

BILLS - 1981 - 1982

HR 1 - HJR 4

LAFFAN

1583

1583

STATE OF ALASKA  
THE LEGISLATURE

POUCH V, STATE CAPITOL  
JUNEAU, ALASKA 99811

HOUSE OF REPRESENTATIVES

519

TO FINANCE

*Becky*

REMARKS:

Pls return HR 1 to Clerk's Office.

Fin. referral waived - to Rules.

FROM Julie, Clerk's Office

DATE 6/23

Introduced: 5/12/81  
Referred: Finance

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE RESOLUTION NO. 1

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

5 Requesting the Legislative Council  
6 to establish a task force to study  
7 an education endowment fund.

8 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

9 WHEREAS the creation and maintenance of a system of quality public  
10 schools for all the children of the state is a basic requirement for the  
11 well-being of the citizens of this state; and

12 WHEREAS the public schools of the state must be assured adequate money  
13 to maintain and improve the quality of public school education in the state  
14 and to enable public schools to engage in long-range planning for future  
15 operations; and

16 WHEREAS the availability of long-term sources of revenue adequate to  
17 continue to finance public education in Alaska is uncertain; and

18 WHEREAS a separate education endowment fund may be needed to assure  
19 stability in financing public education;

20 BE IT RESOLVED by the House of Representatives that the Legislative  
21 Council is requested to establish and provide money for a task force to  
22 study the establishment of a separate education endowment fund; the task  
23 force shall be composed of the chairmen of the house and senate health,  
24 education and social services committees or their designees, one representa-  
25 tive and one senator appointed jointly by the speaker of the house and the  
26 president of the senate, and four members appointed by the governor, includ-  
27 ing one public school teacher, one school board member of a borough or city  
28 school district, one school board member of a regional educational atten-  
29 dance area, and one public member who is not an employee of a state or

1 municipal government or school district; and be it

2       FURTHER RESOLVED that the task force shall review, hold public hearings  
3 throughout the state, and report to the Second Session of the Twelfth Legis-  
4 lature by January 20, 1982, concerning whether a separate education endowment  
5 fund should be established in Alaska; if the task force recommends the  
6 creation of a separate education endowment fund, the report shall address

7           (1) the amount of money necessary to maintain a separate educa-  
8 tion endowment fund to insure adequate financing to maintain and improve the  
9 quality of public schools;

10           (2) the amount of public support for an education endowment fund;

11           (3) the appropriate legal, financial, and administrative structure  
12 for a separate education endowment fund;

13           (4) the composition of the governing board for a separate educa-  
14 tion endowment fund;

15           (5) the appropriate investments and formula for disposition of  
16 income from the fund; and

17           (6) the need, if any, for a constitutional amendment to implement  
18 a separate education endowment fund.

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE COUNCIL

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-4843

MEMORANDUM

June 5, 1981

TO: All Members  
House Finance Committee

FROM: Hugh Malone, Chairman  
Legislative Council *Hm*

RE: HR 1

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Attached for your information is the proposed Education  
Endowment Fund Task Force budget as set up by HR 1.

cc: Mr. Jay Hogan

*Jay - PLS develop a fiscal  
note based on this budget.  
The figures may require some  
adjustment, I realize. Thank you  
Hug*

H.R. 1

EDUCATION ENDOWMENT FUND  
PROPOSED TASK FORCE BUDGET

PERSONAL SERVICES

1 Administrative Asst.  
@ \$3746 per month for  
7 months. (Range 22-C). \$26,225

Benefits @ 29%. 7,605

1 Secretary @ \$2315 per  
month for 7 months.  
(Range 15-A). 16,205

Benefits @ 29% 4,700

\$54,735

TRAVEL

7 monthly meetings for  
8 members plus 2 staff.  
(7 x 10 x \$500). \$35,000

Per diem. (70 trips x  
3 days x \$65). 13,650

\$48,650

CONTRACTUAL

Office rental. \$ 2,100  
Telephone. (7 x \$300). 2,100  
Financial consultant 50,000  
Printing, advertising. 2,500

\$56,700

COMMODITIES

Supplies, stationery,  
postage. (7 x \$300). \$ 2,100

\$ 2,100

CONTINGENCY

15% \$24,325

TOTAL \$ 186,510

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HR 1  
 Title Education Endowment Fund Task Force  
 Requested by Hugh Malone Date 6/5/81

II. FISCAL DETAIL

Agency Affected Legislature  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Legislative Council

(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		54.7				
200 TRAVEL		48.8				
300 CONTRACTUAL		56.7				
400 COMMODITIES		2.1				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 MISCELLANEOUS		24.3				
TOTAL		186.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		186.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2				
PART TIME						
TEMPORARY						

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

(see attached)

IV. DATE 6/5/81 PREPARED BY Alison Elgee  
 AGENCY Legislative Finance  
 PHONE 465-3795  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

H.R. 1

EDUCATION ENDOWMENT FUND  
PROPOSED TASK FORCE BUDGET

PERSONAL SERVICES

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@ \$3746 per month for  
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CONTINGENCY

15%

\$24,325

TOTAL

\$ 186,510



# COMMITTEE REPORT

## SENATE

4/3/81

FURTHER: Finance

Date: 5/21/81

Mr. President:

The Committee on TRANSPORTATION has had CSHCR 1(Trsp) am  
ree travel for senior citizens aboard vessels of the state marine highway sys-  
tem

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 CSHCR 1 (Trsp)  same title  
 new title

and recommends 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:

Bill Ray

2

Jackie No-Res

Don Smith

Don Gelman

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Bill Ray  
CHAIRMAN

Original sponsors: Grussendorf, Cotten,  
Montgomery, et al

Offered: 5/22/81  
Referred: Finance

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Transportation)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION

5 Relating to travel by senior citizens  
6 aboard vessels of the state marine  
7 highway system.

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

9 WHEREAS, since 1974, in response to House Concurrent Resolution No. 52,  
10 the state marine highway system has provided for travel on ferries by persons  
11 65 years of age and older on a space-available basis within Alaska without  
12 charge during the months of November to April, inclusive; and

13 WHEREAS, last year, in response to Legislative Resolve No. 2, 1980, the  
14 period of free passage for older Alaskans aboard state marine highway vessels  
15 was extended to October 1 to May 15 inclusive; and

16 WHEREAS this service has been used by increasing numbers of older  
17 Alaskans, permitting travel on the marine highway system at no cost while  
18 increasing the number of foot passengers on vessels of the system; and

19 WHEREAS the policy of free passage for older persons allows only passage  
20 without cost during the "off-season", is not extended to other services for  
21 senior citizens traveling aboard vessels, and older persons pay full costs  
22 of lodging; and

23 WHEREAS many senior citizens find it difficult to use vessels of the  
24 marine highway system because of the unavailability and high cost of lodging;

25 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
26 the Governor to direct the commissioner of transportation and public facilities  
27 to direct the division of marine highways to extend free passage on the  
28 Aurora, Le Conte, Chilkat, Tustumena, and Bartlett, to senior citizens  
29 during every month of the year to permit them to travel between Alaskan

1 ports on a space-available basis; and be it

2       FURTHER RESOLVED that the Governor direct the division of marine high-  
3 ways to investigate the possibility of making staterooms aboard state  
4 ferries available at a reduced rate to senior citizens when traveling  
5 between Alaskan ports.  
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Original sponsors: Grussendorf, Cotten,  
Montgomery, et al

Offered: 3/2/81  
Referred: Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Transportation) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Relating to free travel for senior  
6 citizens aboard vessels of the state  
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10 the state marine highway system has provided for travel on ferries by per-  
11 sons 65 years of age and older on a space-available basis within Alaska  
12 without charge during the months of November to April, inclusive; and

13 WHEREAS, last year, in response to Legislative Resolve No. 2, 1980, the  
14 period of free passage for older Alaskans aboard state marine highway ves-  
15 sels was extended to October 1 to May 15 inclusive; and

16 WHEREAS this service has been used by increasing numbers of older  
17 Alaskans, permitting travel on the marine highway system at no cost while  
18 increasing the number of foot passengers on vessels of the system; and

19 WHEREAS the policy of free passage for older persons allows only pas-  
20 sage without cost during the "off-season", is not extended to other services  
21 for senior citizens traveling aboard vessels, and older persons pay full  
22 costs of lodging; and

23 WHEREAS many senior citizens find it difficult to use vessels of the  
24 marine highway system because of the unavailability and high cost of  
25 lodging;

26 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
27 the Governor to direct the division of marine highways to extend free pas-  
28 sage to senior citizens during every month of the year to permit them to  
29 travel between Alaskan ports on a space-available basis and to investigate

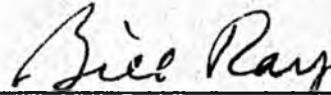
1 the possibility of making staterooms aboard state ferries available at a  
2 reduced rate to senior citizens when traveling between Alaskan ports.

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LETTER OF INTENT

The Senate Transportation Committee Substitute for House Concurrent Resolution 1 requests the Governor to extend year-round free passage to senior citizens on certain vessels in the marine highway system. These vessels are the Aurora, LeConte, Chilkat, Tustumena and Bartlett. Mainline vessels which connect major ports in Southeast Alaska to Prince Rupert, B.C., or Seattle are not affected.

The Committee Substitute also asks the Governor to investigate the possibility of making staterooms aboard all state ferries available at a reduced rate to senior citizens when traveling between Alaskan ports.



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Senator Bill Ray, Chairman  
Transportation Committee

ALASKA STATE LEGISLATURE

Twelfth Legislature FIRST Session

HOUSE CONCURRENT RES. NO. ... 1 ...

By GRUSSENDORF, COTTELL, MONTGOMERY AND ZHAROFF

HAYS

Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway systems.

Marine highway reduced rate for older Alaskans

Introduced in the House ... 2/4..., 19. 81

HISTORY IN THE HOUSE

19 81	Feb. 4	Read first time and referred to Committee on Transportation and Finance																				
	Mar 2	Reported back with recommendation that <i>Trans. replace CS (Trans) 6 yeas, 1 do not pass. To Finance</i>																				
	Mar 3	<i>Trans. replace CS (Trans) 6 yeas, 1 do not pass. To Rules</i>																				
	Apr 2	Read second time and CS (Trans) adopted amended & considered on final passage																				
	Apr 2	Read third time and																				
		<table border="0"> <tr> <td>PASS ed</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 34</td> <td>Yeas</td> </tr> <tr> <td>Nays 5</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p><i>not voting</i></p> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS ed	Effective Date	Yeas 34	Yeas	Nays 5	Nays	Absent	Absent	Excused	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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	4 2	Reported correctly engrossed																				
	4 2	Signed by Speaker																				
	4 2	Sent to Senate																				
		<i>Gene Jackson</i> CHIEF CLERK OF THE HOUSE																				

HISTORY IN THE SENATE

19 81	4 3	Read first time and referred to Committee on <i>Trans - 912</i>																				
	5 22	Reported back with recommendation that <i>3 yeas</i> <i>with 1 following intent, 1 no vote. To Finance</i>																				
		Read second time and																				
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		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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		SECRETARY OF THE SENATE																				

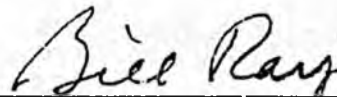
HISTORY IN THE HOUSE

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. ....

LETTER OF INTENT

The Senate Transportation Committee Substitute for House Concurrent Resolution 1 requests the Governor to extend year-round free passage to senior citizens on certain vessels in the marine highway system. These vessels are the Aurora, LeConte, Chilkat, Tustumena and Bartlett. Mainline vessels which connect major ports in Southeast Alaska to Prince Rupert, B.C., or Seattle are not affected.

The Committee Substitute also asks the Governor to investigate the possibility of making staterooms aboard all state ferries available at a reduced rate to senior citizens when traveling between Alaskan ports.



---

Senator Bill Ray, Chairman  
Transportation Committee

Original sponsors: Grussendorf, Cotten,  
Montgomery, et al

Offered: 5/22/81  
Referred: Finance

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Transportation)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION

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23 WHEREAS many senior citizens find it difficult to use vessels of the  
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25 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
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Original sponsors: Grussendorf, Cotten,  
Montgomery, et al

Offered: 3/2/81  
Referred: Finance

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Transportation) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION

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Rec'd after Bill Reported out  
- Not Considered By HFC -

POSITION PAPER  
ON  
CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Trans.) am

This resolution relates to "free passage to senior citizens, age 65 and over, during every month of the year to permit them to travel between Alaskan ports on a space-available basis and for the Governor to direct the division of marine highways to investigate the possibility of making staterooms aboard state ferries available at a reduced rate to senior citizens when traveling between Alaskan ports."

The Department of Health and Social Services recognizes that the availability of various kinds of public transportation is one of the key services that seniors need. Lack of available transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for a majority of seniors living on low or fixed incomes. Travel costs of all kinds have recently been rising dramatically in response to continually rising fuel costs. This added cost places an increased burden on those elderly citizens on already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

Recommended by: Elizabeth Muktarian  
Elizabeth Muktarian  
Director  
Division of Adult and  
Aging Services

Date: 4/10/81

Approved by: Helen D. Beirne  
Helen D. Beirne  
Commissioner  
Dept. of Health and  
Social Services

Date: 4/15/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Concurrent Resolution No. 1 (Transportation) am  
Title Relating to free travel for senior citizens aboard vessels of the state marine  
Requested by highway system Date April 10, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
Program Category Affected Social and Economic Assistance for the Aged  
BRU, Program, or Subprogram(s) Affected Division of Adult & Aging Services - Aging Grants  
(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.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact.

IV. DATE 4-10-81 PREPARED BY Dorothy Walt

Original: Legislative Finance AGENCY Division of Adult and Aging Services

cc: Budget and Management PHONE 465-3250

Prime Sponsor (First Legislator Named)

ALL SENIOR CITIZENS - ALASKA PORTS ONLY

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September 30:				
	\$184.4	\$ 91.4	\$35.0	\$29.9
October through May 15:				
	-0-	\$ 62.1	\$14.9	\$15.4
TOTAL	\$184.4	\$153.5	\$49.9	\$45.3

For a twelve month reduction in revenue of: \$433.1

- II. If this were expanded to the use of the Southern Terminus (either Seattle or Prince Rupert), we could expect an increase in usage of the senior citizen pass procedure to reduce revenues as follows:

ALL SENIOR CITIZENS - ALL PORTS

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September:				
	\$368.7	\$182.8	\$70.0	\$59.7
October through May 15:				
	\$ 38.2	\$124.1	\$29.9	\$30.7
TOTAL	\$406.9	\$306.9	\$99.9	\$90.4

For a total of: \$904.1

If expanded to include the Southern Terminus for all senior citizens with no space available limitations, the nationally well-organized senior citizen groups would tend to fill the vessels to the detriment of full-fare paying travelers. Because this plan would increase the average age of the traveling public, it would result in the expansion of service to meet the needs of the older passenger. It is anticipated this could be accomplished by the addition of two Steward personnel on each of the larger vessels, and one each on smaller vessels.

Yearly costs as follows:

M/V's COLUMBIA, MALASPINA, MATANUSKA	2 each	6 X \$31,013 =	\$186,078
M/V's TAKU, LeCONTE, AURORA	1 each	3 X \$31,013 =	\$ 93,038
M/V's TUSTUMENA and BARTLETT	1 each	2 X \$33,575 =	\$ 67,150
		TOTAL	\$346,266

This could be expected to increase ten percent (10%) per year.

- III. If the expansion of the senior citizen pass is intended to apply only to older Alaskans, we could expect a revenue reduction of:

ALASKAN PORTS ONLY - ALASKANS ONLY

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September:				
	\$110.6	\$54.8	\$21.0	\$17.9
Plus months of October through May:				
	-0-	\$37.2	\$ 9.0	\$ 9.2
TOTAL	\$110.6	\$92.0	\$30.0	\$27.1

For a total revenue reduction of: \$259.7

(Continued)

POSITION PAPER / Department of Health & Social Services

POSITION PAPER  
ON  
CS FOR HOUSE CONCURRENT RESOLUTION NO. 1

This resolution relates to "free passage to senior citizens during every month of the year to permit them to travel between Alaskan ports on a space-available basis and to investigate the possibility of making lodging available to senior citizens at a reduced rate".

The Department of Health and Social Services endorses the concept contained in this resolution.

We believe that such benefits extended to older Alaskans, as reduced lodging, and free travel through every month of the year contributes to improved access of these citizens to health care facilities on a year-round basis.

Recommended by: Elizabeth Muktarian  
Elizabeth Muktarian  
Director  
Div. of Adult and  
Aging Services

Date: 3/23/81

Approved by: HeLen D. Beirne  
HeLen D. Beirne  
Commissioner  
Dept. of Health and  
Social Services

Date: 3/24/81

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Resolution No. 1  
 Title Relating to free travel for senior citizens aboard vessels  
 Requested by of the State Marine Highway System Date March 10, 1981

II. FISCAL DETAIL

Agency Affected Health & Social Services  
 Program Category Affected Social & Economic Assistance for the Aged  
 BRU, Program, or Subprogram(s) Affected Aging Grants

(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.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		-0-				
FEDERAL FUNDS						
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)

Zero Impact

IV. DATE 3-10-81 PREPARED BY Dorothy Walt  
 AGENCY Division of Adult & Aging Services  
 PHONE 465-3250

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 3/12/81

POSITION PAPER  
ON  
House Concurrent Resolution No. 1

"Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system."

The Department of Health and Social Services recognizes that transportation is one of the key services that seniors need. Lack of transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for seniors on low or fixed incomes. Travel expenses have recently been rising dramatically in response to high fuel and food costs. These added costs place an increased burden on these elderly citizen's already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

RECOMMENDED BY: Elizabeth Muktarian  
Elizabeth Muktarian, Director  
Division of Adult & Aging Services

DATE: 2/19/81

APPROVED BY: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Department of Health and  
Social Services

DATE: 2/19/81

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Concurrent Resolution No. 1  
 Title "Relating to reduced rate travel for older Alaskans aboard vessels of the state"  
 Requested by marine highway system Date 2/19/81

II. FISCAL DETAIL  
 Agency Affected Dept. of Transportation, Public Facilities  
 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.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

-0-

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

IV. DATE 2/19/81 PREPARED BY Imogene Waet  
 AGENCY Dir. Adult & Aging Services  
 PHONE 465 3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) 2/18/81

Rec'd after Bill Reported out  
- Not Considered By HFC -

POSITION PAPER  
ON  
CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Trans.) am

This resolution relates to "free passage to senior citizens, age 65 and over, during every month of the year to permit them to travel between Alaskan ports on a space-available basis and for the Governor to direct the division of marine highways to investigate the possibility of making staterooms aboard state ferries available at a reduced rate to senior citizens when traveling between Alaskan ports."

The Department of Health and Social Services recognizes that the availability of various kinds of public transportation is one of the key services that seniors need. Lack of available transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for a majority of seniors living on low or fixed incomes. Travel costs of all kinds have recently been rising dramatically in response to continually rising fuel costs. This added cost places an increased burden on those elderly citizens on already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

Recommended by: Elizabeth Muktarian  
Elizabeth Muktarian  
Director  
Division of Adult and  
Aging Services

Date: 4/10/81

Approved by: Heleen D. Beirne  
Heleen D. Beirne  
Commissioner  
Dept. of Health and  
Social Services

Date: 4/15/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Concurrent Resolution No. 1 (Transportation) am  
 Title Relating to free travel for senior citizens aboard vessels of the state marine  
 Requested by highway system Date April 10, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Social and Economic Assistance for the Aged  
 BRU, Program, or Subprogram(s) Affected Division of Adult & Aging Services - Aging Grants  
 (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.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact.

IV. DATE 4-10-81 PREPARED BY Dorothy Walt  
 AGENCY Division of Adult and Aging Services  
 PHONE 465-3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

AGING  
P+P

Original sponsors: Grussendorf, Cotten,  
Montgomery, et al

Offered: 3/2/81  
Referred: Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Transportation) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Relating to free travel for senior  
6 citizens aboard vessels of the state  
7 marine highway system.

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

9 WHEREAS, since 1974, in response to House Concurrent Resolution No. 52,  
10 the state marine highway system has provided for travel on ferries by per-  
11 sons 65 years of age and older on a space-available basis within Alaska  
12 without charge during the months of November to April, inclusive; and

13 WHEREAS, last year, in response to Legislative Resolve No. 2, 1980, the  
14 period of free passage for older Alaskans aboard state marine highway ves-  
15 sels was extended to October 1 to May 15 inclusive; and

16 WHEREAS this service has been used by increasing numbers of older  
17 Alaskans, permitting travel on the marine highway system at no cost while  
18 increasing the number of foot passengers on vessels of the system; and

19 WHEREAS the policy of free passage for older persons allows only pas-  
20 sage without cost during the "off-season", is not extended to other services  
21 for senior citizens traveling aboard vessels, and older persons pay full  
22 costs of lodging; and

23 WHEREAS many senior citizens find it difficult to use vessels of the  
24 marine highway system because of the unavailability and high cost of  
25 lodging;

26 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
27 the Governor to direct the division of marine highways to extend free pas-  
28 sage to senior citizens during every month of the year to permit them to  
29 travel between Alaskan ports on a space-available basis and to investigate

1 the possibility of making staterooms aboard state ferries available at a  
2 reduced rate to senior citizens when traveling between Alaskan ports.

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POSITION PAPER  
ON  
CS FOR HOUSE CONCURRENT RESOLUTION NO. 1

This resolution relates to "free passage to senior citizens during every month of the year to permit them to travel between Alaskan ports on a space-available basis and to investigate the possibility of making lodging available to senior citizens at a reduced rate".

The Department of Health and Social Services endorses the concept contained in this resolution.

We believe that such benefits extended to older Alaskans, as reduced lodging, and free travel through every month of the year contributes to improved access of these citizens to health care facilities on a year-round basis.

Recommended by: Elizabeth Muktarian  
Elizabeth Muktarian  
Director  
Div. of Adult and  
Aging Services

Date: 3/23/81

Approved by: Helen D. Beirne  
Helen D. Beirne  
Commissioner  
Dept. of Health and  
Social Services

Date: 3/24/81

POSITION PAPER/Department of Health & Social Services

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Resolution No. 1  
 Title Relating to free travel for senior citizens aboard vessels  
 Requested by of the State Marine Highway System Date March 10, 1981

II. FISCAL DETAIL

Agency Affected Health & Social Services  
 Program Category Affected Social & Economic Assistance for the Aged  
 BRU, Program, or Subprogram(s) Affected Aging Grants  
 (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.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact

IV. DATE 3-10-81 PREPARED BY Dorothy Walt  
 AGENCY Division of Adult & Aging Services  
 PHONE 465-3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M&B Approval ll. Hubbard Date 3/12/81

ALL SENIOR CITIZENS - ALASKA PORTS ONLY

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September 30:	\$184.4	\$ 91.4	\$35.0	\$29.9
October through May 15:	-0-	\$ 62.1	\$14.9	\$15.4
TOTAL	\$184.4	\$153.5	\$49.9	\$45.3

For a twelve month reduction in revenue of: \$433.1

- II. If this were expanded to the use of the Southern Terminus (either Seattle or Prince Rupert), we could expect an increase in usage of the senior citizen pass procedure to reduce revenues as follows:

ALL SENIOR CITIZENS - ALL PORTS

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		TOTAL	\$346,266

This could be expected to increase ten percent (10%) per year.

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ALASKAN PORTS ONLY - ALASKANS ONLY

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September:	\$110.6	\$54.8	\$21.0	\$17.9
Plus months of October through May:	-0-	\$37.2	\$ 9.0	\$ 9.2
TOTAL	\$110.6	\$92.0	\$30.0	\$27.1

For a total revenue reduction of: \$259.7

(Continued)

# COMMITTEE REPORT

## HOUSE

3/2/81

FURTHER:

(11)

Date: 3/27/81

Mr. Speaker:

The Committee on FINANCE has had HCR 1

Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system.

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 HERI (Trsp)  same title  new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

### MEMBERS SIGNING DO PASS

Markman

Wahlgren

Freeman

Jan Ort

MM

Debra J. Adams

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### MEMBERS HAVING OTHER RECOMMENDATIONS:

D. Not Baseline Amended - Reopen

H. More Care - No Rec.

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\_\_\_\_\_

Jan Ort

CHAIRMAN

Original sponsors: Grussendorf, Cotten,  
Montgomery, et al

Offered: 3/2/81  
Referred: Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 1 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Relating to free travel for senior  
6 citizens aboard vessels of the state  
7 marine highway system.

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

9 WHEREAS, since 1974, in response to House Concurrent Resolution No. 52,  
10 the state marine highway system has provided for travel on ferries by persons  
11 65 years of age and older on a space-available basis within Alaska without  
12 charge during the months of November to April, inclusive; and

13 WHEREAS, last year, in response to Legislative Resolve No. 2, 1980, the  
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15 was extended to October 1 to May 15 inclusive; and

16 WHEREAS this service has been used by increasing numbers of older  
17 Alaskans, permitting travel on the marine highway system at no cost while  
18 increasing the number of foot passengers on vessels of the system; and

19 WHEREAS the policy of free passage for older persons allows only passage  
20 without cost during the "off-season", is not extended to other services for  
21 senior citizens traveling aboard vessels, and older persons pay full costs  
22 of lodging; and

23 WHEREAS many senior citizens find it difficult to use vessels of the  
24 marine highway system because of the unavailability and high cost of lodging;

25 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
26 the Governor to direct the division of marine highways to extend free passage  
27 to senior citizens during every month of the year to permit them to travel  
28 between Alaskan ports on a space-available basis and to investigate the  
29 possibility of making lodging available to senior citizens at a reduced

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POSITION PAPER  
ON  
House Concurrent Resolution No. 1

"Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system."

The Department of Health and Social Services recognizes that transportation is one of the key services that seniors need. Lack of transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for seniors on low or fixed incomes. Travel expenses have recently been rising dramatically in response to high fuel and food costs. These added costs place an increased burden on these elderly citizen's already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

RECOMMENDED BY: Elizabeth Muktarian  
Elizabeth Muktarian, Director  
Division of Adult & Aging Services

DATE: 2/19/81

APPROVED BY: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Department of Health and  
Social Services

DATE: 2/19/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Concurrent Resolution No. 1  
 Title "Relating to reduced rate travel for older Alaskans aboard vessels of the state"  
 Requested by marine highway system Date 2/19/81

II. FISCAL DETAIL  
 Agency Affected Dept. of Transportation, Public Facilities  
 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 -0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

-0-

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

IV. DATE 2/19/81 PREPARED BY Imoetha waet  
 AGENCY Div. Adult + Aging Services  
 PHONE 465 3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

POSITION PAPER  
ON  
House Concurrent Resolution No. 1

"Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system."

The Department of Health and Social Services recognizes that transportation is one of the key services that seniors need. Lack of transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for seniors on low or fixed incomes. Travel expenses have recently been rising dramatically in response to high fuel and food costs. These added costs place an increased burden on these elderly citizen's already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

RECOMMENDED BY: Elizabeth Muktarian  
Elizabeth Muktarian, Director  
Division of Adult & Aging Services

DATE: 2/19/81

APPROVED BY: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Department of Health and  
Social Services

DATE: 2/19/81

FISCAL NOTE

I. REQUEST House Concurrent Resolution No. 1  
 Bill/Resolution No. \_\_\_\_\_  
 Title "Relating to reduced rate travel for older Alaskans aboard vessels of the state  
Requested by marine highway system" Date 2/19/81

II. FISCAL DETAIL  
 Agency Affected Dept. of Transportation, Public Facilities  
 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  
 componen' in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
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300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						
		-0-				

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

IV. DATE 2/19/81 PREPARED BY Smother waet  
 AGENCY Div. Adult + Aging Services  
 PHONE 465 3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) 2/18/81

POSITION PAPER  
ON  
House Concurrent Resolution No. 1

"Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system."

The Department of Health and Social Services recognizes that transportation is one of the key services that seniors need. Lack of transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for seniors on low or fixed incomes. Travel expenses have recently been rising dramatically in response to high fuel and food costs. These added costs place an increased burden on these elderly citizen's already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

RECOMMENDED BY: Elizabeth Muktarian  
Elizabeth Muktarian, Director  
Division of Adult & Aging Services

DATE: 2/19/81

APPROVED BY: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Department of Health and  
Social Services

DATE: 2/19/81

FISCAL NOTE

I. REQUEST House Concurrent Resolution No. 1  
 Bill/Resolution No. \_\_\_\_\_  
 Title "Relating to reduced rate travel for older Alaskans aboard vessels of the state  
Requested by marine highway system" Date 2/19/81

II. FISCAL DETAIL  
 Agency Affected Dept. of Transportation, Public Facilities  
 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						
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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

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POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

-0-

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

IV. DATE 2/19/81 PREPARED BY Imogene Ward  
 AGENCY Div. Adult + Aging Services  
 PHONE 465 3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) \_\_\_\_\_

POSITION PAPER  
ON  
House Concurrent Resolution No. 1

"Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system."

The Department of Health and Social Services recognizes that transportation is one of the key services that seniors need. Lack of transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for seniors on low or fixed incomes. Travel expenses have recently been rising dramatically in response to high fuel and food costs. These added costs place an increased burden on these elderly citizen's already tight budgets.

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RECOMMENDED BY: Elizabeth Muktarian  
Elizabeth Muktarian, Director  
Division of Adult & Aging Services

DATE: 2/19/81

APPROVED BY: Helén D. Beirne  
Helén D. Beirne, Commissioner  
Department of Health and  
Social Services

DATE: 2/19/81

FISCAL NOTE

I. REQUEST House Concurrent Resolution No. 1  
 Bill/Resolution No. \_\_\_\_\_  
 Title "Relating to reduced rate travel for older Alaskans aboard vessels of the state  
 Requested by marine highway system" Date 2/19/81

II. FISCAL DETAIL  
 Agency Affected Dept. of Transportation, Public Facilities  
 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.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

-0-

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

IV. DATE 2/19/81 PREPARED BY Shirley Waet  
 AGENCY Div. Adult & Aging Services  
 PHONE 465 3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) \_\_\_\_\_  
*2/18/81*

POSITION PAPER  
ON  
House Concurrent Resolution No. 1

"Relating to reduced rate travel for older Alaskans aboard vessels of the state marine highway system."

The Department of Health and Social Services recognizes that transportation is one of the key services that seniors need. Lack of transportation is often cited as a major obstacle in the provision and receipt of other necessary services such as medical care for the elderly. We believe this is especially true for seniors on low or fixed incomes. Travel expenses have recently been rising dramatically in response to high fuel and food costs. These added costs place an increased burden on these elderly citizen's already tight budgets.

The Department of Health and Social Services endorses the concept contained in this resolution.

RECOMMENDED BY: Elizabeth Muktarian  
Elizabeth Muktarian, Director  
Division of Adult & Aging Services

DATE: 2/19/81

APPROVED BY: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Department of Health and  
Social Services

DATE: 2/19/81

FISCAL NOTE

I. REQUEST House Concurrent Resolution No. 1  
 Bill/Resolution No. \_\_\_\_\_  
 Title "Relating to reduced rate travel for older Alaskans aboard vessels of the state  
 Requested by marine highway system" Date 2/19/81

II. FISCAL DETAIL  
 Agency Affected Dept. of Transportation, Public Facilities  
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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					
		-0-			

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

IV. DATE 2/19/81 PREPARED BY Donna Waet  
 AGENCY Div. Adult + Aging Services  
 PHONE 465 3250  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) \_\_\_\_\_

Introduced: 2/4/81  
Referred: Finance and Judiciary

1 IN THE HOUSE

BY RANDOLPH AND BETTISWORTH

2 HOUSE JOINT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the  
6 Constitution of the State of Alaska  
7 relating to state debt.

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

9 \* Section 1. Article IX, sec. 8 of the Constitution of the State of  
10 Alaska, is repealed and readopted to read:

11 SECTION 8. STATE DEBT. No State debt shall be contracted except  
12 the State may, as provided by law and without ratification by the  
13 voters of the State, contract debt for the purpose of repelling  
14 invasion, suppressing insurrection, defending the State in war, meeting  
15 natural disasters, or redeeming indebtedness outstanding at the time  
16 this section becomes effective.

17 \* Sec. 2. The amendment proposed by this resolution shall be placed  
18 before the voters of the state at the next general election in conformity  
19 with art. XIII, sec. 1, Constitution of the State of Alaska, and the  
20 election laws of the state.

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Berrie  
12-0142

Introduced: 2/4/61  
Referred: Finance and Judiciary

1 IN THE HOUSE

BY RANDOLPH AND BETTISWORTH

2 HOUSE JOINT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

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18 before the voters of the state at the next general election in conformity  
19 with art. XIII, sec. 1, Constitution of the State of Alaska, and the  
20 election laws of the state.

**ALASKA STATE LEGISLATURE**

TWELFTH Legislature FIRST Session

HOUSE JOINT RES. NO. 3

By ... RANDOLPH AND BETTISWORTH

Proposing an amendment to the Constitution of the State of Alaska relating to state debt.

Amendment to the Constitution, state debt

Introduced in the House .... 2/4 .., 19.81

**HISTORY IN THE HOUSE**

19 81	Read first time and referred to Committee on Finance and Judiciary																		
Feb. 4	Reported back with recommendation that																		
	Read second time and																		
	Read third time and																		
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused								
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Signed by Speaker																			
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CHIEF CLERK OF THE HOUSE																			

**HISTORY IN THE SENATE**

19	Read first time and referred to Committee on																		
	Reported back with recommendation that																		
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**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
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	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. ....

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HJR 3

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE JOINT RESOLUTION NO. 3

Title Amendment to the Constitution of the State of Alaska relating to State debt

Requested by House Finance Committee

Date 2/4/81

II. FISCAL DETAIL

Agency Affected State Bond Committee, Dept. of Revenue

Program Category Affected General Fund

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~~ <sup>MILLIONS</sup> of Dollars) IN TERMS OF OPPORTUNITY COST

GENERAL FUND				8.0	18.6	32.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Bill removes State's ability to sell GO bonds for capital projects.

The above opportunity cost assumes that the State will either invest its own money or if spent on other projects, etc., that project has an implicit assumed rate of return equal to what the State could have gotten had it simply invested the money. Bill would be placed before voters in next general election, 11/82; next following FY is FY 84.

Additional Assumptions: (1) A 12% earnings rate on invested funds or project.

(2) An 8% interest rate on cost of debt.

(3) Debt issued for FY 84 thru FY 86 would be as follows  
(in millions): \$200, \$225, \$250, 10-year issues, even payoff.

(4) Projects start at beginning of each period.

(5) Not discounted for net present value.

IV. DATE February 17, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Introduced: 4/20/82  
Referred: Finance

1 IN THE HOUSE

BY GARDINER

2 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Relating to the 1981 appropriation of  
6 \$1,800,000,000 to the Alaska permanent  
7 fund.

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

9 WHEREAS the Legislature of the State of Alaska appropriated the sum of  
10 \$1,800,000,000 from the general fund to the Alaska permanent fund (art. IX,  
11 sec. 15, Constitution of the State of Alaska, AS 37.13.010) as a special  
12 appropriation in sec. 1, ch. 61, SLA 1981; and

13 WHEREAS sec. 2, ch. 61, SLA 1981 provided for monthly deposits to the  
14 Alaska permanent fund of the appropriation; and

15 WHEREAS to this date approximately \$800,000,000 has been deposited into  
16 the Alaska permanent fund as provided in sec. 2, ch. 61, SLA 1981; and

17 WHEREAS the legislature is concerned that the balance of the appropria-  
18 tion may be diverted to other uses or not be deposited in the Alaska permanent  
19 fund in a timely manner;

20 BE IT RESOLVED by the Alaska State Legislature that the balance of the  
21 \$1,800,000,000 appropriation made in sec. 1, ch. 61, SLA 1981 not yet depos-  
22 ited to the Alaska permanent fund be deposited in accordance with sec. 2, ch.  
23 61, SLA 1981.

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COMMITTEE REPORT  
HOUSE

*[Handwritten signature]*

FURTHER:

(11)

4/20/82

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

Mr. Speaker:

The Committee on Finance has had SSHJR 4

Relating to the 1981 appropriation of \$1,800,000,000 to the  
Alaska permanent fund.

under consideration and reports it back as follows:

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

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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 \_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN

*Lean*

Introduced: 4/20/82  
Referred: Finance

1 IN THE HOUSE BY GARDINER  
2 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 4  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
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23 61, SLA 1981.

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COMMITTEE

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

*P  
J 20*

Introduced: 4/20/82  
Referred: Finance

1 IN THE HOUSE BY CARDINER  
 2 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 4  
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 4 TWELFTH LEGISLATURE - SECOND SESSION  
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8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
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 22 ited to the Alaska permanent fund be deposited in accordance with sec. 2, ch.  
 23 61, SIA 1981.

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CO: [unclear]

**ALASKA STATE LEGISLATURE**

..... Legislature ..... Session  
 12TH ND  
 SPONSOR SUBSTITUTE FOR  
 HOUSE JOINT RES. NO. 4  
 By GARDINER

Relating to the 1981 appropriation  
 of \$1,800,000,000 to the Alaska  
 permanent fund.

Introduced in the House ...4/20..., 19..82.

**HISTORY IN THE HOUSE**

19	Read first time and referred to Committee on										
4/2082	FINANCE Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Excused	Excused										
	Reported correctly engrossed Signed by Speaker Sent to Senate										
	CHIEF CLERK OF THE HOUSE										

**HISTORY IN THE SENATE**

19	Read first time and referred to Committee on										
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	SECRETARY OF THE SENATE										

**HISTORY IN THE HOUSE**

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	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

HOUSE

FURTHER: JUDICIARY

4  
2/1/81

(11)

Date: June 10, 1981

Mr. Speaker:

The Committee on FINANCE has had HJR 4

Proposing an amendment to the Constitution of the State of Alaska relating to limiting increases in expenditures and requiring payment by the state of mandated increased expenditures of a political subdivision of the state.

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 HJR 4 (Fin)  same title  
 new title
- and recommends 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:

Freeman

W. H. ...

...

...

...

...

...

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Freeman  
Vice CHAIRMAN

Original sponsor: Gardiner

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 4 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing an amendment to the Consti  
6 tution of the State of Alaska relat-  
7 ing to limiting increases in appro-  
8 priations.

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

10 \* Section 1. Article IX, Constitution of the State of Alaska, is amended  
11 by adding a new section to read:

12 SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations  
13 to the Alaska permanent fund and appropriations required to pay the  
14 principal and interest on general obligation bonds, appropriations from  
15 the general fund during a fiscal year shall not exceed the amount  
16 appropriated from the general fund in fiscal year 1980 by more than the  
17 cumulative inflation and population growth or decline as defined by  
18 law. No appropriation in excess of this limit may be made unless a  
19 state of emergency is declared by the governor as provided by law.

20 \* Sec. 2. The amendment proposed by this resolution shall be placed  
21 before the voters of the state at the next general election in conformity  
22 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
23 tion laws of the state.

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SECTION 16. APPROPRIATION LIMITATIONS. Except for appropriations to the permanent fund and appropriations required to pay the principal and interest on general obligation bonds, general fund appropriations during a fiscal year shall not exceed the amount appropriated in fiscal year 1980 by more than the cumulative inflation and population growth or decline as defined by law. No appropriation in excess of this limit may be made unless a state of emergency is declared by the governor as provided by law.

HJR 4 - Williams  
Proposal 6/8/81

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

\* Section 1. Article IX of the Constitution of the State of Alaska is amended by adding new sections to read:

Section 16. APPROPRIATION LIMITATION. The amount of state money the governor may request or the legislature may appropriate during a fiscal year shall not exceed the amount of \$ \_\_\_\_\_ for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the governor's submission of the budget under section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the state's population as shown by the last two federal censuses or renumerations. Money appropriated under any exception prescribed in section 17 of this Article shall not be included in the base for determining the allowable increase in appropriations from year to year.

Section 17. EXCEPTIONS FROM APPROPRIATION LIMITATION. The limitation on increases on appropriations under section 16 of this Article does not apply to appropriations to the permanent fund established in section 15 of this Article or to other funds which produce income at market rates. ~~Income that is returned to the general fund from the permanent fund or from other funds producing income at market rates~~ shall be subject to the appropriation limitation under section 16 of this Article. The legislature may, by affirmative vote of two-thirds of the membership of each house, make an extraordinary appropriation in excess of the limitation under section 16 of this Article, but each extraordinary appropriation shall be limited to a single item of appropriation for a single purpose. Each extraordinary appropriation shall be subject to the provisions regarding vetoes in Article II, sections 15 and 16 of this Constitution, except that a three-quarters vote of the membership of each house shall be required to override a veto of an extraordinary appropriation. In the budget submitted under section 12 of this Article, the governor may not propose any extraordinary appropriation other than an appropriation to the permanent fund, and no item of appropriation submitted in the budget by the governor under section 12 of this Article may be made an extraordinary appropriation.

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\* Sec. 2. The amendment proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with Article XIII, sec. 1 of the Constitution of the State of Alaska and the election laws of the state.

HJR 4 - Malone  
Proposal 6/8/81

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. Article IX of the Constitution of the State of Alaska is amended by adding a new section to read:

Section 16. APPROPRIATION LIMITATIONS. The amount of State money the Governor may request or the Legislature may appropriate during a fiscal year shall not exceed the amount \_\_\_\_\_ billion for the base fiscal year of 1982 by more than the cumulative increase in the national consumer price index for the calendar years preceding the Governor's submission of the budget under Section 12 of this Article, plus or minus a percentage equal to the cumulative average yearly growth or loss in the State's population as shown by the last two federal censuses or reenumerations. Money appropriated under any exception prescribed in Section 17 shall not be included in the base for determining the allowable increase from year to year.

Section 17. EXCEPTION FROM APPROPRIATION LIMITATIONS. The limitation on increases in appropriation do not apply to appropriations to the Permanent Fund or to other funds which produce income at market rates. Income from appropriations excepted from the appropriation limitation shall be returned to the General Fund and subject to the appropriation limitation. The Legislature may, by affirmative vote of threequarters of the membership of each house, or by a two-thirds vote of the membership of each house on appropriation requests from the Governor, make appropriations in excess of this limit by enactment of appropriation bills limited to a single item of appropriation for a single purpose, but these appropriations shall not be included in calculating the limit for the next fiscal year.

Section 2: The amendment proposed by this resolution shall be placed before the voters of the State at the next General Election in conformity with ART. XIII, Sec. 1, Constitution of the State of Alaska, and the election laws of the State.

## EXPLANATION

The working philosophy behind this amendment is an aim for consistency with the bulk of the Alaska Constitution. The Alaska Constitution contains simple and explicit statements of intent and design. To lose this simplicity of approach is to also lose ease of understanding by readers. Further, it was felt that keeping a spending limitation as simple as possible would ease voter understanding of the issue when the issue comes on the ballot.

Also in keeping with the idea of mirroring the Constitution, this amendment attempts to reinforce and strengthen the existing system of checks and balances so that the addition of an amendment does not do damage to the political system. The philosophical approach used in this amendment is the desire to limit expenditures of State revenues.

## BASE

The amendment calls for a number to be used instead of a fiscal year or other indication of the starting point. Specification of a number will, most likely, decrease ambiguity and lessen the likelihood of litigation. Further fiscal analysis is necessary to determine the proper number.

## COVERAGE

The spending limitation will apply to any appropriation from the General Fund. This allows for the direct control of expenditures of all General Fund revenues. Language included in the amendment would also require that the return on any investment or trust funds established through State appropriations be contributed to the General Fund. This will ensure that the expenditure of those receipts will also come under the spending limitation.

Federal receipts and program receipts from other non-State sources (such as user fees and private endowments) would be exempt from the expenditure limitation. This will allow flexibility for State programs to respond to changes in non-State revenues, while requiring that any State assumption of the funding of those programs come under the spending limitation.

Because of the variability of non-State revenues, the inclusion of only State-source General Fund revenues in the spending limitation makes the identification of a base year figure easier and makes future year revenue projections similarly easier.

## FORMULA

The formula for adjusting the base year figure is a national measurement of inflation and a measure for State population growth. The change in the national consumer price index has been used as the measure of inflation rather than a measure of inflation in Anchorage or in Alaska as a whole.

This is necessary in that the rate of inflation within Alaska results, in part, from State spending levels. The pattern of State spending has affected living costs in Alaska, and would likely continue to do so under spending at current levels. The rate of inflation reflected in the national consumer price index should be more stable and will not be influenced by the State's own spending pattern.

The portion of the formula which allows adjustment of the spending limit for the average rate of State population growth over the past two census periods is the same as is contained in both versions of the spending limit bill (HJR 57 and SJR 4). The identification of the federal census as a basis for population growth rates ensures that the population change figures are determined by a source outside State Government. Any other formula which would allow a State entity to set population growth figures could potentially create a situation wherein the State adjusts its spending limit (upward) based on its own (inflated) population growth figures. It is questionable whether the State has a reliable population monitoring system.

#### EXTRAORDINARY APPROPRIATIONS

A mechanism is included within the amendment to allow for unusual, unanticipated events or for needed projects which have wide general support. Since an addition is being made to the Constitution, we need to insure that future Governors, legislators, and citizens have an opportunity to respond to events and needs which we cannot foresee. However, it was felt to be equally important to insure that a door was not left open to routinely exceed the spending limitation. Therefore, the amendment presents a means by which to exceed the spending limit, but makes use of that means only by an extraordinary majority. In keeping with the concept of checks and balances, two options were provided. The first means calls for initiation of the extraordinary appropriation from the Governor. When so initiated, passage of the appropriation act depends upon the concurrence of two-thirds vote of each house of the legislature. Extraordinary appropriations can also be initiated by the Legislature; but in this case, three-fourths vote of each house must pass the appropriation measure, thus insuring a majority sufficient to overcome a possible veto. The reason for the differences in the majority needed for passage lies in the belief that the chief executive is elected statewide and is more responsive to statewide needs than a coalition of legislators. On the other hand, a three-quarters majority of both houses is fully as representative of statewide interests; hence, the inclusion of a means for legislatively initiated extraordinary appropriations.

The amendment specifies that each appropriation bill can contain only a single item. Again, this works toward the goal of common agreement on need to exceed the limitation, as "log rolling" is more difficult when single appropriation bills are at issue.

It should be pointed out that, while there is no mention made in this amendment, the amendment does not change the Governor's existing power to act in cases of disaster or emergency. Furthermore, the referendum process remains unchanged, whereby the Legislature can decide by simple majority vote to put spending questions before the voters, although funding of these items (aside from revenue bonds) falls under the spending limitation.

## EXPENDITURE LIMITATION CHECKLIST

### BASE

A fiscal year

A number                      Which number?

Only state funds?                      Federal funds?                      All?

### FORMULA

Private sector growth

CPI plus population

other

### COVERAGE

Should coverage be of operating budget only?

Should there be exemptions? and if so, should they be open-ended or enumerated?

Should general fund and federal funds be covered?

Should these be exemptions or override:

- Disasters - how to identify & who votes? (See Excess below)
- Disaster reserves
- Permanet Fund contributions
- Permanent Fund dividents
- Capital projects
- Loan capitalization - What to do about operational expenses and large maintenance costs?
- GBO repayment funds
- Increases in user fees
- Costs from court orders
- Costs from transfer of federal authority
- One-quarter of income from Permanent Fund
- Money in trust

### OVERRIDE

By vote of Legislature                      2/3 or 3/4?

By vote of people                      Should this be limited by type?    New operating programs?

### OTHER ISSUES

Local government

"Apple pie/pork" trade

Proportion of capital to operating

Unfunded obligations

EXCESS

Where can it go and how can it get there?

Permanent Fund only                      Allow "earmarking"?

Trust accounts

By whose vote?

Invest at market rate

PLAN A

<u>Lid</u>	<u>Except</u>	<u>Excess</u>
general fund only	(simple majority) other people's money	automatically into PF at market rates

In Plan A, the tradeoff is tightest in favor of holding the line - e.g. expenditure vs. expansion of new services.

PLAN B

<u>Lid</u>	<u>Except</u>	<u>Override</u>	<u>By Referendum</u>
State general fund only op/cap/etc	(simple majority) GOB PF User Fees Fed/other	2/3 or 3/4 legislative vote specified types very limited	?

MALONE

<u>Lid</u>	<u>Except</u>	<u>Override</u>
General fund & federal dollars op/cap/everything	(simple majority) PF GOB debt service	2/3 legislative majority everything else

GOVERNOR

<u>Lid</u>	<u>Except</u>	<u>Override</u>	<u>By Referendum</u>
General Fund only op/cap/etc	(simple majority w/ veto possible) money in trust PF PF dividends Loan capitalization GOB service disaster fund user fees court ordered dollars fed-state authority transfer 1/4 PF income	2/3 legislative majority disaster dollars	Excess capital projects

## Exemptions

### A. Costs from Court Orders.

The costs of complying with court orders seem, at first blush, limited to legal costs and onetime program costs to "remedy" some problem that may be addressed by the court. However, a court order might have long-term program cost implications. Also, it is not clear that an exemption would apply just to the the budget year in which a court order would initially import, or would exempt permanently program costs that were initially "added" to the budget by court order rather than by legislative action.

The "Molly Hootch" agreement is a case in point. (Technically, this was an agreement approved by the court, but could as easily have been a court directive.) This case resulted in tremendous capital construction for village schools, as well as the attendant operating budget expenditures, maintenance and operation. The construction of Molly Hootch school committed the State to a pattern of educational service delivery that had significant, ongoing capital and operating budget implications.

The question is - should these types of expenditure be exempted from State spending limitations? Should the State's education budget be split between "exempt" and "limited" types of expenditures?

The problem is basically a question of ultimate responsibility for expansion of governmental services. A court case may require the State to take on a new service or expand a current service significantly. While it may not be "fair" to have that service counted against the expenditure limitation, it also seems against the whole purpose of the expenditure limitation to allow for the complete exemption (or separate accounting) of services "added" by court order from any comparison with a spending limitation.

The concern is that court decisions may result in services that have a completely separate identity from those originally under a spending limitation. Such services, if exempt from the spending limit could grow, flourish and have life of their own.

While one-time legal costs resulting from a court order might logically be exempted from a spending limitation, any service delivery expenditures resulting for a court mandate should be included in the general mix of State services delivered to the public. A court mandated service becomes a service such as any other demanded by the public.

(While it is true that including a court mandated service (or any other new service) under the spending limitation places more pressure on that spending limit, this is not a reason to create a "dumping ground" for State services that are added after the adoption of the spending limit. An exemption should not be used simply to delay the time when an expenditure limitation simply becomes too tight.)

C. Money Received in Trust for a Specific Purpose.

The meaning of this exemption needs to be clarified. First, appropriation of money to a trust for a specific purpose could be argued as an allowable exemption, to get general funds out of the capital and operating budget stream. However, unless it is specified that those funds are to be invested at market rates of return, this type of exemption could be used to subsidize a loan or investments project.

Second, it should be clear that the return from "trust fund" investments be returned to the General Fund for appropriations under the spending limit. This will prevent the operating expenses of any particular service from being removed from the expenditure ceiling through the creation of a "trust" or "endowment." If the purpose of an expenditure limit is in part to control the growth of government, program costs should not be exempted from limitation simply through the creation of an endowment.

## MONEY RECEIVED IN TRUST

The intention of this exception is to allow for the acceptance and expenditure of bequests to the State; for example, support of the University. It seems appropriate to except from the limit other people's money given to the State for specific purposes.

## LOAN CAPITALIZATION

This is one of the most difficult problems. On the one hand, the State has created a large constituency for loans. Subsidized loans distribute State benefits unequally. No one is recommending that the subsidy portion be placed outside the limit. However, if the capitalization is placed outside, then it is predictable that large sums will flow into those loan programs, whether they are needed or not. Additionally, the argument can be made that placing capitalization outside the limit will make it very difficult to identify the subsidy cost. Most of the return on loan funds go into the General Fund, although some of the "revolving loan" funds keep a level of capitalization (declining balance) within the fund. A strong argument can be made for placing loan capitalization under the limit: loans are but one way of achieving State goals; the Legislature should have the flexibility to determine the best way of achieving such goals. If loan capitalization is excepted, it should be clear that neither the subsidy portion nor the administrative costs are to be removed from the limit. In any event, the structure and control over the loan programs should be thoroughly explored.

### INCREASES IN USER FEES

On the one hand, there is a risk of a tax being relabeled a "user fee" and, therefore, any user fees collected by a State agency or the State itself should be subject to the limit. On the other hand, user fee increases could be subject to legislative approval (or disapproval).

It seems poor public policy to deny a government service to those who are willing to pay for it.

Is there anything that would prevent charge of debt service of revenue bonds as a user fee?

### PERMANENT FUND CONTRIBUTIONS

If the desire is to keep the Constitutional amendments wording as general as possible, "exemptions" could be handled as follows:

"Appropriations to funds which serve only to produce income at market rates and which income shall be returned to the General Fund and subjected to the State spending limit, are exempt from the State spending limit."

### DISASTERS

There seems to be agreement that "disasters" should be provided for outside the limitation. Questions, however, occur regarding the tightness of a definition or process that would restrict the use of this exemption to those situations truly qualifying.

If a situation is beyond question a "disaster," then it should be relatively simple to collect a super majority to override the spending limitation.

Restricting the definition to those disasters declared by the Governor and voted on by a super majority would also serve the purpose of preventing abuse.

## CAPITAL PROJECTS

"Appropriation" is debt service on State revenue-bonded capital projects is subject to the limit?

The exception of capital projects has appeal to those who feel that Alaska has a great need for infrastructure development, etc. However, excepting capital projects from the limit creates problems. First, new capital projects place burdens on the operating budget. The cumulative effect of these increases may distort the usual budget by its demands. It would also be politically as difficult to say "no" to constituents who want new football fields, etc., as it is now, if capital projects were exempt from the limitation. The Governor's solution is to suggest voter approval. However, there is no reason for voters to turn down projects, since alternatives for the money are not offered. The situation could be improved by requiring that capital projects' operating and program costs be both identified and accommodated within the spending limitation. Another solution is to provide for a fund which is limited in some way that would provide for local capital projects (viz. Capital Foundation Fund). Without some control, capital projects' expenditures could be as uncontrollable as now and become a time bomb ready to explode the spending limitation. Another solution which has been suggested is to include capital projects within the limit (a higher limit) and specify that capital budget items can be no more than x percent of the annual expenditures. If capital projects are outside the limit, consideration could also be given to defining those capital projects eligible for funding as those which are needed to meet essential government services and necessary to the health, safety and welfare of residents.

# STATE OF ALASKA

## THE LEGISLATURE BUDGET AND AUDIT COMMITTEE

ROOM 508  
CAPITOL BUILDING  
POUCH V  
JUNEAU, ALASKA 99811

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### MEMORANDUM

TO: Senator Arliss Sturgulewski, Chairman  
Legislative Budget and Audit Committee

FROM: Glen L. Svendsen, Special Assistant *LS*  
Legislative Budget and Audit Committee

DATE: June 5, 1981

SUBJECT: Local Government Issues related to State Expenditure Limitations

### Spending Limitation

Issues related to local government expenditures, and their relation to State expenditure limitations.

1. Property Tax Relief and State Policy on Repayment
  - A) may not be related to either inflation or population change, as municipal decisions to take on or upgrade services may be separate from new population growth.
  - B) If State does not repay full amount, political pressure may follow to do so, but the Legislature does not have to fully fund local property tax relief under present circumstances. That is, the Legislature has not formally taken on responsibility for local tax relief under municipal assistance or other programs.
  - C) If State, through other legislation, restricts the ability of local governments to raise revenue (i.e., repeal rules taxes, reduce mill levy limitation or changes in levies) the State has, in effect, voluntarily taken on the responsibility of funding local governments. This may, in turn, have impacts on the State budget that have nothing to do with the formula for adjustments to the base year's expenditures, as local resident demands for improved services are translated into legislative budget requests.

- D) Relation to resolutions before the Committee: Under HJR 57, increase appropriations for local tax relief that would be above the level otherwise allowed by expenditure limitation, but could be approved by a 2/3 majority vote of both houses. Under SJR 4, appropriations for property tax relief must fall under the limitation. Under the Governor proposed sponsor substitute for SJR 4, some form of "trust" could conceivably be established for property tax relief, and money directed to that trust could be exempt from inclusion in the expenditure formula. (P.S. - The ability to account for "trust funds" separately under the Governor's substitute encourages the creation of such trusts, which raises separate policy questions.)

## 2. Municipal Bonded Debt

- A) There is a good deal of interest in the Legislature's role toward municipal debt. A bill now in process would provide an appropriation to help subsidize municipal bonds by paying the difference between current market rates and the eight percent maximum rate of interest at which those municipal bonds would be sold. In addition, the Municipal Bond Bank purchases municipal bonds for resale; State funds are then used in sales, guarantees and to cover potential defaults by communities.
- B) If the State's policy is to continue support for municipal bonding, the spending limitation could create a problem in meeting the costs of increased levels of bonding. There is a major backlog of significant capital project needs in most Alaskan communities. It is conceivable that these projects could result in growth in State costs in excess of the growth allowed under either version of the spending limitation.
- C) The problem arises in fitting the State's subsidy of local bonds into the list of exempted expenditures. HJR 57 would allow a special appropriation upon 2/3 majority vote of both houses. The Senate version, SJR 4, would not allow such an exemption, although there may be some evidence of intent to do so. State bonds and capital construction funds approved by the voters would be exempt from the budget limitations; however, the State could not have the same budgetary freedom in regard to local projects that are approved by local voters. As noted above, the Governor's sponsor substitutes to SJR 4 would allow appropriations subsidizing local bond projects to exceed expenditure limitations if some sort of trust and dedication system were established.
- D) Local capital projects may result in higher local operating budgets, just as at the State level. What this means is a need for additional local revenue. Local citizen dissatisfaction with local tax rates, coupled with State level budget surpluses,

will be translated into more pressure on the Legislature to fund local governments. This will add operating costs to the State through local capital expenditures that might not originally be predicted in State expenditure forecasts.

3. Shifting of services from the State to the local level.

- A) One means of holding down State budget growth is to shift various program (and budget) responsibilities to the local level. This, obviously, increases the cost of local government while reducing the budget liabilities of State government. Without increased appropriations to local government, the shifting of responsibility to the local level would require an increase in revenue derived from local sources. Coming on the heels of a period of local tax reductions and demands for complete elimination of local taxation, such an increase in local tax rates would create strong pressures on the Legislature to increase funding of communities and curtail their ability to raise revenues. In effect, the State may not actually (i.e., politically) be able to shift major fiscal burdens to local governments.
- B) Shifting program responsibilities to local government and restricting the ability of local governments to raise revenue are mutually contradictory actions. The Legislature has, in effect, forced itself to choose between increased appropriations to local governments, or curtailment of the services it has shifted to the local level. (Curtailment of some services transferred to local control may be an option. It all depends upon whether the service is nonessential, or whether the State requires provision of a service after responsibility is transferred - such as requirements that locals adopt a permit system, etc.)

4. Local government expenditures in general.

- A) Implicit in the argument linking expenditure limitations to population growth and the rates of inflation is the assumption that the existing levels of service are adequate, or that there are enough "frills" in government expenditures that an adequate level of services can be provided if the budget is "properly" appropriated. This basic assumption, however, may not be true, especially for local governmental expenditures, for it is at the local level that the existence and quality of public services varies so markedly from what might be considered to be desired by most people. This means that there is a built-in capacity for local governments to use - and demand - more money than would be allowed under an expenditure limitation, if revenues were otherwise available.