

BILLS 1981 - 1982

HB 451 - HB 453

1516

1516

COMMITTEE REPORT
HOUSE

4/27/81

FURTHER:

(11)

Date: 2/25/82

Mr. Speaker:

The Committee on FINANCE has had HB 451

"An Act establishing a prisoner treatment program; 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 451 (HESS) same title
 new title
- and recommends IT DO PASS
- 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:

Albert P. Ede

John D. Galle

John D. Galle

John D. Galle

Hansen

Donald P. ...

Albert P. Ede

CHAIRMAN

Original sponsor: Clocksin

Offered: 4/27/81
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 451 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a prisoner treatment program; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that
10 persons who are convicted of violent crimes or sexual offenses are likely to
11 commit acts of violence in the future. Physical and sexual violence is
12 learned behavior which can be altered through counseling and rehabilitation.
13 In order to protect the health, welfare, and safety of all persons in the
14 state, it is necessary to provide treatment to persons convicted of violent
15 crimes or sexual offenses or who exhibit violent behavior before they are
16 released into the community.

17 (b) It is the purpose of this Act to

18 (1) establish a program of treatment for persons convicted of
19 violent crimes or sexual offenses who are serving terms of imprisonment;

20 (2) help control violent behavior by providing continuing treat-
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22 lent crimes or sexual offenses;

23 (3) authorize the Department of Health and Social Services to
24 admit persons convicted of offenses who exhibit violent behavior into the
25 program when the department determines the treatment will be beneficial.

26 * Sec. 2. AS 33.30 is amended by adding new sections to read:

27 ARTICLE 4. PRISONER TREATMENT PROGRAM.

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17 jurisdiction of an offense having elements substantially identical to a
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19 (b) Notwithstanding (a) of this section, a person may be accepted
20 into the prisoner treatment program at the discretion of the department
21 and his participation in the program may be terminated at any time.

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025(a)(4);

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the legislature within 30 days of the beginning of each regular session.

* Sec. 3. This Act takes effect July 1, 1981.

Original sponsor: Clocksin

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Official Business

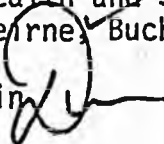
Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O

TO: Members, Health and Social Services Subcommittee
(Carney, Beirne, Buchholdt)

FROM: Don Clocksin 

DATE: February 3, 1982

SUBJECT: HB 450, 451 -- sex offender treatment

House Bill 451 would establish a sex offender treatment program in the Department of Health and Social Services for counseling and treatment of felony sex offenders residing in state prisons. House Bill 450 would appropriate \$492,000 for the treatment program.

Present funding for the program was inserted in last year's budget at the level of \$122,500. The Governor's Budget proposes \$148,100 for FY 83 (see Appendix A). Three contracts have been signed so far, in Fairbanks, Anchorage, and Juneau, to treat sex offenders in those institutions. If an amount of money is inserted into the FY 83 budget, passage of HB 450 is not necessary. However, passage of CSHB 451 is necessary to provide guidelines for the program, increase legislative control over the program, and assure continuous funding each year. I recommend funding somewhere between \$492,000 and \$148,100.

The sex offender treatment program being implemented in Juneau is described in Appendix B. A successful program in Washington State is described in Appendix C. Support for CSHB 451 (HESS) comes from the Judiciary (Appendix D) and the Department (Appendix E).

I encourage your support of this program.

Enclosures

M.E.N. Inc.
211 4th St. Rm. 304
Juneau, Ak. 99801
586-3585

February 22, 1982

House Finance Committee
Capitol Building
Juneau, Ak. 99811

Dear Committee Members:

This letter is a position paper on CS House Bill 451--"an Act establishing a prisoner treatment program" for persons convicted of violent crimes and sexual offenses.

I am writing as Director of M.E.N. Inc.--a counseling program for men in violent relationships and a member program of both the Juneau Sex Offender Treatment Task Force and the Alaska Statewide Network on Domestic Violence and Sexual Assault.

As a co-author (with Dr. Tony Mander) of the original proposal for state-wide prison services to physical and sexual assailants, I am very much in support of CSHB451. At M.E.N. Inc. we have encountered strong resistance from abusive men to acknowledge that they have a problem and to pursue treatment. External leverage from the criminal justice system is often necessary to bring men initially into treatment.

Offenders who have been convicted of violent crimes and sexual offenses are in an ideal position to receive educational and therapeutic treatment. This treatment will enhance the rehabilitative process of the offender and provide for a smoother transition back into the community. The long-term result will be reduced recidivism and a safer community for us all.

Although we endorse CSHB451, there are also some problems with the legislation and some modifications that seem necessary. First in Section 1 (b) (3), the Department of Health and Social Services is designated as the agency to administer the treatment program. When this bill was originally written the Alaska Council on Domestic Violence and Sexual Assault was not in existence. The Council has now been in effect since October, 1981, and is the lead agency recognized by the state to provide treatment services to victims and perpetrators of domestic violence and sexual assault. The services described in CSHB451 are, therefore, clearly within the mandate of the council and the council should be designated as the agency to administer the treatment program.

Secondly, it is critical that the fiscal note attached to CSHB451 be approved in total. The bill states that both prison services and continued treatment programs will be provided--creating a panacea concept. The problem of sexual and physical violence in Alaska is immense. This bill creates seed money to meet one portion of a huge community need. It is extremely doubtful that the funding under this bill will sufficiently meet even the existing need for prison services and follow-up counseling. The seed money allocation for this year should be followed up with more comprehensive funding in the next fiscal year.

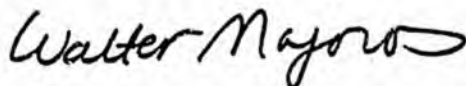
It is also critical that funding for the prisoner treatment program not compete with funding for existing domestic violence and sexual assault programs. The needs of victims of domestic and sexual assault are primary and must be met prior to providing treatment to offenders.

Finally, under Duties of the Department, Sec. 33.30.420, we believe the lead agency should be required to do the following:

- To study existing treatment models being utilized in Washington State and other areas and to provide specialized training to treatment providers prior to the initiation of treatment services. This is necessary to ensure maximum expertise in service delivery and program uniformity between treatment sites.
- To consult with experts in the field of domestic and sexual violence, particularly the Alaska Statewide Network on Domestic Violence and Sexual Assault.
- To document the arrest and conviction recidivism rates for offenders who receive treatment while incarcerated and to compare these rates to those of offenders not receiving treatment.
- To investigate the feasibility of a secure physical facility for sex offenders, separate from existing prison facilities. This model is currently being utilized in Washington State.

Thank you for the opportunity to testify on this bill. With the exceptions noted, M.E.N. Inc. whole-heartedly endorses CSHB451.

Sincerely,



Walter Majoros,
Director of M.E.N. Inc.

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

POUCH H 01
JUNEAU, ALASKA 99811
PHONE: 465-3030

DOCUMENT NO. 64-82

February 25, 1982

Ms. Cheryl Frasca
Administrative Assistant
Alaska State Legislature
House Finance Committee
Pouch V
Juneau, AK 99811

Dear Ms. Frasca:

In response to your question, attached please find a fiscal note for HB 451 - "Establishment of a Prisoner Treatment Program" outlining how we would implement the bill within the confines of the Governor's budget. Representatives from the Division of Adult Corrections will be available at your 1:30 pm hearing to answer any questions you may have.

Sincerely,



Helen D. Beirne
Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 451
 Title An act establishing a prisoner treatment program
 Requested by House Finance Date February 25, 1982

II. FISCAL DETAIL

Agency Affected Health & Social Services
 Program Category Affected Offender Confinement, Reformation and Supervision
 BRU, Program, Or Subprogram(s) Affected Adult Confinement
 (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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

The legislature appropriated \$122,500 to provide for sex offender Counseling during FY 1982. Contracts have been negotiated to provide these services in Fairbanks, Juneau and the greater Anchorage area. The Governor's FY 1983 budget requests \$148,100 for these services. Assuming that a 9% inflation factor is reasonable for negotiating for sex offender counseling at the same level of service, it will take \$133,500 to fund the existing contracts in FY 1983.

This would mean that there would be \$14,600 available to expand the level of services in correctional centers currently covered by sex offender counseling contracts.

The Governor's FY 1983 budget also contains a \$144,000 request for Psychological/Alcoholism Counseling. From within these funds, a modest contract(s) could be negotiated to provide counseling for

IV. DATE February 25, 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)

JCC

House Bill No. 451

An act establishing a prisoner treatment program

February 25, 1982

Page 2

offenders with a history of physical violence/violent crimes.

Funding at this level, however, would permit little or no counseling upon release, as required in Sec. 33.30.400(4). There is no information available regarding the number of individuals requiring continued counseling upon their release from a correctional center, or how long these individuals would be receiving the counseling services.

Therefore, the zero fiscal note is predicated upon the assumptions that the funding level requested by the Governor will not be reduced by the legislature, and that there would be only a minimal increase in counseling services above the existing level.

POSITION PAPER

HOUSE BILL NO. 451

"An Act establishing a prisoner treatment program; and providing for an effective date."

House Bill No. 451 would establish a program of treatment for persons convicted of violent crimes or sexual offenses who are serving terms of imprisonment.

The Act would establish the treatment programs in the three largest prison facilities in Anchorage, Juneau and Fairbanks to include: education, individual and group counseling, pre-release planning, and post release counseling.

Current Practice

At the present time, the Division of Adult Corrections does not have programs specifically addressing the issue of violence; however, the Division does have programs aimed toward problems of which violence may be a manifestation. Moreover, we provide a limited program for the sexual offender at the Lemon Creek facility. The program is on a professional services contract with Dr. Tony Mander and an enlargement of that program was to be determined after the FY '82 budget was decided by the Legislature. A program addressing the treatment of the violent offender is under consideration and would be addressed in the FY '83 budget request.

The Division of Adult Corrections agrees with the concept of the bill; however, we would offer the following recommendations:

a. Since there are so few people who are skilled in the treatment of violent and sexual offenders, and those who are, generally are either in private practice or currently employed in a similar program, it would be more appropriate to provide this treatment under one or more professional services contracts. Additionally, it would take many months to train qualified staff adequately and there might not be the need for full time staff at every facility.

b. The Act, Article 4, Sec. 33.30.400, line 27, specifies development of the treatment programs at Fairbanks, Juneau and Anchorage. We would suggest a provision which would permit development of such programs at other locations, as it cannot be determined now what the needs at other locations might be. At Bethel and Nome, for example, the Division expects to develop a range of helping programs which meet the needs of offenders in those regions.

POSITION PAPER/Department of Health & Social Services

The Department supports the concept of House Bill No. 451.

Recommended by: C. F. Campbell
Charles F. Campbell, Director
Division of Adult Corrections

Date: 4/20/81

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

Date: 4/21/81

THE LEGISLATURE OF THE STATE OF ALASKA
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TOTAL	-0-	-0-	536.3	584.5	637.2	694.5

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	536.3	584.5	637.2	694.5
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OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is assumed that the special appropriation of \$492,000 in HB # 450 establishes the program level anticipated with the establishment of the prisoner treatment program.

A 9% inflation factor was applied annually to the base year funding in computing need for subsequent fiscal years.

IV. DATE April 9, 1981 PREPARED BY Roger C. Lange
 AGENCY Division of Adult Corrections, H & SS
 PHONE 465-3376
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 4/21/81

Original sponsor: Clocksin

Offered: 4/27/81
Referred: Finance

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SOCIAL SERVICES COMMITTEE

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CS FOR HOUSE BILL NO. 451 (HESS)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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TWELFTH LEGISLATURE - FIRST SESSION

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Introduced: 4/1/81
Referred: Health, Education &
Social Services and Finance

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Original sponsors: Randolph and Fanning

Offered: 4/30/81
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 452 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act directing the Department of Revenue to make
7 1980 state income tax refunds; and providing for an
8 effective date."

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

10 * Section 1. Section 7(c), ch. 1, SSSLA 1980, is repealed and reenacted
11 to read:

12 (c) The department shall issue the refund of taxes authorized by
13 (a) of this section to each individual and fiduciary entitled to a
14 refund. Refunds issued shall be based on refund claims filed, wage and
15 tax statements received from employers, and estimated tax payments.
16 The department shall issue all refunds authorized by (a) of this
17 section by June 30, 1982.

18 * Sec. 2. Section 7(d), ch. 1, SSSLA 1980, is repealed.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 452 (State Affairs)
 Title An Act directing the Department of Revenue to make 1980 tax refunds
 Requested by House Finance Committee Date May 5, 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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		133.8				
200 TRAVEL						
300 CONTRACTUAL		24.0				
400 COMMODITIES		3.2				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		161.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		161.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		5				
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated May 14, 1981.

IV. DATE May 14, 1981 PREPARED BY Gary I. Jenkins
 AGENCY Audit Division
 Original: Legislative Finance PHONE 465-2320
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA**MEMORANDUM**TO: R. D. Stevenson
Legislative Assistant

DATE : May 14, 1981

FROM: Gary L. Jenkins
Director
Audit DivisionSUBJECT: CSHB 452 (State
Affairs)

The amendment to this bill has clarified the intent of the original bill in that the department is now supposed to take specific action to find all those individuals who paid in withholding or estimated tax and have not yet received their refund. To accomplish this will require a substantial amount of manual handling of the information which is available to us. It is estimated that 10 to 15 percent of the W-2 Forms will be lacking sufficient information to permit easy payment of the money to the correct individual. The missing information will be social security numbers, addresses and incomplete or misspelled names. The staff will be needed to try, through all possible information sources, to identify and locate the correct person who is due the refund. The staff is needed for the additional 12 months which the bill provides for a refund to be issued. The staff needed is 3 tax examiners and 1 clerk III to perform the initial identification and location of the individuals and 1 tax examiner to handle the returned refund warrants and to attempt to find a correct address.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 452 (SA)
 Title Directing The Department of Revenue To Make 1980 State Income Tax Refunds
 Requested by House Finance Committee Date 5/5/81

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Administration and Support, Management Services
 (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	436.7					
200 TRAVEL						
300 CONTRACTUAL	304.2					
400 COMMODITIES	7.5					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	748.4					

FUNDING (Thousands of Dollars)

GENERAL FUND	748.4					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

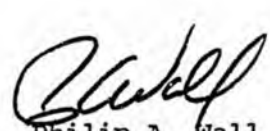
POSITIONS

FULL TIME	1/12mm					
PART TIME	43/219mm					
TEMPORARY						

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

The FY81 supplemental funds must continue through June 30, 1982.

See the attached assumptions and analysis.

IV. DATE 5/15/81 PREPARED BY 
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

CSHB 452 (SA)
Attachment

Assumptions:

After the 1980 individual income tax refund claims are processed, the Department will attempt to identify individuals who paid tax during 1980 but have not claimed a refund. About 325,000 individual withholding statements received from employers will be data captured and compared, using the computer, to the refunds processed for 1980. Unmatched withholding statements will be processed as refunds. Contact with employers will be required as about one-third of the employers who normally file with us have not filed for tax year 1980. Also, many withholding statements are not processable because the carbon copy submitted by the employer is not readable or important information, such as employee social security number, name and address is missing or misspelled.

The funds requested on the fiscal note for FY 81 must be appropriated as supplemental to FY 81 and continued through FY 82. A final completion date of June 30, 1982 is recommended to allow for the required system design and processing.

Positions:	1 PFT	R18	Systems Analyst @ \$2,640 per MO. + 25%	=	39.6
	1 PPT	R17	Programmer, 9 Mos. @ \$2,453 per Mo. + 25%	=	27.6
	26 PPT	R 8	Tax Scanners for Data Edit, Batching & Inquiry Reply: 5mm Each @ \$1,393 per Mo. + 25%	=	226.3
	5 PPT	R 8	Tax Scanners for Problem Research: 5mm Each @ \$1,393 per Mo. + 25%	=	43.5
	8 PPT	R 8	Tax Scanners for Data Capture: 5mm Each @ \$1,393 per Mo. + 25%	=	69.7
	3 PPT	R10	Tax Examiners for Supervision: 5mm Each @ \$1,600 per MO. + 25%	=	<u>30.0</u>

436.7

Other Expenditures:

21 Data Capture Terminals, 5 Mos. Each @ \$80 per Mo.	=	8.4
1 Control Unit, 5 Mos. @ \$705 per Mo.	=	3.5
1 Printer, 5 Mos. @ \$286 per Mo.	=	1.4

Data Processing Chargeback:

Disk Storage, 50 mb @ 90% of 12 Mos. per Million Bytes x 12 Mos.	=	6.5
Processing & Systems Development Charge	=	25.0

Postage for 25,000 Payments @ 18 Cents	=	4.5
for Taxpayer & Employer Correspondence	=	4.0
Warrant Forms, 25,000 @ \$35M	=	.9

Processing Contingency (for Finding & Applying Addresses & Handling Returned Mail)	=	100.0
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Media Coverage, Community Assistance	=	<u>150.0</u>
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304.2

Commodities:

= 7.5

7.5

748.4

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 452 (State Affairs)
 Title Act directing the Department of Revenue to make 1980 income tax refunds.
 Requested by House Finance Committee Date May 6, 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						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The proposed legislation in not anticipated to change the funding of the program.

IV. DATE May 6, 1981 PREPARED BY Robert W. Elliott
 AGENCY Revenue
 PHONE 465-2309
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Introduced: 4/1/81
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY RANDOLPH AND FANNING

2 HOUSE BILL NO. 452

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act directing the Department of Revenue to make
7 1980 state income tax refunds; and providing for an
8 effective date."

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

10 * Section 1. Section 7(c), ch. 1, SSSLA 1980, is repealed and reenacted
11 to read:

12 (c) The department shall make the refund of taxes authorized by
13 (a) of this section to each individual and fiduciary entitled to a
14 refund. The department shall make all refunds authorized by (a) of
15 this section by June 30, 1981.

16 * Sec. 2. Section 7(d), ch. 1, SSSLA 1980, is repealed.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

CORRECTED

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 452
Title An Act directing the Dept. of Rev. to make 1980 state inc. tax refunds.
Requested by House State Affairs and Finance Date April 16, 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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		66.9				
200 TRAVEL						
300 CONTRACTUAL		12.0				
400 COMMODITIES		1.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		80.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		80.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		5				
TEMPORARY						

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

See attached memo to R.D. Stevenson dated April 17, 1981.

IV. DATE April 17, 1981 PREPARED BY Garv 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 17, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: HB 452

It has been recently brought to my attention that the intent of HB 452 is that the department will make a major effort to locate all individuals due a refund and issue the refund to them without an application being made. To accomplish this will require a substantial amount of manual handling to deal with the various problems which will arise. It is estimated that 10 to 15 percent of the W-2 forms will be lacking sufficient information to permit easy payment of the money to the correct individual. The missing information will be social security numbers, addresses and incomplete or misspelled names. The staff will be needed to try through all possible information sources to identify and locate the correct person who is due the refund. The staff is requested for six months and includes 3 tax examiners and 1 clerk III to perform the initial identification and location of the individuals and 1 tax examiner to handle the returned refund warrants and to attempt to find a correct address.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

CORRECTED

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 452
Title Directing the Department of Revenue to Make 1980 Income Tax Refunds
Requested by House State Affairs Date 4-16-81

II. FISCAL DETAIL

Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services
(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	436.7					
200 TRAVEL						
300 CONTRACTUAL	304.2					
400 COMMODITIES	7.5					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	748.4					

FUNDING (Thousands of Dollars)

GENERAL FUND	748.4					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

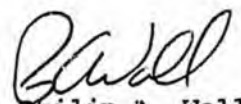
FULL TIME	1/12mm					
PART TIME	43/219mm					
TEMPORARY						

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

See the attached narrative.

The FY 81 supplemental funds must continue through June 30, 1982

IV. DATE April 20, 1981 PREPARED BY Philip A. Wall
AGENCY Revenue
PHONE 465-2313
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)



HB 452
Attachment

After the 1980 individual income tax refund claims are processed, the Department will attempt to identify individuals who paid tax during 1980 but have not claimed a refund. About 325,000 individual withholding statements received from employers will be data captured and compared, using the computer, to the refunds processed for 1980. Unmatched withholding statements will be processed as refunds. Contact with employers will be required as about one-third of the employers who normally file with us have not filed for tax year 1980. Also, many withholding statements are not processable because the carbon copy submitted by the employer is not readable or important information, such as employee address, is missing.

The funds requested on the fiscal note for FY 81 must be appropriated as supplemental to FY 81 and continued through FY 82. A final completion date of June 30, 1982 is recommended to allow for the required system design and processing.

Positions:	1 PFT	R18	Systems Analyst @ \$2,640 per Mo. + 25%	=	39.6
	1 PPT	R17	Programmer, 9 Mos. @ \$2,455 per Mo. + 25%	=	27.6
	26 PPT	R 8	Tax Scanners for Data Edit, Batching & Inquiry Reply: 5mm Each @ \$1,393 per Mo. + 25%	=	226.3
	5 PPT	R 8	Tax Scanners for Problem Research: 5mm Each @ \$1,393 per Mo. + 25%	=	43.5
	8 PPT	R 8	Tax Scanners for Data Capture: 5mm Each @ \$1,393 per Mo. + 25%	=	69.7
	3 PPT	R10	Tax Examiners for Supervision: 5mm Each @ \$1,600 per mo. + 25%	=	<u>30.0</u>
					436.7

Other Expenditures:

21 Data Capture Terminals, 5 mos. Each @ \$80 per Mo.	=	8.4
1 Control Unit, 5 Mos. @ \$705 per Mo.	=	3.5
1 Printer, 5 Mos. @ \$286 per Mo.	=	1.4

Data Processing Chargeback:

Disk Storage, 50 mb @ 90% of 12 Mos. per Million Bytes x 12 Mos.	=	6.5
Processing & Systems Development Charge	=	25.0

Postage for 25,000 Payments @ 18 Cents for Taxpayer & Employer Correspondence	=	4.5
Warrant Forms, 25,000 @ \$35M	=	.9

Processing Contingency (for Finding & Applying Addresses & Handling Returned Mail)	=	100.0
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Media Coverage, Community Assistance	=	<u>150.0</u>
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304.2

Commodities	=	<u>7.5</u>
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Introduced: 4/1/81
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY RANDOLPH AND FANNING

2 HOUSE BILL NO. 452

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act directing the Department of Revenue to make
7 1980 state income tax refunds; and providing for an
8 effective date."

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

10 * Section 1. Section 7(c), ch. 1, SSSLA 1980, is repealed and reenacted
11 to read:

12 (c) The department shall make the refund of taxes authorized by
13 (a) of this section to each individual and fiduciary entitled to a
14 refund. The department shall make all refunds authorized by (a) of
15 this section by June 30, 1981.

16 * Sec. 2. Section 7(d), ch. 1, SSSLA 1980, is repealed.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

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COMMITTEE REPORT

HOUSE

4/30

FURTHER: FINANCE

4/1/81

(5)

Date: 4-16-81

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 452

"An Act directing the Department of Revenue to make 1980 state income tax refunds; and providing for an effective date."

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

[] do pass [] do not pass

[] do pass with attached amendments(s)

[X] replace with CS for HB 452 (SA) [X] same title [] new title

and recommends ~~report on HB 452 - financial bill~~

[] AND attaches a "Letter of Intent" [X] ~~New~~ Fiscal Note

[X] reports it back without recommendation _____

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

David Colby

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Justable no Rec
John Powell - No Rec
Will - No Rec

Will

CHAIRMAN

Chenoweth
12-1333

Original sponsors: Randolph and Fanning

Offered: 4/30/81
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 452 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL.

6 For an Act entitled: "An Act directing the Department of Revenue to make
7 1980 state income tax refunds; and providing for an
8 effective date."

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

10 * Section 1. Section 7(c), ch. 1, SSSLA 1980, is repealed and reenacted
11 to read:

12 (c) The department shall issue the refund of taxes authorized by
13 (a) of this section to each individual and fiduciary entitled to a
14 refund. Refunds issued shall be based on refund claims filed, wage and
15 tax statements received from employers, and estimated tax payments.
16 The department shall issue all refunds authorized by (a) of this
17 section by June 30, 1982.

18 * Sec. 2. Section 7(d), ch. 1, SSSLA 1980, is repealed.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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Chevourth

12-1333

Introduced: 4/1/81
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY RANDOLPH AND FANNING

2 HOUSE BILL NO. 452

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act directing the Department of Revenue to make
7 1980 state income tax refunds; and providing for an
8 effective date."

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

10 * Section 1. Section 7(c), ch. 1, SSSLA 1980, is repealed and reenacted
11 to read:

12 (c) The department shall make the refund of taxes authorized by
13 (a) of this section to each individual and fiduciary entitled to a
14 refund. The department shall make all refunds authorized by (a) of
15 this section by June 30, 1981.

16 * Sec. 2. Section 7(d), ch. 1, SSSLA 1980, is repealed.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 452 # 1 (Page 1 of 1)
 Title An Act directing the Dept. of Rev. to make 1980 state inc. tax refunds.
 Requested by House State Affairs and Finance Date April 16, 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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		66.9				
200 TRAVEL						
300 CONTRACTUAL		12.0				
400 COMMODITIES		1.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		80.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		80.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		5				
TEMPORARY						

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

See attached memo to R.D. Stevenson dated April 17, 1981.

IV. DATE April 17, 1981

PREPARED BY Garv L. Jenkins

AGENCY Audit Division

PHONE 465-2320

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

CORRECTED

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 452 #2 (Page 1 of 2)
 Title Directing the Department of Revenue to Make 1980 Income Tax Refunds
 Requested by House State Affairs Date 4-16-81

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services
 (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	436.7					
200 TRAVEL						
300 CONTRACTUAL	304.2					
400 COMMODITIES	7.5					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	748.4					

FUNDING (Thousands of Dollars)

GENERAL FUND	748.4					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						


POSITIONS

FULL TIME	1/12mm					
PART TIME	43/219mm					
TEMPORARY						

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

See the attached narrative.

The FY 81 supplemental funds must continue through June 30, 1982

IV. DATE April 20, 1981 PREPARED BY  Philip A. Wall
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 452 #2 (Page 2 of 2)
Attachment

After the 1980 individual income tax refund claims are processed, the Department will attempt to identify individuals who paid tax during 1980 but have not claimed a refund. About 325,000 individual withholding statements received from employers will be data captured and compared, using the computer, to the refunds processed for 1980. Unmatched withholding statements will be processed as refunds. Contact with employers will be required as about one-third of the employers who normally file with us have not filed for tax year 1980. Also, many withholding statements are not processable because the carbon copy submitted by the employer is not readable or important information, such as employee address, is missing.

The funds requested on the fiscal note for FY 81 must be appropriated as supplemental to FY 81 and continued through FY 82. A final completion date of June 30, 1982 is recommended to allow for the required system design and processing.

Positions:	1 PFT	R18	Systems Analyst @ \$2,640 per Mo. + 25%	=	39.6
	1 PPT	R17	Programmer, 9 Mos. @ \$2,455 per Mo. + 25%	=	27.6
	26 PPT	R 8	Tax Scanners for Data Edit, Batching & Inquiry Reply: 5mm Each @ \$1,393 per Mo. + 25%	=	226.3
	5 PPT	R 8	Tax Scanners for Problem Research: 5mm Each @ \$1,393 per Mo. + 25%	=	43.5
	8 PPT	R 8	Tax Scanners for Data Capture: 5mm Each @ \$1,393 per Mo. + 25%	=	69.7
	3 PPT	R10	Tax Examiners for Supervision: 5mm Each @ \$1,600 per mo. + 25%	=	<u>30.0</u>
					436.7
Other Expenditures:					
	21		Data Capture Terminals, 5 mos. Each @ \$80 per Mo.	=	8.4
	1		Control Unit, 5 Mos. @ \$705 per Mo.	=	3.5
	1		Printer, 5 Mos. @ \$286 per Mo.	=	1.4
			Data Processing Chargeback:		
			Disk Storage, 50 mb @ 90% of 12 Mos. per Million Bytes x 12 Mos.	=	6.5
			Processing & Systems Development Charge	=	25.0
			Postage for 25,000 Payments @ 18 Cents	=	4.5
			for Taxpayer & Employer Correspondence	=	4.0
			Warrant Forms, 25,000 @ \$35M	=	.9
			Processing Contingency (for Finding & Applying Addresses & Handling Returned Mail)	=	100.0
			Media Coverage, Community Assistance	=	<u>150.0</u>
					304.2
Commodities				=	<u>7.5</u>

ALASKA STATE LEGISLATURE	
TWELFTH Legislature	FIRST Session
HOUSE BILL..... NO. ...452.	
By .. RANDOLPH AND FANNING	
<p>"An Act directing the Department of Revenue to make 1980 state income tax refunds; and providing for an effective date."</p>	
1980 state income tax refunds	
Introduced in the House ...4/1....., 19...81	

HISTORY IN THE HOUSE																													
19 81	Read first time and referred to Committee on																												
Apr 1	State Affairs and Finance																												
	Reported back with recommendation that																												
	Read second time and																												
	Read third time and																												
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19	Read first time and referred to Committee on																												
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	Read second time and																												
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SECRETARY OF THE SENATE																													

HISTORY IN THE HOUSE	
19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

COMMITTEE REPORT
SENATE

FURTHER: None

6/2/81.

Date: 6/20/81

Mr. President:

The Committee on FINANCE has had HB 453(efd failed) making a special appropriation for the Alaska Seafood Marketing Institute

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
- and recommends _____ new title
- 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:

Joyson No Rec

[Signature]
CHAIRMAN

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

Funding Information
General Fund \$3,000,000
Other Funds -0-
\$3,000,000

Introduced: 4/1/81
Referred: Finance

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 453 (efd failed)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the Alaska
7 Seafood Marketing Institute."

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

9 * Section 1. The sum of \$3,000,000 is appropriated from the general fund
10 to the Department of Commerce and Economic Development for the Alaska
11 Seafood Marketing Institute.

12 * Sec. 2. The unexpended and unobligated portion of the appropriation
13 made by this Act lapses into the general fund June 30, 1982.

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545

ALASKA SEAFOOD MARKETING INSTITUTE

Projected Central Office Budget
July 1, 1981 - June 30, 1982

Wages & Benefits

Exec. Director Salary @-\$4,400. per month	-	\$ 52,800
Special Assistant @ \$2,500. per month	-	30,000
Information Manager @ \$2,200. per month	-	26,400
Secretary @ \$1,400. per month	-	16,800
Health Insurance	-	6,000
Retirement Plan	-	8,000

Travel

Projected travel expenses for staff/members, (Board Meeting travel budgeted separately) includes most trade show related expenses	-	30,000
---	---	--------

Office Space

Net Cost for lease	-	6,000
Utilities/Repairs	-	10,000
Janitorial/Maintenance	-	4,000
Telephone	-	7,200

Contractual Services

Legal	-	10,000
Accounting	-	5,000
Marketing	-	10,000

Office Furniture

Chairs, filing cabinets, shelving etc.	-	3,000
--	---	-------

Office Equipment Lease

Lexitron	-	10,700
----------	---	--------

Commodities

Copying Expenses	-	7,500
Office Supplies	-	4,000
Stationery/Cards	-	2,000
Postage & Deliveries	-	6,000
Other Printing/Design Costs	-	5,000

Miscellaneous

Subscriptions/Reference Materials	-	3,000
Dues & Affiliate Memberships	-	1,000
Board Meetings (Includes travel & per diem, other attendant costs, for 4 projected meetings)	-	<u>40,000</u>

Total Central Office Budget - \$ 304,400

Contractual Services for Advertising &
Promotion - \$2,695,600

Total A.S.M.I. Budget - \$3,000,000

For the committee
10/11

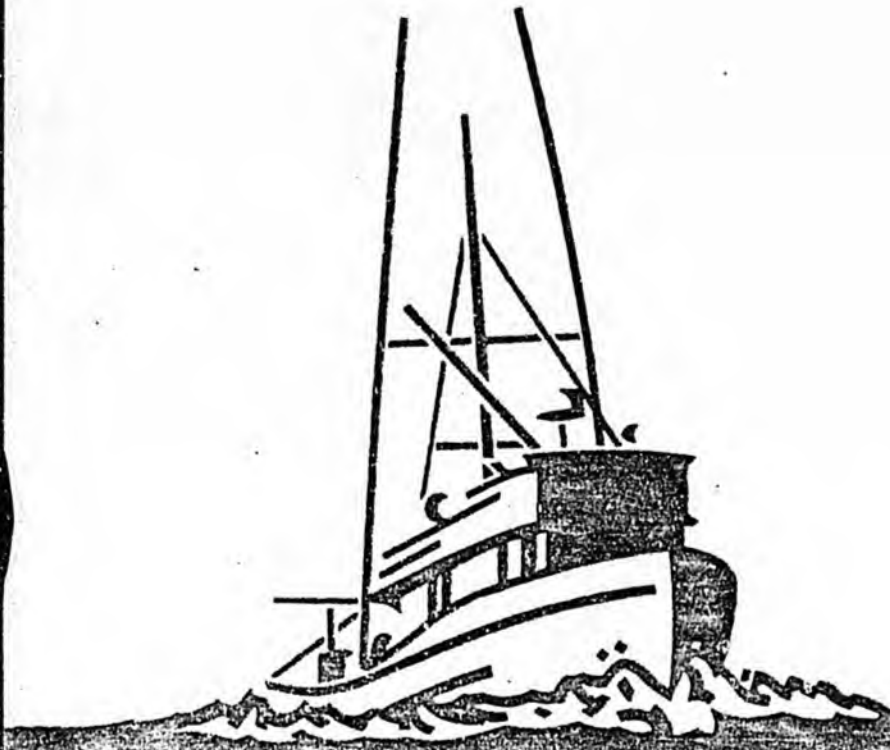
Letter of Intent -- HB 198 and HB 453

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ALASKA SEAFOOD MARKETING INSTITUTE



MARKETING PLAN

A PRESENTATION BY
Mandabach &
M S Simms/pacific inc.

EXECUTIVE OVERVIEW

Recommendations for Fiscal Year 1982

INTRODUCTION

The following outline covers the recommendations and budgeting for \$3,000,000 appropriated for expenditures during the Fiscal Year 1982 period (1st year of plan). Recommendations for subsequent years are explored in the total marketing plan submitted separately for your study and approval.

These recommendations are the result of exhaustive investigation into the existing and potential markets for Alaskan seafood. They have been prepared in accordance with the direction and objectives given us and are intended to provide a comprehensive course of action to be followed upon acceptance and approval of the total plan.

U.S. FOODSERVICE

We recommend allocating the largest portion of the appropriation to development of the U.S. Foodservice market as we are convinced that we can achieve faster, more meaningful results in this area.

1. "Special" Marketing Supplement - A special,

24-page supplement designed to introduce all Alaskan seafood species, telling why and how they are superior and detailing reasons why operators should specify seafood products of Alaskan origin is recommended to be prepared and run in publications that have been selected in order to kick-off the total program.

Additional uses for these supplements (direct mail, distributor salesmen's handouts, trade shows, key customer leave-behinds, inquiry responses, educational) give these supplements long life and exceptional value. Used in the magazines to launch the program, they will be noticed by virtually all key prospects.

Costs are:

Restaurants & Institutions (incl. production)*	\$ 75,000
Restaurant Business	33,885
Restaurant Hospitality	24,500
Nations' Restaurant News	26,231
Institutional Distribution	23,310
Additional Quantities to Books	68,115
	Total
	261,041**

*doesn't include on-sight photography

**includes \$10,000 agency supervision

The production costs for photography, design, layout and mechanicals are included in the publications cost of Restaurants & Institutions. \$10,000 should be budgeted for agency supervision and creative input.

2. Magazine Advertising - In a field where the audiences are as readily identifiable as they are in foodservice, advertising in the industry's leading publications is the most cost-effective way to reach the people who can purchase or influence purchase of Alaskan seafood. The publications best suited to the mission are:
 - a. Restaurants & Institutions - largest and most prestigious publication in the industry, reaching 107,000 contact points. Covers all the leading foodservice operations in both the commercial and non-commercial segments.
 - b. Restaurant Business - covers only the commercial segment, reaching 70,000 higher volume operators, Covers chain headquarters, higher volume independents. Excellent editorial.

- c. Nations' Restaurant News - the only newspaper and the only paid circulation in the industry. Tabloid size and "news" coverage have developed excellent readership in chains and large independents. Circulation of 65,000. Sponsors MUFSO (Multi-Unit Foodservice Operators) annual seminar.
- d. Restaurant Hospitality - is referred to as the "white tablecloth" publication. Reaches only those hotel/motel and fine dining restaurants that do in excess of \$200,000 annual volume. Fine editorial. 76,000 circulation.
- e. Institutional Distribution - is the only foodservice publication written for and circulated to foodservice distributor executives and salesmen. Circulation of 26,000 covers all key distributors.

The scheduling of Alaskan Seafood advertising is designed to achieve a delicate balance between maximum impact and frequency. In order to command attention, we have recommended use of

4 consecutive right-hand pages. A series such as this, featuring eye-stopping 4/color photography and strong headlines will bring the message of ASMI to the attention of target audiences and will create almost instant identification of ASMI and its objectives.

Restaurants & Institutions	\$114,000
Restaurant Business	96,000
Restaurant Hospitality	90,000
Nations' Restaurant News	107,000
Institutional Distribution	69,000
	<hr/>
Total	476,000

Ad Production Costs as follows:

Four 4/color pages (umbrella, salmon, crab, whitefish) including concept, layout, copy, photography, finished art, color separations	\$36,000
Revised copy versions for Institutional Distribution	3,000

We recommend interspersing the 4 page approach with single page insertions throughout the year. This will keep the costs in line and at the same time not decrease the effectiveness of the total

program. A proposed schedule to start July 1982 is shown:

	J	A	S	O	N	D	J	F	M	A	M	J	Total Pages
R&I	4	1	1	4	1	1	4	1	1	4	1	1	24
RB	1	4	1	1	4	1	1	4	1	1	4	1	24
RH	4	1	1	4	1	1	4	1	1	4	1	1	24
NRN	1	1	4	1	1	4	1	1	4	1	1	4	24
ID	1	1	4	1	1	4	1	1	4	1	1	4	24
Total Pages	11	8	11	11	8	11	11	8	11	11	8	11	120

3. Market research - An "attitude and awareness" study will enable us to measure the impact of our first year program. Done in 2 stages, we can accurately gage changes achieved by our campaign. Cost of this study is approximately \$50,000.
4. A "Bounce Back" Post Card is recommended in those ads which will be most effective in enabling the operator to request information from the Institute. More important, it will enable ASMI to build a most effective and valuable mailing list. The cost of these cards,

printed in 4 colors on both sides and addressed to ASMI, excluding placement in the advertisement is approximately \$23,000.

5. We recommend that each of these ads be tested using focus group techniques, prior to completion and placement. The approximate cost of this testing is \$20,000.
6. Cooperative Advertising is an important part of this plan. Until specific recommendations are worked out with other associations or companies it is not possible to set a dollar figure for cooperative advertising. We suggest that \$150,000 be allocated for this activity.
7. An Audiovisual Training/Education Program for use with brokers/distributors and with appropriate leave-behind materials should be prepared as part of the 1st year plan. The estimated costs are \$40,000.
8. A Complete Merchandising Kit must be made available to operators early in the program. This should include placemats, table tents, menu clip-ons,

advertising slicks, T.V. storyboards, banners, waitress buttons, children's programs, etc. Dollars allocated for this program should be approximately \$250,000.

9. Direct Mail is a great way for the Alaska Seafood story to be told in the foodservice industry. This program should be aimed at key operators and the influential buying decision makers. Something as simple as a fact-filled newsletter is an effective way of utilizing marketing dollars and can be easily analyzed. Total cost of reaching the top industry leaders on a regular basis is approximately \$50,000.
10. A budget for ASMI to participate with a dramatic booth and collateral materials at key trade association shows, such as NRA, Western Foodservice, ADA, The School Lunch Show and others should be estimated at \$100,000.
11. We recommend that an "800 number" be established for ASMI as soon as possible. This is a new idea for the seafood industry. A "Seafood Hotline"

such as this would open communication with consumers, distributors, brokers and retailers, and would immediately make Alaska Seafood the talk of the industry. The estimated cost is \$35,000.

12. A Contingency Fund of \$50,000 should be appropriated for expenditures within the foodservice industry.

U.S RETAIL MARKET

As the American Retail Consumer (the Housewife is the major purchaser) currently accounts for about 30% of the U.S. seafood consumption, we are not recommending that large amounts of advertising dollars be spent during the 1st year of the plan in the retail market.

1. Market Research - We do feel strongly that some solid market research be started to enable us to start an effective program in the second year and in consecutive years. The research should reach the retailer; who is the key to marketing our products. This research will tell us what approach must be taken to educate, motivate him to sell Alaska Seafood products.

Approximately 10,000 national chains, independents and seafood operations will be questioned through the use of direct mail questionnaires, personal and telephone interviews, and focus groups. The entire cost of this project will be approximately \$65,000.

2. Advertising - A small amount of trade advertising is recommended in year one to tell the retail trade that Alaska Seafood products will be a large part of their future business and that their customers will start to look for and ask for Alaskan products.

We recommend a small trade schedule be run in:

Progressive Grocer, which is edited for retail grocery management at the headquarter as well as store levels. \$43,500

Supermarket News, a weekly, paid newspaper edited for chain, voluntary and co-op supermarket executives and high volume supermarket managers and owners.

25,100

TOTAL

78,600

Magazine advertising, Television, and Sunday Supplements are being proposed for the second year.

3. Radio Advertising should be tested early in the plan, as we feel it can give us a quick, hard-hitting impact into separate markets. We recommend two flights of four weeks duration to run in 10 cities. These cities are picked for their overall GRPs and represent 28.7% of the U.S., giving some consideration to geographical splits. These cities are:

	<u>% U.S.</u>
New York	8.44
Los Angeles	5.34
Chicago	3.76
Atlanta	1.24
San Francisco	2.49
Boston	2.38
Seattle-Tacoma	1.17
Washington, D.C.	1.34
Denver	1.00
Dallas-Ft. Worth	1.55
<hr/>	
Total	28.70%

15-20 spots per week in each market will average 75 GRPs and will strengthen our impact. Total costs of this campaign are \$423,000.

4. Pre-Post Awareness Studies should be conducted. The cost of these studies will be \$10,000.

U.S. PUBLIC RELATIONS

The scope of the public relations/publicity activities discussed in the Marketing Plan are so comprehensive that it will be impossible to implement them all during the first year of the plan. As in the advertising section, we have recommended that, initially, major attention and emphasis be given to execution of the foodservice portion of the public relations program since that is where results can be achieved most quickly and most effectively at minimum cost.

We do not mean to diminish or demean the importance of the retail public relations program - and we do recommend putting effort against that, too. But, since the major portion of seafood consumed in the U.S. moves through foodservice channels, it is logical

to tackle the biggest current market first.

Simultaneously, it must be emphasized here that public relations can and will receive a disproportionately larger share of responsibility for the success of the Plan since it can and will produce a much larger share of attention and publication space for the dollars expended than will advertising, collateral materials or merchandising programs.

In simplistic terms, our challenge is to convince a variety of target publics that seafood from Alaska is better, so that present Alaskan Seafood users will use more and present non-users will be converted.

To accomplish this, our first year recommendations for ASMI are:

A. Foodservice

1. To select and employ an ASMI spokesperson
who:
 - a. Will lend credibility to ASMI marketing efforts and information.
 - b. Will relate well to the largest number of people in the most important demographic

and geographic segments.

- c. Will be able, easily, to deliver ASMI's messages in either formal or informal situations.
- d. Will have the charisma necessary to convince consumers that eating Alaskan Seafood is not only a smart thing to do but is also fun and satisfying.
- e. Will present an enthusiastic, sincere attitude.
- f. Will be "professional" but not stiff.
- g. Will reflect only positive, good and pleasing qualities for ASMI and its members.

Estimated cost, including expenses is \$90,000.

- 2. To select and employ a home economist who will be used for demonstrations and recipe development; who will represent ASMI at more technical meetings; who will assist in training and educational activities.

Estimated cost, including expenses is \$60,000.

- 3. Alaska Seafood Handbook - should be developed

to provide a complete history and appraisal of Alaskan Seafood. It should have the flexibility to be customized for various audiences. Estimated cost is \$45,000.

4. Recipe Development - a vital, major program. Should involve development and production of at least 6 recipes per specie per year. Estimated cost is \$40,000.
5. Media Tour - to familiarize editorial personnel with "everything there is to know" about Alaskan Seafood. Estimated cost is \$50,000.
6. Speaker's Bureau - booklet. The estimated cost is \$25,000.
7. Special Events - such as National Restaurant Association Function, Press Conference and Luncheons in Association with Alaska Seafood Week are estimated to cost \$30,000.
8. Release Mailings
2 releases per month: Estimated Cost: \$20,000.

9. Editorial Features

3 during 1981-82 F.Y.: Estimated Cost \$8,000.

B. Retail

1. Spokesperson will work in this area as well as in foodservice. No additional cost.

2. Home economist will work in this area as well as in foodservice. No additional cost.

3. Recipe Development

2 recipes/specie/year: Estimated Cost \$15,000.

4. Publicity (News Releases)

12 per year: Estimated Cost \$15,000.

5. Publicity to Retail Trade

12 per year: Estimated Cost \$10,000.

6. Press Functions

3 per year: Estimated Cost \$15,000.

7. Contingency Fund - is estimated to be \$15,000.

Europe/Japan

Our first year plan will handle both the European and

Japanese markets the same way:

1. Local Trade Advertising should be aimed at our customers, i.e. catering companies, distributors, smokers and retail buyers to acquaint them with the Alaska Seafood Marketing Institute and position them to expect strong advertising and promotion support for Alaska Seafood products in the future. The cost of this trade advertising is estimated to be \$100,000 for both markets.
2. An Extensive Market Research Study should be conducted in both Europe and Japan to determine the exact thrust we should take. In our second year plan we are recommending that we contract with GIRA for this project. They are the top research firm of this type. (Further information on them is detailed in the Plan.) The cost of the Research is \$150,000.
3. A Contingency Fund is estimated to cost \$50,000.

Alaskan Plan

1. This budget covers expenditures for promoting the activities of ASMI to the Alaskan peoples as well as to the Alaskan fishing industry. In addition

to the T.V. commercials that have already been prepared and the current brochure, we recommend that a "marketing up-date" communication be prepared for general circulation to the Alaska market. We estimate the cost of this program to be \$25,000.

2. An Alaska Seafood Quality Assurance Plan should be developed. This should be an industry monitoring program that includes a "Seal of Approval" for products that are deemed to fall within the guidelines of this plan. The cost to develop this plan and a "Seal of Approval" are approximately \$75,000.

3. Contingency Fund - is estimated to be \$25,517.

This is intended to be a short synopsis of the total 1st year recommendations. Greater detail is included in the total plan.

A Budget is recapped on pages 19 through 21.

BUDGET

Foodservice

1. Special Marketing Supplement	\$ 261,041
2. Magazine Advertising	515,800
3. Market Research	50,000
4. "Bounce-Back" Post Cards	23,000
5. Advertising Testing	20,000
6. Cooperative Advertising Plan	150,000
7. Audio Visual Training Program	40,000
8. Merchandising Kit	250,000
9. Direct Mail Campaign	50,000
10. Trade Show Booth & Participation	100,000
11. "800" Number	35,000
12. Foodservice Contingency	50,000
Total Foodservice	1,814,841

Retail

1. Market Research	65,000
2. Trade Advertising	78,000
3. Radio Advertising	223,000
4. Pre- Post Awareness Studies	10,000
Total Retail	376,000

Foodservice Public Relations

1. ASMI Spokesperson	80,000
2. Home Economist	60,000
3. Alaska Seafood Handbook	45,000
4. Recipe Development	40,000
5. Media Tour	50,000
6. Speakers Bureau Booklet	25,000
7. Special Events	30,000
8. Release Mailings	20,000
9. Editorial Features	8,000
Total Foodservice Public Relations	<u>358,000</u>

Retail Public Relations

1. Spokesperson	No Charge
2. Home Economist	15,000
3. Recipe Development	15,000
4. Publicity Releases	15,000
5. Trade Publicity Releases	10,000
6. Press Functions	15,000
7. Retail Contingency Fund	15,000
Total Retail Public Relations	<u>90,000</u>

Europe/Japan

1. Trade Advertising	100,000
2. Market Research Studies	150,000
3. Contingency Fund (Travel, etc.)	50,000
Total Europe/Japan	<u>300,000</u>

Alaskan Plan

1. Promote to Alaskan People	25,000
2. Quality Assurance Plan	80,000
3. Contingency Fund	25,517
Total Alaska	<u>130,517</u>

GRAND TOTAL 3,000,000

RECAP BY CATEGORY

1. Foodservice - U.S.	1,000,000	(64%)
2. Retail - U.S.	600,000	(20%)
3. Europe/Japan/Alaska	400,000	(14%)
<u>GRAND TOTAL</u>	<u>3,000,000</u>	<u>100%</u>

Funding Information

General Fund \$3,000,000
Other Funds -0-
\$3,000,000

Introduced: 4/1/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE BILL NO. 453

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for the Alaska
Seafood Marketing Institute; and providing for an
effective date."

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9

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

10

11

12

* Section 1. The sum of \$3,000,000 is appropriated from the general fund
to the Department of Commerce and Economic Development for the Alaska Seafood
Marketing Institute.

13

14

* Sec. 2. The unexpended and unobligated portion of the appropriation
made by this Act lapses into the general fund June 30, 1982.

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* Sec. 3. This Act takes effect on the effective date of an Act estab-
lishing the Alaska Seafood Marketing Institute.

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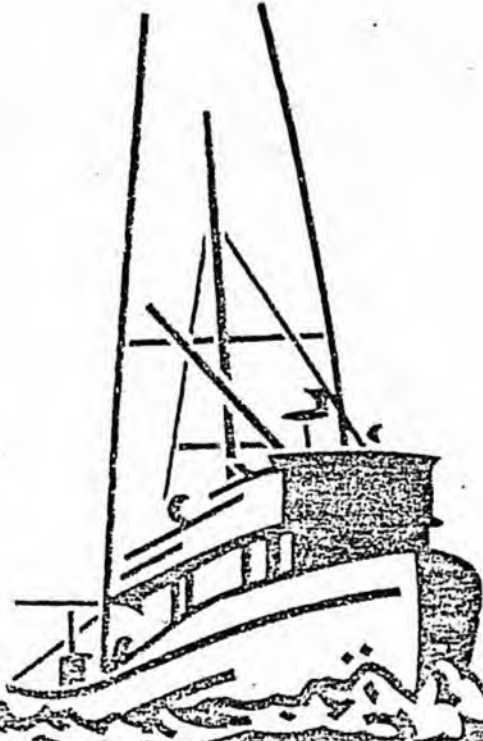
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FB 453

ALASKA SEAFOOD MARKETING INSTITUTE



MARKETING PLAN

A PRESENTATION BY
Mandabach &
Simms/pacific inc.

EXECUTIVE OVERVIEW

Recommendations for Fiscal Year 1982

INTRODUCTION

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1. "Special" Marketing Supplement - A special,

24-page supplement designed to introduce all Alaskan seafood species, telling why and how they are superior and detailing reasons why operators should specify seafood products of Alaskan origin is recommended to be prepared and run in publications that have been selected in order to kick-off the total program.

Additional uses for these supplements (direct mail, distributor salesmen's handouts, trade shows, key customer leave-behinds, inquiry responses, educational) give these supplements long life and exceptional value. Used in the magazines to launch the program, they will be noticed by virtually all key prospects.

Costs are:

Restaurants & Institutions (incl. production)*	\$ 75,000
Restaurant Business	33,885
Restaurant Hospitality	24,500
Nations' Restaurant News	26,231
Institutional Distribution	23,310
Additional Quantities to Books	68,115
Total	<u>261,041**</u>

*doesn't include on-sight photography

**includes \$10,000 agency supervision

The production costs for photography, design, layout and mechanicals are included in the publications cost of Restaurants & Institutions. \$10,000 should be budgeted for agency supervision and creative input.

2. Magazine Advertising - In a field where the audiences are as readily identifiable as they are in foodservice, advertising in the industry's leading publications is the most cost-effective way to reach the people who can purchase or influence purchase of Alaskan seafood. The publications best suited to the mission are:
 - a. Restaurants & Institutions - largest and most prestigious publication in the industry, reaching 107,000 contact points. Covers all the leading foodservice operations in both the commercial and non-commercial segments.
 - b. Restaurant Business - covers only the commercial segment, reaching 70,000 higher volume operators, Covers chain headquarters, higher volume independents. Excellent editorial.

- c. Nations' Restaurant News - the only newspaper and the only paid circulation in the industry. Tabloid size and "news" coverage have developed excellent readership in chains and large independents. Circulation of 65,000. Sponsors MUFSSO (Multi-Unit Foodservice Operators) annual seminar.
- d. Restaurant Hospitality - is referred to as the "white tablecloth" publication. Reaches only those hotel/motel and fine dining restaurants that do in excess of \$200,000 annual volume. Fine editorial. 76,000 circulation.
- e. Institutional Distribution - is the only foodservice publication written for and circulated to foodservice distributor executives and salesmen. Circulation of 26,000 covers all key distributors.

The scheduling of Alaskan Seafood advertising is designed to achieve a delicate balance between maximum impact and frequency. In order to command attention, we have recommended use of

4 consecutive right-hand pages. A series such as this, featuring eye-stopping 4/color photography and strong headlines will bring the message of ASMI to the attention of target audiences and will create almost instant identification of ASMI and its objectives.

Restaurants & Institutions	\$114,000
Restaurant Business	96,000
Restaurant Hospitality	90,000
Nations' Restaurant News	107,000
Institutional Distribution	69,000
	<hr/>
Total	476,000

Ad Production Costs as follows:

Four 4/color pages (umbrella, salmon, crab, whitefish) including concept, layout, copy, photography, finished art, color separations	\$16,000
Revised copy versions for Institutional Distribution	3,000

We recommend interspersing the 4 page approach with single page insertions throughout the year. This will keep the costs in line and at the same time not decrease the effectiveness of the total

program. A proposed schedule to start July 1982 is shown:

	J	A	S	O	N	D	J	F	M	A	M	J	Total Pages
R&I	4	1	1	4	1	1	4	1	1	4	1	1	24
RB	1	4	1	1	4	1	1	4	1	1	4	1	24
RH	4	1	1	4	1	1	4	1	1	4	1	1	24
NRN	1	1	4	1	1	4	1	1	4	1	1	4	24
LD	1	1	4	1	1	4	1	1	4	1	1	4	24
Total Pages	11	8	11	11	8	11	11	8	11	11	8	11	120

3. Market research - An "attitude and awareness" study will enable us to measure the impact of our first year program. Done in 2 stages, we can accurately gage changes achieved by our campaign. Cost of this study is approximately \$50,000.
4. A "Bounce Back" Post Card is recommended in those ads which will be most effective in enabling the operator to request information from the Institute. More important, it will enable ASMI to build a most effective and valuable mailing list. The cost of these cards,

printed in 4 colors on both sides and addressed to ASMI, excluding placement in the advertisement is approximately \$23,000.

5. We recommend that each of these ads be tested using focus group techniques, prior to completion and placement. The approximate cost of this testing is \$20,000.
6. Cooperative Advertising is an important part of this plan. Until specific recommendations are worked out with other associations or companies it is not possible to set a dollar figure for cooperative advertising. We suggest that \$150,000 be allocated for this activity.
7. An Audiovisual Training/Education Program for use with brokers/distributors and with appropriate leave-behind materials should be prepared as part of the 1st year plan. The estimated costs are \$40,000.
8. A Complete Merchandising Kit must be made available to operators early in the program. This should include placemats, table tents, menu clip-ons,

advertising slicks, T.V. storyboards, banners, waitress buttons, children's programs, etc. Dollars allocated for this program should be approximately \$250,000..

9. Direct Mail is a great way for the Alaska Seafood story to be told in the foodservice industry. This program should be aimed at key operators and the influential buying decision makers. Something as simple as a fact-filled newsletter is an effective way of utilizing marketing dollars and can be easily analyzed. Total cost of reaching the top industry leaders on a regular basis is approximately \$50,000.
10. A budget for ASMI to participate with a diagnostic booth and collateral materials at key trade association shows, such as NRA, Western Foodservice, ADA, The School Lunch Show and others should be estimated at \$100,000.
11. We recommend that an "800 number" be established for ASMI as soon as possible. This is a new idea for the seafood industry. A "Seafood Hotline"

such as this would open communication with consumers, distributors, brokers and retailers, and would immediately make Alaska Seafood the talk of the industry. The estimated cost is \$35,000.

12. A Contingency Fund of \$50,000 should be appropriated for expenditures within the foodservice industry.

U.S RETAIL MARKET

As the American Retail Consumer (the Housewife is the major purchaser) currently accounts for about 30% of the U.S. seafood consumption, we are not recommending that large amounts of advertising dollars be spent during the 1st year of the plan in the retail market.

1. Market Research - We do feel strongly that some solid market research be started to enable us to start an effective program in the second year and in consecutive years. The research should reach the retailer; who is the key to marketing our products. This research will tell us what approach must be taken to educate/motivate him to sell Alaskan Seafood products.

Approximately 10,000 national chains, independents and seafood operations will be questioned through the use of direct mail questionnaires, personal and telephone interviews, and focus groups. The entire cost of this project will be approximately \$65,000.

2. Advertising - A small amount of trade advertising is recommended in year one to tell the retail trade that Alaska Seafood products will be a large part of their future business and that their customers will start to look for and ask for Alaskan products.

We recommend a small trade schedule be run in:

Progressive Grocer, which is edited for

retail grocery management at the

headquarter as well as store levels. \$43,500

Supermarket News, a weekly, paid

newspaper edited for chain, voluntary

and co-op supermarket executives and

high volume supermarket managers and

owners. 35,000

TOTAL

78,500

Magazine advertising, Television, and Sunday Supplements are being proposed for the second year.

3. Radio Advertising should be tested early in the plan, as we feel it can give us a quick, hard-hitting impact into separate markets. We recommend two flights of four weeks duration to run in 10 cities. These cities are picked for their overall GRPs and represent 28.7% of the U.S., giving some consideration to geographical splits. These cities are:

	<u>% U.S.</u>
New York	8.44
Los Angeles	5.34
Chicago	3.76
Atlanta	1.24
San Francisco	2.49
Boston	2.38
Seattle-Tacoma	1.17
Washington, D.C.	1.34
Denver	1.00
Dallas-Ft. Worth	1.55
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Total	28.70%