program is appropriate.

24 * Sec. 2. PURPOSE. The purposes of this Act are to

25 (1) encourage the seafood industry in the state to make greater
26 use of the seafood resources in the coastal and freshwater areas of the
27 state;

28 (2) expand the range of species of seafood harvested by the
29 seafood industry in the state;

1 (3) enable the seafood industry to maintain and enhance the
2 quality and purity of seafood harvested and processed by fishermen and
3 processors in the state;

4 (4) enable the seafood industry in the state to stimulate
5 consumer identification of Alaska seafood to increase the use and
6 consumption of seafood harvested and processed in the state;

7 (5) stabilize and diversify the distribution of seafood products
8 processed and harvested in the state by encouraging consumers to purchase
9 Alaska seafood;

10 (6) provide for the reimbursement to the state, through assess-
11 ments made on seafood processors, a part of the financial assistance
12 provided by the state to maintain the seafood marketing effort provided for
13 under this Act;

14 (7) create an effort which will be financed jointly by the state
15 and by seafood processors.

16 * Sec. 3. AS 16 is amended by adding a new chapter to read:

17 CHAPTER 51. ALASKA SEAFOOD MARKETING INSTITUTE.

18 Sec. 16.51.010. ALASKA SEAFOOD MARKETING INSTITUTE ESTABLISHED.

19 There is established the Alaska Seafood Marketing Institute. The
20 institute is a public corporation of the state. It is an instrumentality
21 of the state in the Department of Commerce and Economic
22 Development, but has a legal existence independent of and separate from
23 the state. Exercise by the institute of the powers conferred by this
24 chapter is an essential governmental function of the state.

25 Sec. 16.51.020. BOARD OF DIRECTORS. (a) The governing body of
26 the institute is a board of directors.

27 (b) The board shall consist of 18 voting members appointed by the
28 governor.

29 (c) The board shall also include the following three nonvoting

1 members:

2 (1) one member of the senate appointed by the president of
3 the senate at the beginning of each legislature;

4 (2) one member of the house of representatives appointed by
5 the speaker of the house of representatives at the beginning of each
6 legislature;

7 (3) the commissioner of commerce and economic development or
8 his designee.

9 (d) A member of the board appointed under (b) of this section may
10 not

11 (1) be engaged in commercial fishing, fish processing, or
12 financing of commercial fishing or processing;

13 (2) be associated by legal contract with a person who
14 engages in commercial fishing, fish processing, or the financing of
15 commercial fishing or processing except as a consumer of goods or
16 services provided by that person;

17 (3) have a direct financial interest in commercial fishing,
18 fish processing, or the financing of commercial fishing or processing.

19 (e) The board shall annually elect a chairman and other necessary
20 officers from among its members.

21 Sec. 16.51.030. TERM OF OFFICE. (a) The members of the legisla-
22 ture appointed to the board under AS 16.51.020(c) serve for the d
23 uration of the legislature during which they were appointed.

24 (b) The members of the board appointed by the governor under
25 AS 16.51.020(b) serve three-year terms and may be reappointed. Terms
26 shall be staggered. An appointee to fill a vacancy shall hold office
27 for the balance of the term for which his predecessor on the board was
28 appointed.

29 Sec. 16.51.040. REMOVAL AND VACANCIES. The members of the board

1 appointed by the governor under AS 16.51.020(b)(1) serve at his plea-
2 sure. A vacancy on the board occurring other than by expiration of
3 term shall be filled in the same manner as the original appointment but
4 for the unexpired term only.

5 Sec. 16.51.050. QUORUM. Nine members of the board appointed
6 under AS 16.51.020(b) constitute a quorum for the transaction of busi-
7 ness and the exercise of the powers and duties of the board.

8 Sec. 16.51.060. COMPENSATION OF BOARD MEMBERS. Board members
9 receive no salary, but are entitled to per diem and travel expenses
10 authorized by law for other state boards and commissions under AS 39.-
11 20.180.

12 Sec. 16.51.070. MEETINGS. The board shall meet at least once a
13 year. A meeting of the board shall occur at the call of the chairman,
14 or upon the written request of two members of the board.

15 Sec. 16.51.080. EMPLOYMENT OF PERSONNEL. The board may employ
16 and determine the salary of an executive director. The executive
17 director may, with the approval of the board, select and employ addi-
18 tional staff as necessary. The executive director and all employees of
19 the board are in the exempt service under AS 39.25.

20 Sec. 16.51.090. POWERS. In carrying out the powers of the insti-
21 tute, the board may

22 (1) adopt, alter, and use a corporate seal;
23 (2) prescribe, adopt, amend, and repeal bylaws;
24 (3) sue and be sued in the name of the institute;
25 (4) enter into any agreements necessary to the exercise of
26 its powers and functions;

27 (5) cooperate with a public or private board, organization,
28 or agency engaged in work or activities similar to the work or activi-
29 ties of the institute, including entering into contracts for joint

1 programs of consumer education, sales promotion, quality control,
2 advertising and research in the production, processing, or distribution
3 of seafood;

4 (6) conduct, or contract for, scientific research to develop
5 and discover health, dietetic, or other uses of seafood harvested and
6 processed in the state;

7 (7) receive contributions of money from persons;

8 (8) establish offices in the state and otherwise incur
9 expenses incidental to the performance of its duties;

10 (9) appear on behalf of the institute before boards, commis-
11 sions, departments, or other agencies of municipal, state, or federal
12 government;

13 (10) acquire, hold, lease, sell, or otherwise dispose of
14 property of any kind, real, personal, or mixed, or an interest in it;

15 (11) establish and maintain one or more bank accounts for the
16 transaction of the institute's business;

17 (12) prepare market research and product development plans
18 for the promotion of any species of seafood and their by-products which
19 may be harvested in the state and processed for sale;

20 (13) do everything necessary or desirable to carry out the
21 purposes of the institute.

22 Sec. 16.51.095. EXECUTIVE BUDGET ACT. The operating budget of
23 the institute shall be prepared and submitted in accordance with the
24 Executive Budget Act (AS 37.07).

25 Sec. 16.51.100. DUTIES. The board shall

26 (1) conduct programs of education, research, advertising, or
27 sales promotion designed to accomplish the purposes of this chapter;

28 (2) promote all species of seafood and their by-products
29 which are harvested in the state and processed for sale;

1 (3) propose quality control programs including product
2 quality standards for seafood harvested and processed in the state;

3 (4) prepare market research and product development plans
4 for the promotion of all species of seafood and their by-products which
5 are harvested in the state and processed for sale; and

6 (5) submit an annual report to the governor and the legisla-
7 ture describing the activities of the institute.

8 Sec. 16.51.110. PROHIBITED PROMOTIONS. The board may not promote
9 or make a contact which promotes seafood by

10 (1) geographic origin other than from the state generally;

11 (2) geographic region of the state; or

12 (3) specific brand name.

13 Sec. 16.51.120. SEAFOOD MARKETING ASSESSMENT. (a) A seafood
14 marketing assessment shall be levied on seafood products purchased in
15 Alaska as provided in (b), (c), or (d) of this section if an election
16 is held in accordance with AS 16.51.140 in which the assessment is
17 approved by eligible processors who together purchase at least 51
18 percent of the value of seafood purchased in Alaska in the calendar
19 year.

20 (b) Each processor who purchases at least \$50,000 or more of
21 seafood products in Alaska shall pay a seafood marketing assessment of
22 .2 percent of the value paid by the processor.

23 (c) Each processor who purchases at least \$50,000 or more of
24 seafood products in Alaska shall pay a seafood marketing assessment of
25 .4 percent of the value paid by the processor.

26 (d) Each processor who purchases at least \$50,000 or more of
27 seafood products in Alaska shall pay a seafood marketing assessment of
28 .6 percent of the value paid by the processor.

29 (e) An election under (a) of this section shall be held if the

1 proposed election for the levying of an assessment under AS 16.51.120-
2 (b), (c), or (d) is approved by a majority of the whole membership of
3 the board at a regularly scheduled meeting.

4 Sec. 16.51.130. TERMINATION OF THE SEAFOOD MARKETING ASSESSMENT.

5 (a) A seafood marketing assessment levied under AS 16.51.120(b), (c),
6 or (d) shall be terminated by the commissioner if

7 (1) an election is held in accordance with AS 16.51.140 in
8 which the termination is approved by eligible processors who together
9 purchase at least 51 percent of the total value of seafood products
10 purchased in Alaska during the calendar year; or

11 (2) the board, at a regularly scheduled meeting, adopts a
12 resolution approved by two-thirds of the voting membership of the board
13 requesting the commissioner of revenue to terminate the assessment.

14 (b) An election under (a)(1) of this section shall be held if

15 (1) the proposed election for the termination of the assess-
16 ment is approved by a majority of the whole membership of the board at
17 a regularly scheduled meeting; or

18 (2) a petition is presented to the director of the division
19 of elections requesting termination of the seafood marketing assessment
20 by eligible processors who together purchase at least 25 percent of the
21 total value of seafood products purchased in Alaska during the calendar
22 year.

23 (c) The institute shall provide notice of an election in accor-
24 dance with AS 16.51.140 within 60 days after receiving notice from the
25 director of the division of elections that a valid petition under
26 (b)(2) of this section has been received.

27 (d) The seafood marketing assessment is terminated under AS 16.-
28 51.120 on the effective date stated on the ballot.

29 Sec. 16.51.140. PROCEDURES FOR AN ELECTION TO APPROVE OR

1 TERMINATE A SEAFOOD MARKETING ASSESSMENT. (a) The institute may
2 conduct an election under this section after the director of the
3 division of elections approves

4 (1) the notice to be published by the institute;

5 (2) the ballot to be used in the election; and

6 (3) the registration and voting procedures for the approval
7 or termination of the seafood marketing assessment.

8 (b) In conducting the election under this section, the institute
9 shall adopt the following procedures:

10 (1) The proposed levy or termination of the assessment shall
11 be adopted at a regularly scheduled meeting of the board held not less
12 than 60 days before the date on which the ballots must be postmarked to
13 be counted unless the election is for termination of the assessment and
14 has been initiated by a petition under AS 16.51.130(b)(2).

15 (2) The institute shall hold at least one meeting, not less
16 than 30 days before the date on which ballots must be postmarked to be
17 counted, to explain the reason for the proposed seafood marketing
18 assessment or termination of the assessment and to explain the voting
19 procedure to be used in the election. The institute shall provide
20 notice of the meeting by

21 (A) mailing the notice to each eligible processor; and

22 (B) publishing the notice in at least one newspaper of
23 general circulation in each region of the state at least two weeks
24 before the meeting.

25 (3) The institute shall mail ballots to each eligible
26 processor not more than 45 days before the date specified as the date
27 ballots must be postmarked.

28 (4) The ballot shall

29 (A) indicate whether the assessment is to be levied

1 under AS 16.51.120(b), (c), or (d) and shall state the percentage
2 of the assessment;

3 (B) indicate the effective date of the levy of the
4 assessment or termination of the assessment;

5 (C) ask whether the assessment shall be levied or, if
6 the election is to terminate the assessment, whether the assess-
7 ment shall be terminated.

8 (5) The ballots shall be returned by mail and shall be
9 counted by the director of the division of elections or his representa-
10 tive.

11 (c) The director of the division of elections shall certify the
12 results of an election under this section if the director determines
13 that the requirements of (a) and (b) of this section have been satis-
14 fied.

15 (d) For the purposes of this section a ballot submitted by a
16 corporation is presumed valid if the ballot is signed by an individual
17 who is indicated to be an officer of the corporation and the ballot is
18 imprinted with the corporate seal.

19 Sec. 16.51.150. DETERMINATION OF VALUE. Upon request from the
20 director of the division of elections, the commissioner of revenue
21 shall determine.

22 (1) the total value of seafood products purchased in Alaska
23 during any calendar year;

24 (2) whether the eligible processors approving the levy or
25 termination of a seafood marketing assessment together purchased at
26 least 51 percent of the total value of seafood products purchased in
27 Alaska during the calendar year; or

28 (3) whether the eligible processors petitioning for an
29 election under AS 16.51.130(b)(2) together purchased at least 25 percent

1 of the total value of seafood purchased in Alaska during the calendar
2 year.

3 Sec. 16.51.160. COLLECTION OF ASSESSMENTS AND DISPOSITION OF
4 PROCEEDS. (a) Processors shall remit to the Department of Revenue by
5 April 15 of each year the total amount of the assessment owed on the
6 value paid for seafood products by the processor in the previous cal-
7 endar year.

8 (b) The seafood marketing assessment collected under this chapter
9 shall be deposited in the general fund. The legislature may make
10 appropriations to the Department of Commerce and Economic Development
11 for the purpose of providing financing to the institute based on
12 collections of the seafood marketing assessment, and may appropriate
13 additional money beyond the assessment collected under AS 16.51.120 as
14 need is demonstrated by the institute.

15 Sec. 16.51.170. ENFORCEMENT OF ASSESSMENTS. The provisions of
16 AS 43.10 apply for the enforcement and collection of the seafood
17 marketing assessment.

18 Sec. 16.51.180. DEFINITIONS. In this chapter,

19 (1) "board" means the Board of Directors of the Alaska
20 Seafood Marketing Institute;

21 (2) "institute" means the Alaska Seafood Marketing Insti-
22 tute;

23 (3) "processor" means a person who engages in processing
24 seafood for sale by freezing, cooking, salting, or other method and
25 includes but is not limited to canneries, cold storages, freezer ships,
26 and processing plants;

27 (4) "promote or make a contract which promotes seafood"
28 means to advertise or publicize, or make a contract for advertising or
29 publicizing, the use, value, attractiveness, or quality of seafood;

1 (5) "seafood" means fin fish, shellfish, and fish by-
2 products, including but not limited to salmon, halibut, herring,
3 flounder, crab, clam, cod, shrimp, and pollock;

4 (6) "value" means the actual price paid for the seafood by
5 the eligible processors, including indirect consideration such as fuel,
6 supplies, or gear, whether paid at the time of purchase of the seafood
7 or tendered as a deferred or delayed payment, except that "value" means
8 the market value of the seafood if the seafood is procured in company-
9 owned or company-subsidized boats operated by employees of the eligible
10 processors or in boats which are operated under lease or other arrange-
11 ment.

12 * Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:

13 (26) employees of the Alaska Seafood Marketing Institute.

14 * Sec. 5. AS 39.50.200(b) is amended by adding a new paragraph to read:

15 (44) Alaska Seafood Marketing Institute (AS 16.51.010).

16 * Sec. 6. AS 18.90 is repealed.

17 * Sec. 7. AS 16.51.095 added by sec. 3 of this Act applies to operating
18 budgets of the Alaska Seafood Marketing Institute for fiscal years beginning
19 after June 30, 1982.

20 * Sec. 8. Initial appointments to the Board of Directors of the Alaska
21 Seafood Marketing Institute under AS 16.51.020 enacted in sec. 3 of this Act
22 shall be made for the following terms:

23 (1) six members shall serve for one year;

24 (2) six members shall serve for two years;

25 (3) six members shall serve for three years.

MS 198

February 18, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811.

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would establish the Alaska Seafood Marketing Institute. This bill would also provide a tax credit to seafood processors who contribute money to the institute.

The intent of this bill is to establish one policy-making group with enough authority and financing to promote seafood harvested in Alaska waters. The Alaska Seafood Marketing Institute would be charged with the task of making consumers aware of Alaska seafood products. Equally important would be the duty of the institute to recommend quality control programs and product quality standards for adoption by fishermen and seafood processors in the state.

Proposed sec. 16.51.030 would provide, basically, a statement of intent that the legislature would appropriate money for the operation of the institute according to the amount contributed to the institute by seafood processors. While this section does not prevent a later legislature from appropriating more or less money to the institute, my philosophy that those who receive must also pay is clearly implied. However, seafood processors are given a substantial financial benefit in sec. 4 of the bill. This section would provide a tax credit to a processor who contributes money to the institute. The intent of this section is to encourage and reward those processors who are concerned enough to invest in the program and the future of the seafood industry in the state.

Sincerely,

S/ JSH

Jay S. Hammond
Governor

*comparison between the 1979 and 1980
and these revenues generated in the state*
Alaska Seafood Marketing Institute
526 Main Street
Juneau, Alaska 99801

NO 110 NB 198

THE ALASKA SEAFOOD MARKETING INSTITUTE - A BRIEFING PAPER

What is the Institute?

The Alaska Seafood Marketing Institute (ASMI) is a private non-profit corporation of seafood processors and fishermen formed last year as a result of the disastrous market disruptions that hit the Alaska seafood industry. Legislation and funding for ASMI passed the legislature in 1980, but the legislation was vetoed due to constitutional problems. Despite the veto, the governor supported the concept, and provided \$1.2 million to continue to develop the idea through the Alaska Renewable Resources Corporation (ARRC).

ASMI is directed by a 22-member board; 18 voting members represent Alaska fishermen and large and small processors, and four non-voting members represent the legislature, the Administration, and ARRC. Dues-paying members currently account for a large percentage of the seafood processed in Alaska.

The overall goal of ASMI is to promote consumption and stabilize market demand for Alaska seafood products through generic promotion and advertising, directed to national and international consumers. ASMI is also developing quality assurance guidelines for its members to ensure Alaska's reputation as a producer of excellent quality seafood products.

Why should the State of Alaska assist in the funding of ASMI?

Fisheries are the state's largest private employer. Fishing has been and will continue to be the backbone of many communities in the state. The industry has been supporting a number of species promotion groups - combined industry contributions equaled \$807,000 in 1980. But, the economic crisis currently affecting the industry makes it impossible to do even the long-term market development work necessary to support the marketing of species with existing promotional efforts - let alone to do the work needed to develop markets for the bottomfish resources of Alaska. A partnership between the state and the industry will allow for planned and proven real growth in the fishing industry that will stabilize the income for all Alaskans involved in or associated with it.

Strong evidence of the need for a partially state-supported marketing group is the fact that while 1980 saw the 4th largest year in history for the salmon industry, the highest king crab harvest level, and record herring harvests, the value of Alaska's fisheries products to its fishermen declined --from an estimated \$630 million in 1979 to about \$550 million in 1980. Because of the collapse of Alaska's primary market, Japan, the price paid for nearly every species harvested in the state's waters dropped, during a period of high inflation. Estimates of the total

wholesale value of Alaska's fish reflect the same dismal picture, dropping nearly \$100 million (to just over \$1 billion) in 1980 despite an increase of at least 30 million pounds of production.

Generic marketing is not a new concept. The state currently supports the \$280 million tourism industry with approximately \$3 million in public monies annually. The Florida Citrus Growers annual budget is \$50 million, California Avocado Growers spend \$5 million, Washington spends about \$3 million annually promoting apples, and the California Dairy Association spends about \$14 million in California alone promoting milk. Many coastal states have developed and supported seafood marketing groups.

What has ASMI done with the \$1.2 million grant for this fiscal year?

Almost the entire budget is going directly to advertising and promotional efforts. \$730,500 is going to support existing promotional groups--\$481,000 for canned and frozen salmon, \$215,500 to king and snow crab, and \$34,000 for halibut. This money is being used to match sums already committed by the industry. Among the results is a national radio advertising campaign with supporting recipes and promotional materials urging people to "Buy Salmon" in 21 major cities across the country, beginning February 2, 1981.

One of the most important projects is the development of a strategic marketing plan. A \$50,000 contract has been let to the nation's largest food service advertising firm to develop that plan. It will provide market research and strategy development regarding consumers, or potential consumers of Alaska seafood. With a solid base of marketing information built, ASMI will be able to target promotional efforts so marketing dollars can provide the greatest return. The plan will also provide a baseline to measure the success or failure of ASMI with respect to its goals. The marketing strategy will include budget levels that should result in greater returns on promotional investments than costs of the program, to ensure that the state and the industry are using their money wisely.

50,000
quality
control
100,000
admin
services
200,000
remain

\$20,000 is being used to develop bottomfish strategy and basic marketing materials. The goal of ASMI is to help the greatest number of participants in the industry to the maximum extent possible, which means that we won't be spending a lot of money promoting bottomfish until there are a lot of Americans harvesting and processing bottomfish. Outside of administrative expenses and appropriations for development of quality guidelines, the balance of the 1980 fiscal year budget for ASMI is currently unallocated.

Why target on high-value species like salmon & crab rather than bottomfish?

As mentioned above, the goal is to help create a healthy industry - that means working to increase the market demand for existing species. Unless the industry is making money on their primary products there is

no incentive to move into the riskier bottomfish fisheries. Products like frozen salmon and blackcod (sablefish) represent an area of great potential for the industry - and marketing efforts will follow the growth of the products.

Why should the state support a group that includes non-Alaskan companies?

The reality of the Alaskan fishing industry is that much of the ownership is "outside". However, it is a labor intensive industry, and much of the economy generated from the industry remains in Alaska. The goal of an industry-wide promotional group is to promote a healthier market for the entire industry, which means working in close concert with the strength of the industry regardless of location of ownership.

Is ASMI organized to help "big guys" or "little guys"? What is ASMI doing to help the fishermen?

The efforts of ASMI are designed to help everyone. Fishermen, and large and small processors sit on the board, and all will benefit from the programs. As "target areas" are defined, the marketing efforts of all the companies will be directed to take advantage of the promotion. Smaller companies will be able to utilize promotional material developed by ASMI, and also target their marketing plans to follow the trail-breaking efforts of ASMI. The Institute does not provide actual marketing services for any company - just promotional and advertising efforts for the industry as a whole. The fishermen, by sitting on the board and participating in the committees, will gain and maintain a greater understanding of all aspects of the marketing of the products, and be in a better position to negotiate for their fair share of the results.

What about Japanese ownership?

More important than foreign ownership is the issue of market control. One of the primary reasons for the creation of ASMI is to broaden the market base so that a collapse of one market won't throw the entire industry into a tailspin as it did late in 1979. The most graphic result was the waste of at least 100 million pounds of harvestable sockeye salmon in Bristol Bay in 1980, while fishermen struck as prices offered were about half of 1979 prices paid. The bankruptcy of many involved in the seafood industry, including one of Alaska's largest processors, is also attributable to the market collapse in Japan.

Assuming that the state wishes to address the issue of greater Alaskan ownership of the fisheries industry, an oft-heard cry from many Alaskans, the efforts of ASMI should be valuable. Clearly a stable and prosperous industry will attract greater interest in terms of its investment potential, and this in itself can be expected to encourage more Alaskans to enter into the fisheries business field, by creation of new companies, purchase of interest in existing companies, or in industry support services. Given the historical background of the industry,

ASMI BRIEFING PAPER

it is highly unrealistic to expect a dramatic turnaround in the basic ownership character overnight, or even in the 2-3 years since this has become an issue.

What about quality control?

The industry recognizes that quality is the most important factor in marketing the product. ASMI is developing quality guidelines for the members, through a contract with the National Food Processors Association. These guidelines will play an important role in the marketing strategy of ASMI. If the industry can deal effectively with the quality issue, it should be unnecessary for the state to get involved in quality control, circumventing the enlargement of the bureaucracy in this connection.

Summary

The Alaska Seafood Marketing Institute is an organization set up to help identify and solve the problems which have caused an economic crisis in the Alaska seafood industry. The virtually unprecedented cooperation of fishing organizations and processing companies in this endeavor, and the combination of industry and State of Alaska financial contributions gives a favorable outlook for the achievement of ASMI's stated goals of increasing the quality, marketability and consumption of Alaska seafood products. This effort is particularly important due to the need of the State of Alaska to develop stable renewable resource based industries to provide continued economic growth.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 198 (Fin) am
 Title An Act relating to the promotion of the marketing of seafood
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Economic Enterprise - Fisheries Development
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		3,000.0	3,540.0	3,900.0	4,290.0	4,710.0
700 GRANTS, CLAIMS, ETC.						
TOTAL		3,000.0	3,540.0	3,900.0	4,290.0	4,710.0

FUNDING (Thousands of Dollars)

GENERAL FUND		3,000.0	3,540.0	3,900.0	4,290.0	4,710.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

HB 453 provides \$3 million appropriation in FY 82. Estimated gross ex-vessel value in 1980 was \$536 million. Above calculation based on 10% increase in ex-vessel value per year.

Richard Reynolds

IV. DATE April 28, 1981

PREPARED BY Richard Reynolds
 AGENCY Department of Commerce and Economic Development
 PHONE 465-2018

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

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

APR 29 1981

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

April 28, 1981

The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee
Room 211 - Capitol Building
Juneau, Alaska

Dear Senator Fahrenkamp:

Re: CS for House Bill No. 198 (Finance) am

CS for House Bill No. 198 (Finance) am, an Act relating to the promotion of the marketing of seafood, was read for the first time in the Senate on April 22, 1981 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division and Mr. Robert W. Elliott, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division
Department of Revenue

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert W. Elliott
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 198 (Finance) am

Title An Act relating to the promotion of the marketing of seafood.

Requested by Senate Resources Committee

Date April 23, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

See the attached memorandum to R. D. Stevenson dated April 24, 1981.

IV. DATE April 24, 1981

PREPARED BY Gary L. Jenkins

AGENCY Audit Division

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Legislative Assistant

DATE: April 24, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: CSHB 198 (Finance) am

The amendments which have been made to this bill are very significant in relation to the source of funds for the operation of the Seafood Marketing Institute. The provision for a credit against the Fisheries Business Tax has been removed and replaced by a separate assessment which the processors will levy on themselves by majority vote. This will result in all processors being required to report and pay the seafood marketing assessment on an annual basis. In the proposed AS 16.51.160(a) the due date for paying the assessment is April 15 of each year. It is recommended that the date be changed to April 1 to coincide with the Fisheries Business Tax return due date in order that we could provide for a processor to report both liabilities on the same form. Failure to change the date will result in higher administrative costs for the state and for all the processors because of all the additional paperwork which will have to be prepared by the processors and handled by our staff. A fiscal note showing these costs has not been prepared at this time, since I am assuming the date can and will be changed.

The proposed AS 16.51.170 on page 10 of the bill provides for limited collection authority as provided in AS 43.10 to be applicable to the collection of the assessments. However, that limited cross reference to Title 43 would not give us the authority to audit the information reported, assess any interest or penalties for failure to file or pay the assessment, bill a processor for the assessment if he refuses to file and report the amount due, or impose any criminal penalties for evasion of the assessment. If the legislature intends for us to have that authority, the section should be rewritten to read as follows:

Sec. 16.51.170. ENFORCEMENT OF ASSESSMENTS. The provisions of AS 43.05 and AS 43.10 shall apply to the requirement imposed by this chapter to report and pay the seafood marketing assessment.

Several places in the proposed bill the term "Eligible Processor" is used, yet it is not defined. I think I can guess what is meant, however, it would aid administration of the act greatly if the term were defined in the law. Further, the definition of

"value" on page 11 of the bill includes the term "eligible processor" as part of the definition. Since it appears that value will be used to determine who is an "eligible processor" it is inconsistent to use the term in the definition of value.

There are several places in the bill which include the phrase "value paid by the processor". Since value will not be determined in all cases on the basis of a purchase, it would appear to be clearer if the phrase "value of the seafood products acquired by the processor" were used in place of the current phrase. I recommend that the proposed language be substituted on page 6, lines 22, 25 and 28; and on page 10, line 6. Finally, on page 9, line 22 consideration should be given to substituting the word "acquired" in place of "purchased" to be consistent with the above language.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 198 (Finance) am
 Title Relating to the promotion of the marketing of seafood
 Requested by Senate Resources Committee Date 4/27/81

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

<u>FUNDING</u> (Thousands of Dollars)	a)	b)	c)			
	943	1886	2829	1037	2075	3112
GENERAL FUND	1141	2282	3423	1255	2510	3765
FEDERAL FUNDS	1381	2761	4142			
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The figures represent the anticipated revenues collected and available for legislative appropriation, if eligible processors elect a seafood market assessment. The possible assessment rate scenarios are presented as follow:

- a) .2 percent of value
- b) .4 percent of value
- c) .6 percent of value

Value was determined by using Department of Fish and Game catch and price projections for FY 1982, with a 10% inflation rate adjustment for subsequent years.

Robert W. Elliott

IV. DATE 4/27/81 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 PHONE 465-2309

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

11
1/10

I. REQUEST
 Bill/Resolution No. CSHB 198 (Fin)
 Title Establishing the Alaska Seafood Marketing Institute
 Requested by House Resources Date 3/5/81

II. FISCAL DETAIL
 Agency Affected Commerce & Economic Development
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		151.6				
200 TRAVEL		35.0				
300 CONTRACTUAL		1902.8				
400 COMMODITIES		6.6				
500 EQUIPMENT		4.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		2100.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2				
PART TIME		1				
TEMPORARY		1				

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
- 1) Appropriation based upon 10% of estimated tax receipts to be collected under AS 43.75 for calendar year 1980 (see attached letter from the Department of Revenue).
 - 2) Administrative costs estimated by the Dept. of Commerce & Economic Development (see attached)

IV. DATE 3/5/81 PREPARED BY Elmer Lindstrom
 AGENCY Legislative Finance
 PHONE 465-3795

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

(Signature)

MEMORANDUM

State of Alaska

TO Elmer Lindstrom
Legislative Finance

DATE March 3, 1981

FILE NO:

TELEPHONE NO:

FROM: John Mintken *JM*
Department of Revenue

SUBJECT: CHouse Bill 198 (Fin)

Sec. 16.51.030(b) of House Bill 198 calls for the amount of fish tax collected in the tax year which ended in the prior fiscal year. This means to me that the tax collected figure needed for FY81 is from the tax year ending on 12/31/79. The tax collected for the tax year ending on 12/31/79 would take place in 1980 since the due date of the 1979 tax return is April 1, 1980, and payment is generally made with the filing of the tax return.

The amount of taxes collected for calendar year ending December 31, 1979, by the audit division is approximately \$18,000,000.

This should not be confused with the amount collected for FY80 (ending 6/30/80) which totaled \$14,645,426.

The tax collection figure for FY82 is from the calendar year ending on 12/31/80. The tax collected would take place in 1981 since the due date of the 1980 tax return is April 1, 1981.

The estimate for the calendar year 1980 taxes to be collected in 1981 is approximately \$21,000,000.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE BILL NO. 195 (page 1 of 2)
 Title Establishment of Alaska Seafood Marketing Institute
 Requested by Governor Date 2/17/81

II. FISCAL DETAIL
 Agency Affected Commerce & Economic Development
 Program Category Affected Board & Commissions
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (~~Thousands of Dollars~~)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		151,612	166,773	183,451	201,796	221,975
200 TRAVEL		35,000	38,500	42,350	46,585	51,244
300 CONTRACTUAL		1,303,388	1,433,727	1,577,099	1,734,809	1,908,290
400 COMMODITIES		6,000	6,600	7,260	7,986	8,725
500 EQUIPMENT		4,000	4,400	4,840	5,324	5,856
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,500,000	1,650,000	1,815,000	1,996,500	2,196,150

FUNDING (~~Thousands of Dollars~~)

GENERAL FUND		750,000	825,000	907,500	998,250	1,098,075
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Private contribution derived from proposed tax credit		750,000	825,000	907,500	998,250	1,098,075

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME		1	1	1	1	1
TEMPORARY		1	1	1	1	1

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

See attachment

IV. DATE _____ PREPARED BY Richard E. Reynolds
 AGENCY Commerce and Econ. Dev.
 PHONE 465-2018
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)