

LEG. FINANCE - BILLS 1983 - 1984 1933

C SHB 512 cont. - S SHB 517 1933

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No.: HB 512  
Title: Alaska Railroad Corporation Act of 1984  
Sponsor: Hayes, et. al.  
Requestor: Representative Cato  
Date of Request: 3/22/84

FISCAL DETAIL

Agency Affected: \_\_\_\_\_  
Program Category Affected: \_\_\_\_\_  
BRJ, Program or Subprogram(s) Affected: Alaska Railroad

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		24,350				
200 TRAVEL		300				
300 CONTRACTUAL		4,800				
400 SUPPLIES		5,200				
500 EQUIPMENT		1,200				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		1,500				
800 MISCELLANEOUS		-0-				
TOTAL OPERATING	-0-	37,350	57,800	58,050	57,350	57,950
CAPITAL	-0-	15,800	20,450	20,450	20,450	20,450
REVENUE	-0-	37,350	67,200	70,200	73,300	76,350

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	15,800	11,050	8,300	4,500	2,050
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	37,350	67,200	70,200	73,300	76,350
TOTAL	-0-	53,150	78,250	78,500	77,800	78,400

POSITIONS:

FULL-TIME	-0-	478	478			
PART-TIME	-0-	38	38			
TEMPORARY	-0-	64/300	64/300			

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Fund (Although the legislation does not speak to this point, every indication suggests use of a general fund appropriation to offset fiscal impact.)

ANALYSIS: Attach a separate page for analysis

Prepared By: Mark S. Hickey, State Railroad Coord. Phone: 465-3900  
Division: Alaska Railroad Transfer Team Date: 3/22/84

Approved by Commissioner: R. J. Knapp Date: 3/22/84  
Agency: Department of Transportation & Public Facilities

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION

FISCAL NOTE

Bill/Resolution No.: HB 512

Title: Alaska Railroad Corporation Act of 1984

BILL ANALYSIS

Overview:

This fiscal note is based upon the results of the Alaska Railroad Team's Alaska Railroad Acquisition Assessment, released in December 1983. That document provides a comprehensive analysis of the major issues concerning acquisition of the Alaska Railroad (ARR). It includes a thorough assessment of the financial exposure to the State from ensuring continued rail operations in accordance with the requirements of the Alaska Railroad Transfer Act of 1982 (ARTA)

The estimates presented in this fiscal note are derived from the "worst case" scenario of future railroad activity. Current indicators such as the continued uncertainty over the export coal contracts suggest use of this analysis as the most realistic forecast for determining actual fiscal impact. Please note that the acquisition cost of \$22.3 million for railroad purchase has been addressed in a separate fiscal note attached to the acquisition legislation.

While the data and forecasts used in both the Acquisition Assessment and this fiscal note reflect the input and work of the railroad and the United States Railway Association (USRA), the final estimates are based on independent analysis and downward adjustment by the Transfer Team. Our work includes such factors as removal of uncertain revenue increases, increased costs for compliance with state and local building codes, and additional adjustments for necessary capital rehabilitation.

This bill analysis is limited to providing explanations of the fiscal impact resulting from the proposed legislation. It should be noted that there exist policy conflicts between provisions of this legislation and the Sheffield Administration's Policy Statement of January 26, 1984.

Assumptions:

The FY 85 figures are based upon an assumption that actual railroad transfer will occur somewhere between November and January of that fiscal year. As a result, most of the estimates are merely prorated for a partial fiscal year ending in July 1985. However, there are certain one-time, start-up expenditures directly attributable to the actual railroad transfer which cause the sizeable shortfall during what is only a partial fiscal year.

Although a breakout of specific operating expenditures has been provided for FY 85 in order to provide the railroad operating entity a functioning program during its first year of operations, an actual budget structure has not been included to avoid prejudicing the new operating entity's prerogatives to formulate its own budget structure and subsequent submissions. Please note that the FY 85 submittal also contains the request for all funds needed by the Transfer Team and other state agencies to perform the duties resulting from passage of this legislation and acquisition of the railroad.

Although the current legislation places the Alaska Railroad within the Department of Commerce and Economic Development for purposes of the constitution, other sections of this bill anticipate removing it if a proposed constitutional amendment passes next November. Accordingly, this note does not address a specific "agency affected" to avoid a future conflict in this area.

Since the constitutional amendment cannot become effective until November if it passes, this note is predicated on an assumption that all funds for the corporation will be passed through by the respective line agency under which the corporation is located. Funds for all other state agencies will be passed on to the Transfer Team for further processing as appropriate.

Administrative costs incurred by the line agency under which the corporation is located should be minimal and will be covered as part of the corporation's overhead. Please note that all fiscal impact to state agencies resulting from this legislation have been coordinated by the Transfer Team and are reflected in this note.

All estimates are presented in constant 1985 dollars. An annual inflation factor of 6% has been used to convert the original 1983 constant dollar estimates in the Acquisition Assessment.

Operating Expenditures:

This estimate includes both general operating expenses and new expenditures resulting from the railroad transfer (i.e., additional costs due to potential loss of railroad gravel reserves under third-party claims). Included in the former category are costs for maintenance-of-way, maintenance of power and equipment, transportation services, communications, administration and overhead, marketing and real estate management. The latter category includes increased legal and overhead expenses, additional insurance and risk management contributions, fiscal impact to the Transfer Team and other state agencies because of railroad acquisition, and one-time, start-up costs for items such as the printing of new letterhead and the marking of personal property.

Although revenue is projected to increase during FY 87-89, costs during that period are not significantly larger than the first two years of operations due to the sizeable, one-time transfer related expenses immediately following transfer. These estimates are based on historical data provided by current railroad personnel and reflect anticipated operating expenditures needed to comply with the terms of ARTA.

Attachment A provides more details on the FY 85 submittal by object of expenditure. Some \$4 million of this estimate is to cover immediate expenditures resulting from actual transfer of the railroad. This includes the following:

- (1) \$1.750 million for the Alaska Railroad Transfer Team to perform its duties as outlined in Attachment B;
- (2) \$2 million for specific one-time, start-up costs to be incurred by the new entity for items such as the marking and inventorying of personal property, the printing of new stationery and payment warrants, additional legal costs, and certain corporation expenditures for the new Board of Directors;
- (3) \$200,000 in funds to conduct a final pre-transfer audit to establish the accuracy of balance sheets and the identification of accounting problem areas; and
- (4) \$80,000 in additional fiscal impact to the Department of Administration to ensure preservation of railroad archival records and additional labor relations work not budgeted for in the Transfer Team's FY 85 budget memo.

Another component of the FY 85 submittal includes \$270,000 in funds in direct response to the following requirements of the legislation:

- (1) \$200,000 to initiate the Special Report required in Section 9 on the feasibility of attracting private sector involvement in the railroad's operations;
- (2) \$35,000 to the Department of Natural Resources to respond to any state land request by the corporation under Section 42.40.360; and
- (3) \$35,000 to fund costs for the new railroad employees labor relations agency as provided in Section 42.40.780.

The remaining estimates in this area reflect the normal operating expenses by category for the part of FY 85 involving state operation of the railroad. These specific estimates have been prepared with the close cooperation of railroad administration and budgeting personnel. All expenditures for per diem and compensation of the Board of Directors have been included in the general estimates for the 100 and 200 categories.

#### Capital Expenditures:

The capital component of this fiscal note represents a combination of increased capital costs resulting from transfer and prorated expenditures for ongoing railroad operations. The analysis contained in Chapters 4 and 5 of the Acquisition Assessment serve as the basis for both of these estimates.

In addition, the results from the State's independent engineering condition assessment have been used to project an increased level of expenditure minimally acceptable to begin reversing deterioration of the railroad's physical plant, including the initiation of a systematic plan for replacing aged rolling stock. It is important to understand that engineering condition alone cannot be the basis for a projected level of sustained capital expenditure, but must be tempered by national trade-offs between long-term plant condition and available revenues.

The capital estimate of \$15.8 million includes a one-time expenditure of \$4.9 million to replace the railroad's working capital fund. ARTA establishes a process where little, if any, money will be transferred from the ARR's Revolving Fund because of pre-transfer federal claims and contingent liabilities that must be paid by the fund. As a result, an amount equal to about one month's worth of operating expenses (which is similar

to working capital requirements for other railroads) is needed to fund and maintain adequate working capital for the railroad after transfer.

Another capital expenditure resulting from railroad transfer is the initiation of compliance with Occupational Safety and Health Act (OSHA) requirements and state and local building codes. Approximately \$4.5 million per year has been set aside during the forecasted period to move toward compliance in these areas. Chapter 5.3 of the Acquisition Assessment provides more details regarding this requirement.

The remaining \$6.4 million of this estimate covers general railroad capital needs, prorated for the period of state ownership during FY 85. An additional \$7.85 million is projected for expenditure by the railroad for this program. Attachment C provides additional information regarding the capital improvement program to be performed during FY 85.

It should also be noted that based on a recent audit review of the ARR's financial statements, about \$4 million per year of capital expenditures could just as easily be categorized as operating costs (primarily maintenance-of-way expenditures) if generally accepted accounting principles are applied to the railroad. However, no adjustments have been made with our estimates to avoid creating greater confusion by conflicting with existing railroad procedures prior to a general system overhaul by the corporation upon transfer.

Revenue:

This estimate on a prorated basis represents projected FY 85 revenues from its freight, passenger and real property rental activities. The FY 85 revenue figure is based on a projected commodity mix fairly similar to the last two years of railroad operations. Attachment D contains some additional information from the ARR's 1983 Draft Annual Report regarding FY 82 and FY 83 operations.

These projections are based on information from the railroad and USRA, which were then adjusted downward by the Transfer Team to remove 50% of the net cash from anticipated revenue increases in export coal, interline and pipe traffic. If either of these movements were in fact to materialize in a significant way, it could sizeably reduce the need for general fund assistance during FY 87-89. Likewise, any major downswing from our projections would probably result in the need for even larger general fund assistance during those years.

Funding Source:

The "Other Funds" appearing on the fiscal note are railroad revenues.

Positions:

ARTA basically mandates a two-year period of full protection of current salaries and benefits for all employees who choose to transfer. What happens following that period becomes a matter for contractual negotiation between management and employees.

The figures presented in this part of the fiscal note are the actual number of employees in each category as of March 1, 1984. No estimate can be made of the actual number of those choosing to transfer, although it is anticipated that most employees will do so. In the case of temporary employees, the first number on this line is the actual number today, while the second estimate reflects the average number of temporary hires used in the summer for major maintenance work.

Summary:

The estimates provided in the attached fiscal note are primarily based on the Transfer Team's assessment of the likely fiscal impacts from state acquisition of the Alaska Railroad. It is important to reiterate that the acquisition cost of \$22.3 million has been addressed in a separate fiscal note attached to the acquisition legislation.

It is our view that the corporation's overall organization as currently envisioned in the proposed legislation will not have any appreciable impact immediately on the railroad's general financial condition. Beyond the increased cost for modifying the existing administrative and management systems during the first two or three years following state takeover, it is difficult to predict whether the proposed organizational arrangements in this legislation will generate cost efficiencies not enjoyed during federal ownership.

The philosophy in the current legislation is, to the extent possible, to foster a self-sustaining business orientation for railroad operations. This is consistent with the Transfer Team's analysis of the types of steps necessary to achieve a break-even position at some point during the first decade of state operations.

There is no specific mandate in this legislation for new extensions or any more services than those currently in existence. This should allow the railroad adequate time to reorganize and streamline its existing operations. In addition, although several specified planning responsibilities have been added to the railroad's duties, the long-term savings from performing these kinds of systematic assessments should more than compensate for any short-term costs resulting from performance of these efforts.

Attachment E is a ten year summary (FY 73-82) of the railroad financial operations during federal ownership. It should be noted that an additional \$66.2 million dollars in congressional appropriations was provided during this period to cover passenger expenses and certain capital needs.

ATTACHMENT A

Operating Budget - FY85

In Thousands (000) of Dollars

This operating budget is prorated for FY 85 except for the impacts to state agencies depicted in the 300 level. All amounts shown are in 1985 dollars. These estimates represent the total prorated FY 85 operating budget for the railroad following state acquisition. Projected revenues from the railroad's operations will serve as the main source of funds for these expenditures, with limited assistance from general fund appropriations.

<u>Category</u>	<u>Amount</u>	<u>Explanation</u>
100 Personal Services	\$24,350.0	This funding level is based upon current work force of 478 permanent full-time, 38 part-time and 64 temporary positions. Of this amount salary comprises \$19,980 and benefits comprise \$4,370. Also included in this estimate are the Board of Directors' compensation expenses.
200 Travel	300.0	This funding level is the estimate of travel funding needs, including the Board of Directors' travel expenses.
300 Contractual	4,800.0	This funding level includes coverage of the following areas: continuation of Transfer Team activities for FY 85 - \$1,750.0 (see Attachment B); Transfer Financial Audit - \$200.0; \$200.0 for initiation of the Special Report required in Section 9 of the bill; Department of Administration - \$80.0 for archives preservation and labor relations coordination; costs for the labor relations agency under Article 8 of the bill - \$35.0; Department of Natural Resources - \$35.0 for land designation activities under Article 5 of the bill. The remainder of these funds are for the railroad's general contractual needs resulting from capital improvement, operations and financial planning activities.

400 Supplies	5,200.0	This funding level is required for the day-to-day operations of the railroad, supporting all facets of operations from administration to maintenance of way.
500 Equipment	1,200.0	This item is the complement of the supply item also supporting day-to-day railroad operations.
700 Grants & Claims	1,500.0	This item provides for funds for the railroad's risk management expenses, payment of damage claims, workmen's compensation expenses and other money claims against the railroad. No grants are anticipated.
TOTAL:	<u>37,350.0</u>	

ALASKA RAILROAD TRANSFER PROJECT

FY 85 PROJECT BUDGET

The goal of the Alaska Railroad Transfer Team is to provide an orderly and informed decision-making process for possible transfer of the Alaska Railroad from federal ownership, thus ensuring continuation of essential rail services in Alaska. If a decision is reached to pursue state take-over of the railroad, then it is also the goal of the Alaska Railroad Transfer Team to organize and oversee a systematic transition from federal ownership.

This document discusses the major work components of the FY 85 budget submittal. The need to pursue some of these efforts is entirely contingent on a decision to acquire, while other work efforts are separate from that decision. Attachment A provides the FY 85 budget submittal as introduced by the Governor. Attachment B is the project budget for FY 84 and provides considerable detail regarding several work tasks, many of which are ongoing in 1985.

The following breakdown is structured on a component or agency basis, versus reiterating specific details regarding ongoing work tasks. As a result, some of this explanation should be read in conjunction with Attachment B in order to fully understand all of the scheduled work efforts.

Work Component #1 - Alaska Railroad Transfer Team Staff

As indicated in Attachment A, funding is needed to support four positions in the Office of the Commissioner, Department of Transportation and Public Facilities. These positions are as follows: a State Railroad Coordinator (Special Assistant II); a Planner IV; a Planner III; and a Correspondence Secretary III. These four individuals comprise the Transfer Team Staff with direct responsibility for performance and coordination of all team activities. This group reports directly to the Commissioner of DOT&PF in the performance of their duties. The following breakdown represents expenditures directly related to this area by object of expenditure.

<u>Object of Expenditure</u>	<u>Description</u>	<u>Amount</u>
Personal Services	4 Positions - DOT&PF	\$195,100
Travel	4 Positions - DOT&PF	66,000
Contractual	Printing/limited Professional Services	35,000
Supplies	Miscellaneous	8,000
	Total	<u>\$304,100</u>

Work Component #2 - Department of Natural Resources Assistance

An existing Reimbursable Services Agreement with the Department of Natural Resources will be continued during FY 85. Work efforts covered by this assistance include ongoing support activity by the Division of Technical Services for conveyance documents and related title review work. Additional support by DNR will be provided for coordination with the Bureau of Land Management's cadastral survey work and assistance from the Division of Land and Water Management to implement the railroad transfer. The following breakdown by object of expenditure presents the needed funding for these services.

<u>Object of Expenditure</u>	<u>Description</u>	<u>Amount</u>
Personal Services	4 Positions - DNR	\$191,900
Travel	4 Positions - DNR	20,000
Contractual	Miscellaneous	
	Professional Services	30,000
Supplies	Miscellaneous	8,100
	<u>Total</u>	<u>\$250,000</u>

Work Component #3 - Department of Labor Assistance

Specific assistance is still needed by the Department of Labor to perform an extensive survey of the railroad's physical facilities in relation to federal and state occupational safety and health laws, regulations and standards. Although this was scheduled for performance during FY 84, insufficient funding required postponement of this work effort until FY 85. Scheduled funds during FY 84 for this effort were diverted to cover additional labor relations work by the Department of Administration and the use of an Engineer-in-Training position to assist with the engineering condition assessment. The following breakdown provides an estimate for this activity by object of expenditure.

<u>Object of Expenditure</u>	<u>Description</u>	<u>Amount</u>
Personal Services	2 Full-time - DOL	\$142,700
	2 part-time	
Travel	2 Full-time - DOL	7,300
Training	2 Full-time	5,200
Contractual	Miscellaneous Professional Services	39,800
Supplies	Miscellaneous	6,500
Equipment	Health Sampling Equipment/ Memory Typewriter	12,000
	<u>Total</u>	<u>\$213,500</u>

Work Component #4 - Department of Administration Assistance

Activity in the area will consist of continuing work efforts initiated during FY 84 explained under task #6 of Attachment B. Particular attention must be paid to the analysis of the five collective bargaining agreements, which will support the full scale initiation of the two-year renegotiation process in conjunction with the new entity established to operate the railroad. Another important work effort will be to conduct an orderly transition from federal to state ownership for all personnel matters and ensure that all of the specified requirements from the federal transfer legislation are properly met by the new organization established to operate the railroad. Other efforts include assistance with insurance and risk management needs. The following breakdown by object of expenditure presents the necessary funding for this area.

<u>Object of Expenditure</u>	<u>Description</u>	<u>Amount</u>
Personal Services	1 Full-time Position	\$105,000
	2 Part-time Positions	45,000
Travel	1 Full-time, 2 Part-time	<del>105,000</del>
Contractual	Liaison Assistance/ Miscellaneous	105,000
	Professional Services	
Supplies	Miscellaneous	<u>2,400</u>
	Total	\$257,400

Work Component #5 - Department of Law Assistance

Assistance from the Department of Law is needed for several tasks to be performed by existing AG staff and retained special counsel. Included are the following work efforts: (1) legal work pertaining to the 3(e) (ANCSA) claims against railroad property by native village corporations, including ongoing negotiation and staff work to support the State's position during the adjudication process; (2) legal assistance for the preparation of transfer documents and attention to related land conveyance problems; (3) resulting from the response to various court actions by third parties because the railroad transfer; (4) ongoing legal assistance with issues involving regulation by the Interstate Commerce Commission (ICC); and (5) support of efforts relating to personnel/labor relation matters. The following breakdown by object of expenditure presents the needed funding for this area.

<u>Object of Expenditure</u>	<u>Description</u>	<u>Amount</u>
Personal Services	Staff Attorneys	\$180,000
Travel	Staff Attorneys	20,000
Contractual	Wickwire Lewis	150,000
	David Walsh	75,000
	David Rogers	<u>75,000</u>
	Total	\$500,000

Work Component #6 - ICC Rate Valuation/Capital Plan Activity

Work efforts under this component will consist of the following: (1) initiation of planning work necessary to file the appropriate valuation studies before the ICC for purposes of rate-making justification; and (2) performance of ongoing capital planning analysis. This second task will be a continuation of efforts performed under task #5 in Attachment B. It will be coordinated with the initiation of the ICC valuation studies to maximize generation of a data base useful to both efforts. Funding in this area is needed for contractual assistance, which will be directly managed by the Transfer Team Staff.

<u>Object of Expenditure</u>	<u>Description</u>	<u>Amount</u>
Contractual	Consulting Assistance	<u>\$225,000</u>
	Total	\$225,000

ALASKA RAILROAD TRANSFER PROJECT BUDGET

PROJECT BUDGET

The following depicts the project budget by work component and amount:

	<u>Amount</u>
(1) Alaska Railroad Transfer Team Staff	\$ 304,100
(2) Department of Natural Resources Assistance	250,000
(3) Department of Labor Assistance	213,500
(4) Department of Administration Assistance	257,400
(5) Department of Law Assistance	500,000
(6) ICC Rate Valuation/Capital Plan Activity	<u>225,000</u>
Project Total	\$1,750,000

ATTACHMENT C

Capital Improvement Program - FY85

In Thousands (000) of Dollars

This CIP is prorated for FY 85. All amounts shown are in 1985 dollars. These estimates represent costs to the State, and are only part of the ARR's total capital budget. Revenues from the ARR for capital improvements will be added to State funding.

<u>Item</u>	<u>Amount</u>	
Working Capital Fund	\$ 4,900	As with all businesses, the ARR will need working capital. It is estimated that one month's worth of operating expenses will be adequate working capital for the ARR.
OSHA/Code Compliance	\$ 4,500	As a federal agency, the ARR has not been subject to many health, safety, and building code standards that would otherwise apply. These codes will apply upon transfer, and initial surveys conducted by the State have been used to determine necessary compliance levels. See Appendix C of the Alaska Railroad Acquisition Assessment for more details.
Other Capital Improvements	\$ 6,400	These expenses represent the minimal expenditure necessary for the ARR to maintain current levels of service, while initiating efforts to reverse deterioration of physical plant condition. Component priorities have been selected using the findings of the State's independent condition assessment. As indicated in the attached supplement, most capital improvements are for track and roadbed, upgrade of certain cargo handling facilities, and motive power and equipment purchases.
TOTAL	<u>\$15,800</u>	

Supplement to Item #3, Attachment C

Track & Roadbed - \$6,185,000

Ties - Install 50,000 @ \$42.00 ea.	= \$2,100,000
Rail - Install 6 miles @ \$350,000 ea.	= \$2,100,000
Ballast - Install 85,000 yd <sup>3</sup> @ \$14 yd <sup>3</sup>	= \$1,190,000
Other - (Turnouts, sledding, culverts, ditching)	= \$ 795,000

Bridges - \$883,000

Replace stringers, bents, and spans  
Reset bearings, piles, and abutments

Tunnels - \$1,060,200

Line with multi-plate  
Excavate rock fall areas

Docks - \$706,800

Preliminary work to rebuild barge slip #1 at Whittier

Communications - \$570,000

Complete microwave system  
Remove pole lines  
Acquire equipment

Motive Power & Equipment - \$4,845,000

Locomotives	= \$2,250,000
Upgrade Facilities	= \$1,845,000
Equipment	= \$ 750,000

Note: This totals \$14.25 million and is the ARR's overall FY 85 capital budget, of which \$6.4 million is covered under this fiscal note.



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TABLE IX: BALANCE SHEET  
SEPTEMBER 1982-83  
(Thousand dollars)

CATEGORY	1983	1982
<b>ASSETS:</b>		
Current Assets:		
Cash (Note 8)	\$9,646	\$14,966
Trust and Deposit Funds (Note 9)	32	7
Accounts Receivable	14,195	13,105
Materials and Supplies (Note 10)	10,143	7,040
Prepaid Expenses	20	0
	<u>34,036</u>	<u>35,118</u>
Properties:		
Land (Note 11)	265	265
Buildings	12,943	12,921
Roadway Structures & Facilities	127,215	125,000
Equipment	57,895	49,864
Non-Operating Property	1,947	1,877
Total Properties	<u>200,265</u>	<u>189,927</u>
Less Accumulated Depreciation:	<u>60,516</u>	<u>57,678</u>
Properties - Net	<u>139,749</u>	<u>132,249</u>
Additions & Betterments in Progress (Note 12)	<u>11,599</u>	<u>12,059</u>
	<u>151,348</u>	<u>144,308</u>
Other Assets and Deferred Charges	2,526	3,029
Total Assets	<u>\$187,910</u>	<u>\$182,455</u>
<b>LIABILITIES &amp; PROPRIETARY INTEREST OF THE U.S. GOVERNMENT:</b>		
Current Liabilities:		
Accounts Payable	\$4,721	\$3,416
Accrued Payrolls Payable	1,320	1,056
Trust and Deposit Funds (Note 9)	32	7
	<u>6,073</u>	<u>4,479</u>
Other Liabilities and Unadjusted Credits	<u>2,209</u>	<u>3,152</u>
Total Liabilities	<u>\$8,282</u>	<u>\$7,631</u>
Proprietary Interest (Note 13):		
Net Investment	200,621	192,995
Retained Earnings from July 1, 1954	(18,171)	(23,578)
Current Year Operating Results	2,824	9,561
Extraordinary Items (Note 6)	(5,646)	(4,154)
Total Proprietary Interest (Note 13)	<u>179,628</u>	<u>174,824</u>
Total Liabilities & Proprietary Interest	<u>\$187,910</u>	<u>\$182,455</u>

Notes follow Table XI

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TABLE X: STATEMENT OF CHANGES IN FINANCIAL POSITION  
FISCAL YEARS 1982-83  
(Thousand dollars)

CATEGORY	1983	1982
Funds were provided by:		
Revenues and Other Receipts	\$56,438	\$58,699
Appropriations from Congress (Note 14)	<u>7,600</u>	<u>6,160</u>
Total Funds Provided	64,038	64,859
Funds were used for:		
Labor	35,579	33,221
Other	14,044	17,839
Capital Improvements & Replacements	<u>16,348</u>	<u>11,821</u>
Total Funds Used	65,971	62,881
Increase (Decrease) in Government Equity	(1,933)	1,978
Other increases (Decreases):		
Undelivered Orders	(2,924)	3,983
Supplies and Materials	3,103	1,119
Properties	7,040	3,964
Other	<u>(482)</u>	<u>513</u>
Total, Other	6,737	9,579
Total Increase (Decrease) in Government Equity	<u>\$4,804</u>	<u>\$11,557</u>
Proprietary Interest:		
Beginning Balance	\$174,824	\$163,267
Increase (Decrease)	<u>4,804</u>	<u>11,557</u>
Ending Balance (Note 13)	\$179,628	\$174,824

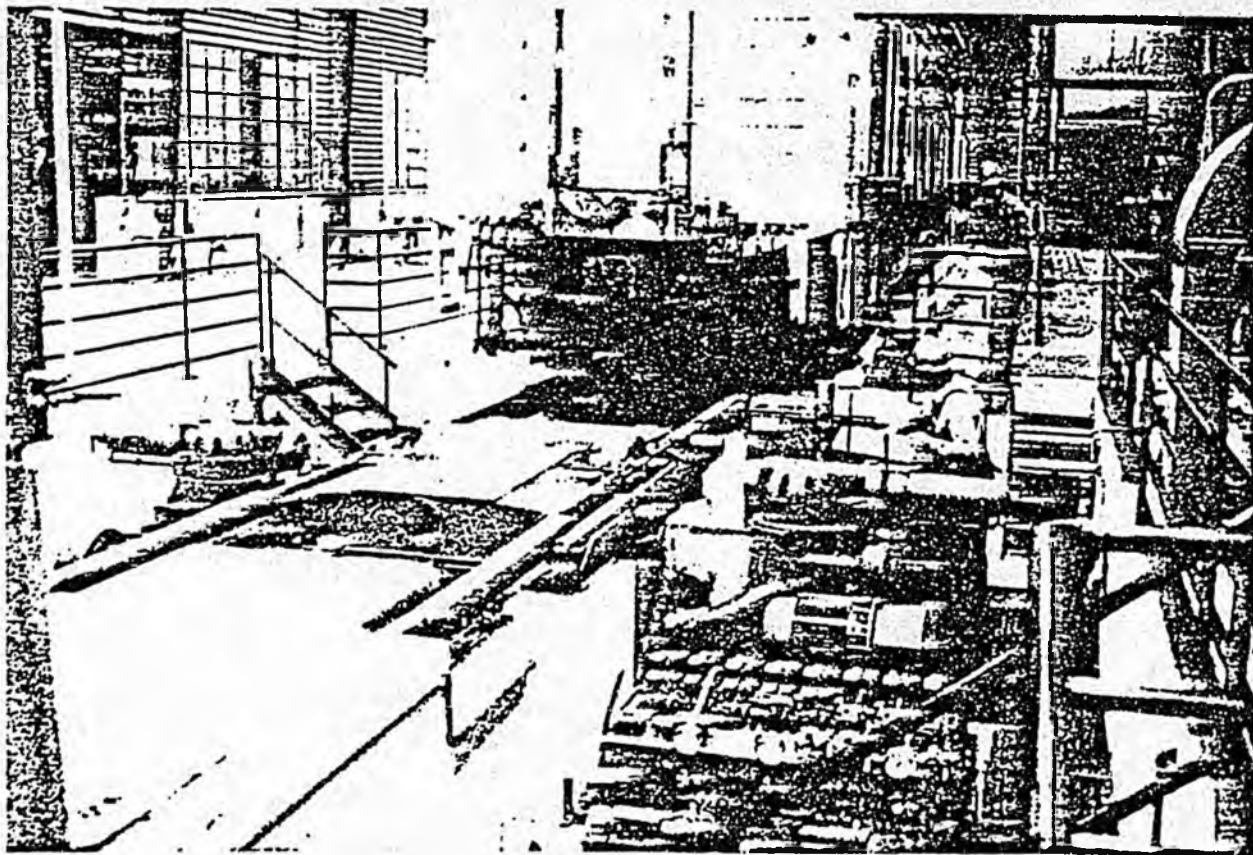
Notes follow Table XI

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TABLE XI: FIVE-YEAR CONDENSED SUMMARY OF OPERATIONS  
FISCAL YEARS 1979-83  
(Thousand dollars)

CATEGORY	1983	1982	1981	1980	1979
REVENUES:					
Operating	\$52,397	\$55,445	\$40,782	\$26,737	\$23,200
Non-Operating (Note 16)	<u>3,697</u>	<u>3,352</u>	<u>3,159</u>	<u>2,155</u>	<u>2,081</u>
Total Revenues	\$56,094	\$58,797	\$43,941	\$28,892	\$25,181
EXPENSES:					
Operating	\$52,993	\$48,978	\$40,358	\$34,380	\$31,285
Non-Operating (Note 17)	<u>277</u>	<u>258</u>	<u>273</u>	<u>344</u>	<u>204</u>
Total Expenses	\$53,270	\$49,236	\$40,631	\$34,724	\$31,489
NET PROFIT (LOSS)	\$2,824	\$9,561	\$3,310	(\$5,832)	(\$6,308)
Less Extraordinary Items (Note 6)	<u>(\$5,646)</u>	<u>(\$4,154)</u>	<u>(\$204)</u>	<u>(\$692)</u>	<u>(\$319)</u>
Annual Retained Earnings	(\$2,822)	\$5,407	\$3,106	(\$6,524)	(\$6,627)
Expense/Revenue Ratio	94.97%	83.74%	92.47%	120.19%	125.05%

Notes follow Table XI



A modern wheel truing machine was installed in a newly constructed shop building in 1933.

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF ACCOUNTING POLICIES

The Alaska Railroad uses the generally accepted principles, standards, and related requirements of governmental accounting as approved by the Comptroller General of the United States. Operations are conducted in a manner consistent with related commercial enterprises and, at the same time, in conformance with the requirements incumbent upon a Government agency.

As is the customary practice of the industry, the Railroad uses betterment and retirement accounting instead of depreciation accounting for roadbed and track. Under this method, prescribed by the Interstate Commerce Commission, the cost of replacing tracks and structures--less salvage recovered--is charged to the appropriate operating expense account and only the cost of betterments is capitalized. These capitalized items are not depreciated, but upon retirement of the tracks and structures, the entire capitalized amounts--less salvage recovered--are charged to expense.

The accounting system and related procedures disclose financial condition and operating results to provide full accountability of the Government's investment in the Railroad and to afford management the necessary data to carry out its responsibility in the most efficient and economical manner.

The Railroad is financed from a revolving fund.

### 2. REVENUES

Revenues from rail operations are included in income on an accrual basis upon the completion of service.

### 3. EXPENSES

Expenses are accrued or applied or both on a basis consistent with generally accepted accounting principles.

### 4. MAINTENANCE OF WAY AND STRUCTURES

Maintenance of way and structures include expenses incurred by engineering (\$9,207,000) and communications (\$652,000).

### 5. GENERAL AND ADMINISTRATION

General and administration accounts include expenses for headquarters and staff (\$1,378,000) and the administration department (\$4,485,000).

### 6. EXTRAORDINARY ITEMS

Extraordinary items include the loss on excess current inventories (\$23,000), deferred outlays (\$3,760,000), prior-year adjustments (\$697,000), and costs associated with the transfer evaluation (\$1,166,000).

## 7. DEPRECIATION

Depreciation is computed using the straightline method and is based on estimated service lives of depreciable properties, except for the railway track and structures, which are computed using the industry betterment method. Depreciation charges are determined by using the composite or group rates applicable to various classes of property.

The following is a list of depreciation charges in FY 1983:

	(Thousand dollars)
Mechanical - equipment	\$2,807
Engineering - buildings and structures	892
Transportation - docks	438
Communications	170
Non-operating	66
Other	<u>31</u>
Total	\$4,404

## 8. CASH

Cash refers to the fund balance with the U.S. Treasury, which is the net amount of cash receipts, e.g., revenues, proceeds from sales, and amounts of congressional appropriations, less disbursements.

## 9. TRUST AND DEPOSIT FUNDS

Trust and deposit funds include special deposits and other collections not covered by the revolving fund and cleared by disbursement or transfer, as appropriate. A contra account to this asset account is reflected in the liability section.

## 10. MATERIALS AND SUPPLIES

Inventories, consisting of replacement or repair parts for equipment and road property, construction materials, and fuel, are valued at average cost, including freight.

## 11. LAND

Land includes only property purchased by the Railroad from private owners and carried at acquisition cost. The Railroad owns over 38,000 acres withdrawn from the public domain at no cost; this land is not included in the financial records.

## 12. ADDITIONS AND BETTERMENTS IN PROGRESS

This is a control account for authorized capital projects during the period of construction or procurement. Upon completion of the capital project, the related costs are transferred into the appropriate fixed asset property account.

### 13. PROPRIETARY INTEREST OF THE U.S. GOVERNMENT

The proprietary interest shows the Federal Government's net interest in The Alaska Railroad. At the end of FY 1983, it is summarized as follows:

	(Thousand dollars)
Appropriation by Congress	\$259,496
Allotments from other agencies, sales of lots, etc.	1,724
Property transferred or donated (not public domain)	19,903
Earthquake losses	(16,738)
Deficits from operations and capital losses to 6/30/54	(63,764)
Retained earnings (7/1/54 to 9/30/82)	(18,171)
FY 1983 operating results	2,824
Extraordinary Items (Note 6)	<u>(5,646)</u>
<b>Total proprietary interest of the U.S. Government</b>	<b>\$179,628</b>

### 14. CONGRESSIONAL APPROPRIATIONS

Funds appropriated by Congress were obligated within the fiscal year, as shown below:

	(Million dollars)	
	<u>FY 83</u>	<u>FY 82</u>
Congressional appropriations received	\$7.60	\$6.16
Obligated during fiscal year	<u>\$7.60</u>	<u>\$6.16</u>
Amount unobligated at end of fiscal year	\$0.00	\$0.00

### 15. OTHER OPERATING REVENUES

Other operating revenues include those revenues that were neither freight nor passenger. Individual accounts exceeding \$90,000 in FY 1983 were:

	(Thousand dollars)
Reimbursable services	\$2,036
Sale of non-invested property	1,301
Reimbursements - real estate, utilities, and equipment	541
Whittier shuttle - vehicles	533
Wharfage and handling	148
Mail	145
Switching	116
Equipment rentals	90
All other	<u>395</u>
<b>Total</b>	<b>\$5,305</b>

## 16. NON-OPERATING REVENUES

Non-operating revenues in FY 1983 were:

(Thousand dollars)

Miscellaneous rentals	\$3,466
Interest earned	144
All other	<u>87</u>
Total	\$3,697

## 17. NON-OPERATING EXPENSES

Non-operating expenses in FY 1983 were:

(Thousand dollars)

Buildings	\$199
Depreciation	60
Equipment	10
All Other	<u>2</u>
Total	\$277



At a re-enactment of the original golden spike ceremony Governor Sheffield wields the same maul used by President Harding in 1923.

# TRAFFIC

**DRAFT**

## FREIGHT

Table II shows freight revenue tons and freight revenue dollars by major classification of commodities for fiscal years 1983 and 1982. Total tonnage for fiscal year 1983 exceeded fiscal year 1982 by 34 percent. For the third consecutive year sand and gravel led all other commodities in percentage gains. The primary cause of the 60-percent escalation was a vigorous private and business construction year plus increases in public works projects in Anchorage. The drop in movements of iron and steel products from Seward to Fairbanks destined for the North Slope from its peak in 1982 accounted for the return of manufacturers and miscellaneous products to a lower level, but still above FY 1981.

TABLE II: FREIGHT TRAFFIC BY COMMODITY

COMMODITY	1983 FY	1982 FY	% CHANGE
REVENUE TONS CARRIED (000's)			
Sand and Gravel	4,397.7	2,753.8	+ 59.7
Coal	625.8	653.6	- 4.2
Petroleum, Oil, Lubricants	462.2	439.4	+ 5.2
Manufacturers and Misc.	323.1	449.9	- 28.2
TOFC/COFC (Piggyback)	98.0	122.4	- 19.9
Products of Forests	105.1	77.0	+ 36.5
Products of Agriculture	<u>6.1</u>	<u>6.8</u>	- 10.3
Total Tonnage	6,018.0	4,502.9	+ 33.7
REVENUE DOLLARS (000's)			
Sand & Gravel	6,647	4,556	+ 45.9
Coal	5,007	5,072	- 1.3
Petroleum, Oil, Lubricants	9,723	8,376	+ 16.1
Manufacturers and Misc.	15,704	22,512	- 30.2
TOFC/COFC (Piggyback)	3,625	4,915	- 26.2
Products of Forests	2,955	2,301	+ 28.4
Products of Agriculture	<u>126</u>	<u>145</u>	- 13.1
Total Revenue	43,787	47,877	- 8.5

## PASSENGER

Aggressive and expanded advertising and marketing resulted in an overall increase of 21 percent in passenger ridership as shown in Table II. The marketing efforts included active promotion of tour packages which attracted, for the first time, nine cruise ships to stop at the Railroad's Port of Whittier, and provided over 14,000 of the special train riders.

TABLE III: PASSENGERS HANDLED

SERVICE	1983 FY	1982 FY	% CHANGE
Anchorage-Denali-Fairbanks	61,887	60,810	+ 1.8
Anchorage-Portage-Whittier (Shuttle)	117,740	95,449	+ 23.4
Specials	<u>31,732</u>	<u>18,857</u>	+ 68.3
Total Passengers Handled	211,359	175,116	+ 20.7

The number of vehicles carried on the Anchorage-Portage-Whittier (shuttle) service was 19,516, up 10 percent over FY 1982.

## TARRIFS

The major rate adjustments made in FY 1983 are reflected in Table IV:

TABLE IV: FY 1983 TARIFF CHANGES

TYPE	DATE	% INCREASE
Interline	1-17-83	5
Intrastate:		
General Commodities	2-12-82	5
Gravel	4-19-83	3
Passenger:		
Anchorage - Fairbanks	1-01-83	10
Whittier Shuttle	7-01-83	10

Attachment E  
3/14/84

ALASKA RAILROAD OPERATIONS SUMMARY  
(Dollar Amounts in Thousands)  
Fiscal Years 1973-1982\*

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>
Operating Revenue	\$16,996	\$20,783	\$41,416	\$52,517	\$33,376	\$27,440	\$23,100	\$26,737	\$40,782	\$55,445
Non-Operating Revenue	681	703	871	1,161	1,646	1,651	2,081	2,155	3,159	3,352
<u>Total Revenues</u>	<u>17,677</u>	<u>21,486</u>	<u>42,287</u>	<u>53,678</u>	<u>35,022</u>	<u>29,091</u>	<u>25,181</u>	<u>28,892</u>	<u>43,941</u>	<u>58,797</u>
Operating Expenses	\$20,057	\$22,389	\$35,884	\$49,387	\$35,703	\$33,301	\$31,285	\$34,380	\$40,358	\$48,978
Non-Operating Expenses	153	158	272	191	255	213	204	344	273	258
<u>Total Expenses</u>	<u>20,210</u>	<u>22,547</u>	<u>36,155</u>	<u>49,578</u>	<u>35,958</u>	<u>33,514</u>	<u>31,489</u>	<u>34,724</u>	<u>40,631</u>	<u>49,236</u>
<u>Gain (Loss)</u>										
Before depreciation - cash flow	(\$ 7)	\$ 1,300	\$ 8,513	\$ 6,628	\$ 2,186	(\$ 1,227)	(\$ 3,089)	(\$ 2,306)	\$ 6,567	\$13,274
After depreciation	<u>(\$ 2,533)</u>	<u>(\$ 1,061)</u>	<u>\$ 6,132</u>	<u>\$ 4,100</u>	<u>(\$ 936)</u>	<u>(\$ 4,423)</u>	<u>(\$ 6,308)</u>	<u>(\$ 5,832)</u>	<u>\$ 3,310</u>	<u>\$ 9,561</u>
<u>Capital Expenditures</u>	<u>\$ 1,260</u>	<u>\$ 313</u>	<u>\$ 2,772</u>	<u>\$ 8,602</u>	<u>\$ 8,316</u>	<u>\$ 5,823</u>	<u>\$ 8,181</u>	<u>\$ 6,893</u>	<u>\$11,409</u>	<u>\$11,821</u>
<u>Revenue Tons of Major Commodities</u> (in thousands of tons)										
Sand and Gravel	2	1	1	104	700	727	637	396	1,797	2,754
Bulk Petroleum	363	414	557	624	532	374	220	252	379	439
Coal	565	563	584	607	550	593	524	590	653	654
Iron & Steel Pipe & Fittings	11	15	107	174	16	28	33	37	83	165
Piggyback	48	57	95	114	100	100	89	92	113	122
Forest Products	49	56	120	124	82	68	55	109	101	77
Manufactured Iron & Steel	18	37	60	89	19	12	12	10	8	19
Cement	15	14	25	32	42	33	33	32	43	51
Machinery and Machines	12	21	60	31	47	47	24	16	28	24
Mfrs. & Misc. NOS	32	34	44	29	17	13	25	26	11	**
Other	216	165	209	260	200	163	156	181	146	198
<u>TOTAL</u>	<u>1,331</u>	<u>1,337</u>	<u>1,862</u>	<u>2,188</u>	<u>2,305</u>	<u>2,178</u>	<u>1,808</u>	<u>1,741</u>	<u>3,362</u>	<u>4,503</u>
<u>Passengers</u>	<u>74,000</u>	<u>84,000</u>	<u>81,000</u>	<u>84,500</u>	<u>103,632</u>	<u>126,277</u>	<u>151,045</u>	<u>150,678</u>	<u>161,068</u>	<u>175,116</u>

\* The Federal Government changed its fiscal year from July 1-June 30 to October 1-September 30 beginning in FY 1977, resulting in a transition quarter in 1976. To avoid a 15-month fiscal year for comparisons, these statistics use July 1, 1975 through June 30, 1976 as FY 1976, and October 1, 1976 through September 30, 1977 as FY 1977, dropping the transition quarter.

\*\*Mfrs. & Misc. NOS. (not otherwise specified) discontinued, now included in specific categories.

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

5/8/84

Date May 10, 1984

To a time certain; namely: 5/11/84

Mr. President

The Committee on TRANSPORTATION considered CSHB 512(FIN)

establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CS HB 512 (Trsp)
- new title
- same title and recommends my do pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

J. H. K. [Signature]  
[Signature]  
[Signature]  
[Signature]  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature] NO REC UNTIL  
Constitutional  
Amendment is  
decided ON  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature]  
 Chairman  
[Signature]  
 Chairman recommendation

*Accompanied bill into Committee*

*ae*

**HOUSE JOURNAL SUPPLEMENT**

May 2, 1984

No. 138

REQUEST Page 1 of 4 FISCAL NOTE HB  
 Bill/Resolution No.: CS HB 512 (Fin) Agency Affected: 512  
 Title: Alaska Railroad Corporation Program Category Affected:  
 ion Act of 1984  
 Sponsor: Hayes, et. al. BRU, Program or Subprogram(s) Affected:  
 Requestor: Rep. Bettisworth Alaska Railroad  
 Date of Request: 5/1/84

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		24,350				
200 TRAVEL		140				
300 CONTRACTUAL		5,900				
400 SUPPLIES		4,000				
500 EQUIPMENT		1,200				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		1,500				
800 MISCELLANEOUS		-0-				
<b>TOTAL OPERATING</b>		<b>37,090</b>				
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>				
<b>REVENUE</b>	<b>-0-</b>	<b>37,350</b>				

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER		37,350				
<b>TOTAL</b>	<b>-0-</b>	<b>37,350</b>				

**POSITIONS:**

FULL-TIME		478				
PART-TIME		38				
TEMPORARY		64/300				

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: Representative Bettisworth *By Bettisworth* Phone: 465-3706  
 Division: \_\_\_\_\_ Date: 5/1/84

Approved by Commissioner: Al Adams, Chair *APA* Date: 5/1/84  
 Agency: House Finance Committee

**Fiscal Note Analysis**

The Fiscal Note dated 5-1-84 contains operating revenues and expenses as well as other one time only expenses related to the transfer of the Railroad.

The Fiscal Note does not include capital expense items. Capital items should be included in a separate appropriation bill. The appropriation bill should contain an appropriation for acquisition of the Railroad in the amount of \$22,300,000 and \$9,000,000 for capital improvements including OSHA and building code rehabilitation upgrades and replacement of the working capital fund, etc.

038634

CSHB 512 (Fin)

ALASKA RAILROAD  
Operating Expenses\*  
FY 85 (in \$000)

Supporting Data for State of Alaska  
1984 Legislative Session Fiscal Note (HB 352)

	Alaska Railroad								Board of Dir.	Other Expenditures			
	Dec.	Jan.	Feb.	March	April	May	June	Total		ARR Trans. Team	Est. Corp.	Other	Total
<u>Personal Services</u>													
Wages	2,400	2,640	2,640	2,800	2,910	3,035	3,160	19,585					
Fringa	540	590	590	625	650	675	700	4,370					
Sub Total								<u>23,955</u>	120		275		<u>24,350</u>
<u>Travel</u>													
	12	12	12	16	16	16	16	100	40				140
<u>Contracts</u>													
	370	370	360	350	350	350	350	2,500		1,650	1,200	550	5,900
<u>Supplies</u>													
	340	350	330	480	555	700	720	3,475			525		4,000
<u>Equipment</u>													
	100	148	140	180	200	212	220	1,200					1,200
<u>Grants &amp; Claims</u>													
	200	200	200	200	200	250	250	1,500					1,500
<u>Total</u>													
	<u>3,962</u>	<u>4,310</u>	<u>4,272</u>	<u>4,651</u>	<u>4,881</u>	<u>5,238</u>	<u>5,416</u>	<u>32,730</u>	<u>160</u>	<u>1,650</u>	<u>2,000</u>	<u>550</u>	<u>37,090</u>

\*Minor Discrepancies due to rounding

ALASKA RAILROAD  
Operating Expenses\*  
Analysis by Department  
FY '85

CSHB 512 (Fin)

Supporting Data for State of Alaska  
1984 Legislative Session Fiscal Note (HB 352)

	December	January	February	March	April	May	June	Total
<b>General Manager &amp; Staff</b>								
<b>Personal Services</b>								
Wages	72	92	92	98	101	106	110	671
Fringe	16	21	21	22	22	23	24	149
Travel	2	2	2	3	3	3	3	18
Contracts	2	2	2	2	2	1	1	12
Supplies	9	9	8	11	12	15	16	80
Equipment	0	0	0	0	0	0	0	0
Grants & Claims	0	0	0	0	0	0	0	0
<b>Total</b>	<b>101</b>	<b>126</b>	<b>125</b>	<b>136</b>	<b>140</b>	<b>148</b>	<b>154</b>	<b>930</b>
<b>Transportation</b>								
<b>Personal Services</b>								
Wages	985	1,080	1,080	1,148	1,190	1,241	1,290	8,014
Fringe	222	243	243	257	267	277	286	1,795
Travel	2	2	2	2	2	2	2	14
Contracts	166	165	166	166	164	165	165	1,157
Supplies	140	143	133	202	236	300	310	1,464
Equipment	5	13	10	15	20	20	20	103
Grants & Claims	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,520</b>	<b>1,646</b>	<b>1,634</b>	<b>1,790</b>	<b>1,879</b>	<b>2,005</b>	<b>2,073</b>	<b>12,547</b>
<b>Motive Power &amp; Equipment</b>								
<b>Personal Services</b>								
Wages	505	557	557	588	609	634	661	4,111
Fringe	114	124	124	131	137	141	146	917
Travel	1	1	1	2	2	2	2	11
Contracts	49	48	47	47	47	47	47	332
Supplies	76	77	73	107	124	157	162	776
Equipment	60	80	75	100	105	110	110	640
Grants & Claims	0	0	0	0	0	0	0	0
<b>Total</b>	<b>805</b>	<b>887</b>	<b>877</b>	<b>975</b>	<b>1,024</b>	<b>1,091</b>	<b>1,128</b>	<b>6,787</b>

\*Minor Discrepancies due to rounding

	December	January	February	March	April	May	June	Total
<b>Engineering</b>								
Personal Services								
Wages	480	539	539	558	580	604	629	3,929
Fringe	108	118	118	125	130	134	140	873
Travel	1	1	1	2	2	2	2	11
Contracts	18	19	15	12	12	12	12	100
Supplies	70	74	69	100	115	143	147	718
Equipment	30	50	50	60	65	67	75	397
Grants & Claims	0	0	0	0	0	0	0	0
Total	707	801	792	857	904	962	1,005	6,028
<b>Administration</b>								
Personal Services								
Wages	289	304	304	332	347	362	377	2,315
Fringe	65	67	67	74	78	80	84	515
Travel	2	2	2	3	3	3	3	18
Contracts	111	113	107	101	104	104	104	744
Supplies	9	9	8	10	11	14	15	76
Equipment	0	0	0	0	0	0	0	0
Grants & Claims	0	0	0	0	0	0	0	0
Total	476	495	488	520	543	563	563	3,668
<b>Marketing &amp; Sales</b>								
Personal Services								
Wages	48	48	48	53	58	58	62	375
Fringe	11	11	11	12	13	13	14	85
Travel	4	4	4	4	4	4	4	28
Contracts	6	5	5	4	4	4	4	32
Supplies	3	3	3	4	4	5	6	28
Equipment	0	0	0	0	0	0	0	0
Grants & Claims	0	0	0	0	0	0	0	0
Total	72	71	71	77	83	84	90	548
<b>Overheads</b>								
Personal Services								
Wages	21	21	21	24	25	30	32	174
Fringe	5	5	5	5	5	7	7	39
Travel	0	0	0	0	0	0	0	0
Contracts	18	18	18	18	17	17	17	123
Supplies	35	37	35	46	51	65	67	336
Equipment	5	5	5	5	10	15	15	60
Grants & Claims	200	200	200	200	200	250	250	1,500
Total	284	286	284	298	308	384	388	2,232

HOUSE JOURNAL SUPPLEMENT

May 2, 1984

No. 138

REQUEST Page 1 of 4 FISCAL NOTE HB  
 Bill/Resolution No.: CS HB 512 (Finance) Agency Affected: 512  
 Title: Alaska Railroad Corporation Act of 1984 Program Category Affected:  
 Sponsor: Hayes, et. al. BRU, Program or Subprogram(s) Affected:  
 Requestor: Rep. Bettisworth Alaska Railroad  
 Date of Request: 5/1/84

EXPENDITURES/REVENUES: (Thousands of Dollars)

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100 PERSONAL SERVICES		24,350				
200 TRAVEL		140				
300 CONTRACTUAL		5,900				
400 SUPPLIES		4,000				
500 EQUIPMENT		1,200				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		1,500				
800 MISCELLANEOUS		-0-				
<b>TOTAL OPERATING</b>		<b>37,090</b>				
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>				
<b>REVENUE</b>	<b>-0-</b>	<b>37,350</b>				

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER		37,350				
<b>TOTAL</b>	<b>-0-</b>	<b>37,350</b>				

POSITIONS:

FULL-TIME		478				
PART-TIME		38				
TEMPORARY		64/300				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Representative Bettisworth *By Bettisworth* Phone: 465-3706  
 Division: \_\_\_\_\_ Date: 5/1/84

Approved by Commissioner: Al Adams, Chair *AAA* Date: 5/1/84  
 Agency: House Finance Committee

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CSHB 512 (Fin)

ALASKA RAILROAD  
Operating Expenses\*  
FY 85 (in \$000)

Supporting Data for State of Alaska  
1984 Legislative Session Fiscal Note (HB 352)

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	Dec.	Jan.	Feb.	March	April	May	June			ARR Trans. Team	Est. Corp.	Other	
<u>Personal Services</u>													
Wages	2,400	2,640	2,640	2,800	2,910	3,035	3,160	19,585					
Fringe	540	590	590	625	650	675	700	4,370					
Sub Total								<u>23,955</u>	120		275		<u>24,350</u>
<u>Travel</u>													
	12	12	12	16	16	16	16	100	40				140
<u>Contracts</u>													
	370	370	360	350	350	350	350	2,500		1,650	1,200	550	5,900
<u>Supplies</u>													
	340	350	330	480	555	700	720	3,475			525		4,000
<u>Equipment</u>													
	100	148	140	180	200	212	220	1,200					1,200
<u>Grants &amp; Claims</u>													
	200	200	200	200	200	250	250	1,500					1,500
<u>Total</u>													
	<u>3,962</u>	<u>4,310</u>	<u>4,272</u>	<u>4,651</u>	<u>4,881</u>	<u>5,238</u>	<u>5,416</u>	<u>32,730</u>	<u>160</u>	<u>1,650</u>	<u>2,000</u>	<u>550</u>	<u>37,090</u>

\*Minor Discrepancies due to rounding

ALASKA RAILROAD  
Operating Expenses\*  
Analysis by Department  
FY '85

CSHB 512 (Fin)  
Supporting Data for State of Alaska  
1984 Legislative Session Fiscal Note (HB 352)

	December	January	February	March	April	May	June	Total
<u>General Manager &amp; Staff</u>								
<u>Personal Services</u>								
Wages	72	92	92	98	101	106	110	671
Fringe	16	21	21	22	22	23	24	149
Travel	2	2	2	3	3	3	3	18
Contracts	2	2	2	2	2	1	1	12
Supplies	9	9	8	11	12	15	16	80
Equipment	0	0	0	0	0	0	0	0
Grants & Claims	0	0	0	0	0	0	0	0
Total	101	126	125	136	140	148	154	930
<u>Transportation</u>								
<u>Personal Services</u>								
Wages	985	1,080	1,080	1,148	1,190	1,241	1,290	8,014
Fringe	222	243	243	257	267	277	286	1,795
Travel	2	2	2	2	2	2	2	14
Contracts	166	165	166	166	164	165	165	1,157
Supplies	140	143	133	202	236	300	310	1,464
Equipment	5	13	10	15	20	20	20	103
Grants & Claims	0	0	0	0	0	0	0	0
Total	1,520	1,646	1,634	1,790	1,879	2,005	2,073	12,547
<u>Motive Power &amp; Equipment</u>								
<u>Personal Services</u>								
Wages	505	557	557	588	609	634	661	4,111
Fringe	114	124	124	131	137	141	146	917
Travel	1	1	1	2	2	2	2	11
Contracts	49	48	47	47	47	47	47	332
Supplies	76	77	73	107	124	157	162	776
Equipment	60	80	75	100	105	110	110	640
Grants & Claims	0	0	0	0	0	0	0	0
Total	805	887	877	975	1,024	1,091	1,128	6,787

\*Minor Discrepancies due to rounding

	December	January	February	March	April	May	June	Total
<u>Engineering</u>								
Personal Services								
Wages	480	539	539	558	580	604	629	3,929
Fringe	108	118	118	125	130	134	140	873
Travel	1	1	1	2	2	2	2	11
Contracts	18	19	15	12	12	12	12	100
Supplies	70	74	69	100	115	143	147	718
Equipment	30	50	50	60	65	67	75	397
Grants & Claims	0	0	0	0	0	0	0	0
Total	<u>707</u>	<u>801</u>	<u>792</u>	<u>857</u>	<u>904</u>	<u>962</u>	<u>1,005</u>	<u>6,028</u>
<u>Administration</u>								
Personal Services								
Wages	289	304	304	332	347	362	377	2,315
Fringe	65	67	67	74	78	80	84	515
Travel	2	2	2	3	3	3	3	18
Contracts	111	113	107	101	104	104	104	744
Supplies	9	9	8	10	11	14	15	76
Equipment	0	0	0	0	0	0	0	0
Grants & Claims	0	0	0	0	0	0	0	0
Total	<u>476</u>	<u>495</u>	<u>488</u>	<u>520</u>	<u>543</u>	<u>563</u>	<u>583</u>	<u>3,668</u>
<u>Marketing &amp; Sales</u>								
Personal Services								
Wages	48	48	48	53	58	58	62	375
Fringe	11	11	11	12	13	13	14	85
Travel	4	4	4	4	4	4	4	28
Contracts	6	5	5	4	4	4	4	32
Supplies	3	3	3	4	4	5	6	28
Equipment	0	0	0	0	0	0	0	0
Grants & Claims	0	0	0	0	0	0	0	0
Total	<u>72</u>	<u>71</u>	<u>71</u>	<u>77</u>	<u>83</u>	<u>84</u>	<u>90</u>	<u>548</u>
<u>Overheads</u>								
Personal Services								
Wages	21	21	21	24	25	30	32	174
Fringe	5	5	5	5	5	7	7	39
Travel	0	0	0	0	0	0	0	0
Contracts	18	18	18	18	17	17	17	123
Supplies	35	37	35	46	51	65	67	336
Equipment	5	5	5	5	10	15	15	60
Grants & Claims	200	200	200	200	200	250	250	1,500
Total	<u>284</u>	<u>286</u>	<u>284</u>	<u>298</u>	<u>308</u>	<u>384</u>	<u>388</u>	<u>2,232</u>



Original sponsors: Adams, Uehling  
and Grussendorf

Funding Information

General Fund	\$	-0-
Other Funds		11,869,300
		<u>\$11,869,300</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 516 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the pay-  
7 ment of 1983 permanent fund dividends to eligible  
8 persons who apply for the dividends during an ex-  
9 tended application period; and providing for an  
10 effective date."

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

12 \* Section 1. The sum of \$11,869,300 is appropriated to the dividend  
13 fund (AS 43.23.045) from the net income of the Alaska permanent fund earned  
14 during the fiscal year ending June 30, 1983.

15 \* Sec. 2. The sum of \$11,584,500 is appropriated from the dividend fund  
16 to the Department of Revenue for the payment of 1983 permanent fund divi-  
17 dends to eligible persons who apply for 1983 permanent fund dividends  
18 during an extended application period.

19 \* Sec. 3. The sum of \$284,800 is appropriated from the dividend fund to  
20 the Department of Revenue for administrative costs associated with the  
21 processing of 1983 permanent fund dividend applications filed during an  
22 extended application period.

23 \* Sec. 4. The unexpended and unobligated portion of the appropriation  
24 made by this Act lapses into the dividend fund (AS 43.23.045) June 30,  
25 1985.

26 \* Sec. 5. This Act takes effect on the effective date of an Act extend-  
27 ing the application deadline for 1983 permanent fund dividends.

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

2/15/84

Date 2/28/84

Mr. President

The Committee on FINANCE considered CSHB 516(Fin) special appropriation for the payment of 1983 permanent fund dividends to eligible persons who apply for the dividends during an extended application period; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

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

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

Offered: 1/30/84  
Referred: Rules

Original sponsors: Adams, Uehling  
and Grussendorf

Funding Information

General Fund	\$	-0-
Other Funds		11,869,300
		<u>\$11,869,300</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 516 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for the pay-  
ment of 1983 permanent fund dividends to eligible  
persons who apply for the dividends during an ex-  
tended application period; and providing for an  
effective date."

7

8

9

10

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

12

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processing of 1983 permanent fund dividend applications filed during an  
extended application period.

23

24

25

\* Sec. 4. The unexpended and unobligated portion of the appropriation  
made by this Act lapses into the dividend fund (AS 43.23.045) June 30,  
1985.

26

27

\* Sec. 5. This Act takes effect on the effective date of an Act extend-  
ing the application deadline for 1983 permanent fund dividends.

HOUSE BILL 516

An Act making a special appropriation for the payment of 1983 permanent fund dividends to eligible persons who apply for the dividends during an extended application period; and providing for an effective date.

1/16/84            Introduced by Adams  
 First Reading, House  
 Referred: State Affairs, Finance

1/24/84            State Affairs, "do pass", 6/0

1/30/84            Finance, Committee Substitute, "do pass", 10/0

2/2/84             Second Reading, House  
 Committee Substitute adopted unanimously  
 Third Reading, House  
 Passed 36-0-4

2/3/84             First Reading, Senate  
 Referred: State Affairs, Finance

2/15/84            State Affairs, "do pass" Ray, V.Fischer  
                          "do not pass" Kelly  
                          "no recommendation" Sturgulewski

Fiscal Note:        \$11,869,300

## Summary:

HB 516 and its companion HB 478 would change present law to allow an extension on the deadline for filing 1983 permanent fund dividend applications, and provide the funding to pay dividends to late filers. ~~Senator~~ <sup>?</sup> ~~Adams~~ introduced the bill to accomodate constituents who did not know of the June 30 deadline for filing because they were fishing etc.

Two changes in HB 516 were made by the House Finance Committee.

- 1) The amount for administration was reduced slightly because of a revised projection from the Department of Revenue.
- 2) Funding left in the account would lapse to the Dividend Fund instead of the General Fund on June 30, 1985, to preserve the Permanent Fund.

\$11,584,500 is appropriated for permanent fund dividend checks;

\$ 284,800 is prropriated for administrative costs of extending the application period to May 15, 1984 and paying the dividends.

Alaska State Legislature  
House of Representatives



Official Business

Al Adams  
Chairman  
Committee on Finance

February 9, 1984

WHILE IN SESSION  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3706

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3320

1024 W. 6th  
Anchorage, Alaska 99501  
(907) 274-0615

MEMORANDUM

TO: Members of the Senate State Affairs Committee  
FROM: Representative Al Adams *APA*  
SUBJ: HBs 478 and 516: Extension of application period for 1983 permanent fund dividends

I have introduced the above captioned bills because many of my constituents contacted me during the interim to let me know that they were unable to file for their 1983 dividend checks because of the nature of their seasonal employment. Because the original deadline was June 30th, many of my constituents were out fishing or otherwise involved with activities away from home in isolated areas, and therefore they were not aware of the deadline.

Since I have worked closely with the Department of Revenue in the development of this legislation, I do not anticipate that this problem will occur every year, necessitating similar legislation each session. I am confident that the Department will make every effort to insure that Alaskans who leave home for work for part or all of the summer will have adequate opportunity to file for their yearly dividend check.

HB 478

HB 478 is the bill that actually changes the language of the statute to extend the deadline to May 15, 1984. However, an applicant must have been a resident of the state for six months before March 31, 1983, the date that establishes residency for those who have already received a 1983 dividend. Thus, the application period is extended but not the period for establishing residency in 1983.

The bill also provides that only funding appropriated or allocated for 1983 dividends can be used to pay the dividend checks of new applicants. Further, it states that dividends will not be paid out until after March 1, 1984 (so as not to conflict with the schedule for

paying dividends for other years) and gives the Department the authority to promulgate regulations to implement the bill. The bill has an immediate effective date.

HB 516

HB 516 makes the necessary appropriations to pay 1983 dividends to late filers. The funding provided comes from interest earned on the permanent fund principal during FY 83. This is the source of funding established in statute for payment of permanent fund dividends (see AS 43.23.045(b)). As you know, 50% of the interest earned on the permanent fund each year is earmarked for payment of permanent fund dividends. This past year, the Department of Revenue underestimated how much the interest earnings would be. Therefore, the legislature appropriated approximately \$19 million less for dividends than what has actually turned out to be 50% of interest earnings. The funding provided in this bill comes from that \$19 million.

\$11,584,500 is the amount estimated as necessary to pay the dividends of late filers. Obviously, it is difficult for the Department to estimate exactly how many people will file during the extended deadline period. This represents their best guess at this time. And, according to the terms of the House Finance committee substitute, any funding not used for this purpose would lapse to the dividend fund at the end of FY 85. This money would then earn interest, and be available for dividend distribution for calendar year 1984.

\$347,600 was originally appropriated for processing the dividend applications. However, that amount has since been reduced to \$284,800. This is the amount appropriated in the House Finance committee substitute. Please refer to the analysis section of your fiscal note on HB 478 for a detailed description of the funds needed to process the checks.

You may also be interested in knowing that I had the Division of Legislative Finance review the need for these administrative funds. Basically, the Division concluded that the appropriation amount is necessary if 30,000 applicants do apply. In the event that there are fewer applicants, the funding lapses. Therefore, I would respectfully suggest that the appropriation amount for administration should remain as is.

The bill would become effective on the same date that a bill extending the deadline becomes effective.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

FINAL

Revision Date \_\_\_\_\_

REQUEST  
Bill/Resolution No: HB 478  
Title: An act relating to the  
Permanent Fund Dividend program  
Sponsor: Adams/MM.Miller/Duncan/Grussendorf  
Requestor: State Affairs and Finance  
Date of Request: 1/9/84

FISCAL DETAIL  
Agency Affected: Revenue  
Program Category Affected: General Government  
BRU, Program of Subprogram(s) Affected: Permanent Fund Dividend

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached

Prepared By: Ervin B. Jones  
Division: Administrative Services Division

Phone: 465-2313  
Date: 1/16/84

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 2/16/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

### Analysis

Since the majority of the expenditures for the reopening of the filing period would be in FY 84, a fiscal note which would be effective July 1, 1984 would be inappropriate. Rather, a special appropriation with a June 30, 1985 lapse date would allow the funds to be expended in FY 84 and early FY 85 as the legislation would require.

The attached schedule presents the total special appropriation required, with an allocation for dividends and a second allocation to cover the administrative expense of the Department of Revenue for administering the reopening. This summary schedule and the detailed schedules presented for each of the three operational divisions involved in the PFD program are based on the following key assumptions:

- 1) The legislation and the special appropriation is signed into law by the end of February, 1984.
- 2) The Department of Revenue is to pay or deny all applicants filing during the extended period by June 30, 1984. This expedited processing minimizes the possibility of public confusion between the 1983 reopening and the 1984 PFD filing requirement. The 1984 filing period is from June 1 through September 30, 1984. Any overlap of these two periods is going to create a great deal of unnecessary confusion and resultant additional costs to the program.
- 3) All estimates are based on a conservative estimate of the potential late filers of 30,000, roughly the difference between the number of 1982 applicants and the number of timely-filed 1983 applicants. If, in fact the total applicants turns out to be less, some costs, such as personal services in Administrative Services and Enforcement and data processing will be less. Other expenditures, such as forms cost, rural assistance and advertising will have already been made. It is the intention of the Department that all administrative costs appropriated be separately accounted for and any balances lapsed when the program is completed.

HB 478  
Extension of 1983 PFD Filing Period  
PFD BRU  
Summary of estimated additional cost  
January 16, 1984

Direct costs of additional dividends  
(Estimated 30,000 applicants X \$386.15) = \$11,584,500

Administrative costs of reopening and expedited processing:

Administrative Services Division  
(Application processing, data processing) \$ 39,654

Public Services Division (Rural assistance  
outreach program, statewide advertising,  
Service Center assistance, telephone  
assistance) \$132,300

Enforcement Division (Review and investi-  
gation of potential fraudulent/erroneously  
filed applications) \$112,896

TOTAL administrative costs \$284,850

TOTAL estimated additional cost of reopening 1983  
filing period \$11,869,350

HB 478  
Extension of 1983 PFD Filing Period  
PFD BRU Estimated Additional Cost  
Administrative Services Division  
January 16, 1984

The Administrative Services Division is responsible for the physical processing of PFD applications, from opening the incoming mail to releasing the actual checks. This includes batching, microfilming, date-stamping, affixing a document locator number for later retrieval, reviewing for errors and completeness and coding for data capture. The division is also responsible for forms production and management, designing, creating, modifying and maintaining the myriad data processing programs that make up the PFD data processing system and for processing, balancing and certifying the actual check runs, including all accounting functions, and cancellation and subsequent reissue of returned warrants.

Although the majority of the extra processing effort would be absorbed by existing staff, there are certain direct costs that are unavoidable such as forms cost and postage. To expedite the processing, so that all applications would be on file, reviewed, and either paid or denied by June 30, 1984, three part-time employees are needed from approximately March 1 through June 30, 1984 at a total cost of \$21,354.

The schedule below details the estimated costs.

Personal Services

3 Revenue Scanners, R9, @ \$1,649/Month plus \$130.50/Month in benefits for 4 months	\$21,354
---	----------

For mail opening, distribution, affixing document locator number, batching, scanning for errors, missing information, correspondence with applicants for missing information, identifying potential Enforcement investigation cases based on predetermined criteria, data-capture, verification of data captured, maintaining accounting controls on payment runs, balancing runs, retrieval and filing of applications.

Travel	1,000
--------	-------

Arranging for expedited printing of various forms, coordination of processing new applications with Anchorage field office.

Contractual

Data Processing

Estimated additional CPU run time for update and payment runs, as well as special runs to assist Enforcement Investigations review these late-filed applications, 1,800 CPU sec/Week for additional 16 weeks (it is assumed that this cost will not be billed to Revenue by Department of Administration--DP).

\$ -0-

Forms Printing

30,000 Application Booklets	\$4,000	
15,000 Receipts @ \$20/M	300	
2,000 Scan letters @ \$30/M	<u>60</u>	
TOTAL Printing		4,500

Postage

30,000 checks @ 18¢/ea.	\$5,400	
15,000 Receipts @ 20¢/ea.	3,000	
2,000 Scan letters @ 20¢/ea.	400	
5,000 General correspondence @ 20¢/ea.	<u>1,000</u>	
TOTAL Postage		9,800

Telephone (LD.) 2,000

TOTAL Contractual 16,300

Supplies 1,000

TOTAL Administrative Services cost \$ 39,654

HB 478  
 Extension of 1983 PFD Filing Period  
 PFD BRU  
 Estimated Additional Cost  
 Public Services Division Component

The Public Services Division is charged with assisting the public in meeting the application requirements of the PFD program. This assistance comes in several forms; a) walk-in assistance at three service centers in the state, b) toll free telephone service, c) assistance provided at selected shopping malls on weekends, and d) scheduled assistance in selected rural communities throughout the state.

This Division will conduct an advertising campaign aimed at reaching those eligible individuals that were unable to file during the original filing period. It is anticipated that this campaign will rely heavily on public service announcements coupled with eye-catching posters throughout the state. Approximately half of the advertising exposure will be used for local advertising just prior to the scheduled visits to the rural communities.

During the filing period and prior to payment this Division attempts to resolve any problems the applicants may encounter with the program including a change of address.

Below please find a breakdown of the estimated costs:

Personal Services

5 Tax Examiners I/II (Range 10/12) for 3 months This staff will be used for augmenting the service centers (15 months @ \$2,400)	\$36,000	
4 Tax Examiner I/II (Range 10/12) for 2 months This staff will be used for the rural assistance program (8 months @ \$2,400)	<u>19,200</u>	\$ 55,200

Travel

Transportation	\$26,000	
Per Diem	<u>6,500</u>	32,500

Contractual Services

Advertising (Radio, T.V., Newspaper and Posters)	\$14,600	
Telephone (Toll Free Zenith Numbers - approximately \$10,000 a month)	<u>30,000</u>	<u>44,600</u>

Total Public Services Division Costs	<u>\$132,300</u>
--------------------------------------	------------------

HB 478  
Extension of the 1983 PFD Filing Period  
PFD BRU  
Estimated Additional Cost for the Enforcement Division  
January 13, 1984

Program Analysis

The impact of this bill on the Enforcement Division is strictly dependent on the number of applications filed under the extended deadline and the corresponding number of investigations which are likely to be necessary. If, as a matter of policy, we choose not to investigate any of the applications filed under the extended deadline, we could probably absorb the incidental increased workload in stop payment requests and garnishments with current staff. However, this policy would likely result in a substantial number of fraudulent or erroneous filings being paid. Therefore, for the overall integrity of the program it is essential some investigative effort be focused on applications filed under the extended deadline.

The most positions we would likely be able to efficiently absorb would be five Investigators, one in Anchorage and four in Juneau. With the supplemental clerical support, one Clerk Typist each in Anchorage and Juneau, we would likely be able to have our investigators complete 20 investigations per week.

Clerical staff is needed to answer incoming telephone calls, requisition supplies, enter updated information on PFD files, file cases, type correspondence, including denial letters and inquiries for information, provide general support for our investigative staff.

Assuming we can hire personnel and have equipment installed by the second week of March, 1984, this leaves a little over 14 weeks of review time prior to the June 21 data entry deadline required by the payment deadline of June 30, 1984. If each of the five investigators can complete investigations on 20 applications per week for 14 weeks, 1400 applications would be reviewed. Our denial rate is estimated to be 40% of those selected for review. If 1400 were reviewed, then approximately 560 would be denied. We would estimate a 10-11% appeal rate, resulting in 55-60 appeals.

Once the investigations are complete, we would keep the two PFD Investigator II positions for up to two months each, with the clerical support, in order to help resolve appeals at the informal conference level.

The Enforcement Division review process is the only part of the current program which generates actual overall cost savings to the PFD program. The monies saved by identifying invalid or fraudulent applications have historically exceeded the cost of the reviews. In this case, given the scenario described above, the potential savings to the PFD program would be  $\$386.15 \times 560 = \$216,244$  or 192% of the requested budget of  $\$112,896$ .

Computations

Personal Services (100)

PFD Investigator II (R13)	2 for 6 months @ \$2,800/mo.	\$ 33,600
PFD Investigator I (R12)	3 for 4 months @ \$2,645/mo.	31,740
Clerk Typist III (R08)	2 for 6 months @ \$2,130/mo.	<u>25,560</u>

Total Personal Services (100)

90,900

Contractual Service (300)

Telephone

Telephone purchase	4 phones @ \$ 60	240
Installation - Juneau	4 phones @ \$ 90	360
Local Centrex - Juneau	4 for 6 months @ \$ 46/mo.	1,104
Juneau	1 for 2 months @ \$ 46/mo.	92
Long Distance - Anchorage	6 months @ \$1,000/mo.	6,000
Long Distance - Juneau	4 months @ \$2,000/mo.	8,000
Long Distance - Juneau	2 months @ \$1,000/mo.	<u>2,000</u>

Computer Terminals

Installation	1 terminal @ \$2,000	2,000
Rental	1 terminal for 6 months @ \$ 200/mo.	<u>1,200</u>

Total Contractual Services (300)

20,996

Supplies (400)

Stationery, envelopes, and office supplies		<u>1,000</u>
--	--	--------------

Total Enforcement Division

\$112,896

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

2/3/84

Date

2/14/84

Mr. President

The Committee on STATE AFFAIRS considered CSHB 516(Fin)

making a special appropriation for the payment of 1983 permanent fund dividends to eligible persons who apply for the dividends during an extended application period; efd. and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

1 Bill Ray  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

2 Tom Kelly - Do Not Pass  
3 Allen Sturgis - No Fee  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1 [Signature]  
Chairman

do pass  
Chairman recommendation

Introduced: 1/16/84  
Referred: State Affairs and Finance

Funding Information

General Fund	\$	-0-
Other Funds		<u>11,932,100</u>
		\$11,932,100

1 IN THE HOUSE

BY ADAMS AND UEHLING

2

HOUSE BILL NO. 516

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation for the pay-  
/ ment of 1983 permanent fund dividends to eligible  
8 persons who apply for the dividends during an ex-  
9 tended application period; and providing for an  
10 effective date."

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

12 \* Section 1. The sum of \$11,932,100 is appropriated to the dividend  
13 fund (AS 43.23.045) from the net income of the Alaska permanent fund earned  
14 during the fiscal year ending June 30, 1983.

15 \* Sec. 2. The sum of \$11,584,500 is appropriated from the dividend fund  
16 to the Department of Revenue for the payment of 1983 permanent fund  
17 dividends to eligible persons who apply for 1983 permanent fund dividends  
18 during an extended application period.

19 \* Sec. 3. The sum of \$347,600 is appropriated from the dividend fund to  
20 the Department of Revenue for administrative costs associated with the  
21 processing of 1983 permanent fund dividend applications filed during an  
22 extended application period.

23 \* Sec. 4. The unexpended and unobligated portion of the appropriation  
24 made by this Act lapses into the general fund June 30, 1985.

25 \* Sec. 5. This Act takes effect on the effective date of an Act extend-  
26 ing the application deadline for 1983 permanent fund dividends.

HOUSE BILL 516

An Act making a special appropriation for the payment of 1983 permanent fund dividends to eligible persons who apply for the dividends during an extended application period; and providing for an effective date.

1/16/84            Introduced by Adams  
 First Reading, House  
 Referred: State Affairs, Finance

1/24/84            State Affairs, "do pass", 6/0

1/30/84            Finance, Committee Substitute, "do pass", 10/0

2/2/84             Second Reading, House  
 Committee Substitute adopted unanimously  
 Third Reading, House  
 Passed 36-0-4

2/3/84             First Reading, Senate  
 Referred: State Affairs, Finance

2/15/84            State Affairs, "do pass" Ray, V.Fischer  
                          "do not pass" Kelly  
                          "no recommendation" Sturgulewski

Fiscal Note:        \$11,869,300

## Summary:

HB 516 and its companion HB 478 would change present law to allow an extension on the deadline for filing 1983 permanent fund dividend applications, and provide the funding to pay dividends to late filers. Senator Adams introduced the bill to accomodate constituents who did not know of the June 30 deadline for filing because they were fishing etc.

Two changes in HB 516 were made by the House Finance Committee.

- 1) The amount for administration was reduced slightly because of a revised projection from the Department of Revenue.
- 2) Funding left in the account would lapse to the Dividend Fund instead of the General Fund on June 30, 1985, to preserve the Permanent Fund.

\$11,584,500 is appropriated for permanent fund dividend checks;

\$ 284,800 is prropriated for administrative costs of extending the application period to May 15, 1984 and paying the dividends.

Alaska State Legislature  
House of Representatives



Official Business

Al Adams  
Chairman  
Committee on Finance

February 9, 1984

WHILE IN SESSION  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3706

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3320

1024 W. 6th  
Anchorage, Alaska 99501  
(907) 274-0615

MEMORANDUM

TO: Members of the Senate State Affairs Committee

FROM: Representative Al Adams *APA*

SUBJ: HBs 478 and 516: Extension *APA* application  
period for 1983 permanent *APA* dividends

I have introduced the above captioned bills because many of my constituents contacted me during the interim to let me know that they were unable to file for their 1983 dividend checks because of the nature of their seasonal employment. Because the original deadline was June 30th, many of my constituents were out fishing or otherwise involved with activities away from home in isolated areas, and therefore they were not aware of the deadline.

Since I have worked closely with the Department of Revenue in the development of this legislation, I do not anticipate that this problem will occur every year, necessitating similar legislation each session. I am confident that the Department will make every effort to insure that Alaskans who leave home for work for part or all of the summer will have adequate opportunity to file for their yearly dividend check.

HB 478

HB 478 is the bill that actually changes the language of the statute to extend the deadline to May 15, 1984. However, an applicant must have been a resident of the state for six months before March 31, 1983, the date that establishes residency for those who have already received a 1983 dividend. Thus, the application period is extended but not the period for establishing residency in 1983.

The bill also provides that only funding appropriated or allocated for 1983 dividends can be used to pay the dividend checks of new applicants. Further, it states that dividends will not be paid out until after March 1, 1984 (so as not to conflict with the schedule for

paying dividends for other years) and gives the Department the authority to promulgate regulations to implement the bill. The bill has an immediate effective date.

HB 516

HB 516 makes the necessary appropriations to pay 1983 dividends to late filers. The funding provided comes from interest earned on the permanent fund principal during FY 83. This is the source of funding established in statute for payment of permanent fund dividends (see AS 43.23.045(b)). As you know, 50% of the interest earned on the permanent fund each year is earmarked for payment of permanent fund dividends. This past year, the Department of Revenue underestimated how much the interest earnings would be. Therefore, the legislature appropriated approximately \$19 million less for dividends than what has actually turned out to be 50% of interest earnings. The funding provided in this bill comes from that \$19 million.

\$11,584,500 is the amount estimated as necessary to pay the dividends of late filers. Obviously, it is difficult for the Department to estimate exactly how many people will file during the extended deadline period. This represents their best guess at this time. And, according to the terms of the House Finance committee substitute, any funding not used for this purpose would lapse to the dividend fund at the end of FY 85. This money would then earn interest, and be available for dividend distribution for calendar year 1984.

\$347,600 was originally appropriated for processing the dividend applications. However, that amount has since been reduced to \$284,800. This is the amount appropriated in the House Finance committee substitute. Please refer to the analysis section of your fiscal note on HB 478 for a detailed description of the funds needed to process the checks.

You may also be interested in knowing that I had the Division of Legislative Finance review the need for these administrative funds. Basically, the Division concluded that the appropriation amount is necessary if 30,000 applicants do apply. In the event that there are fewer applicants, the funding lapses. Therefore, I would respectfully suggest that the appropriation amount for administration should remain as is.

The bill would become effective on the same date that a bill extending the deadline becomes effective.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

FINAL

Revision Date \_\_\_\_\_

REQUEST

Bill/Resolution No: HB 478  
Title: An act relating to the  
Permanent Fund Dividend program  
Sponsor: Adams/MM.Hiller/Duncan/Grussendorf  
Requestor: State Affairs and Finance  
Date of Request: 1/9/84

FISCAL DETAIL

Agency Affected: Revenue  
Program Category Affected: General Government  
BRU, Program of Subprogram(s) Affected: Permanent Fund Dividend

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached

Prepared By: Ervin B. Jones  
Division: Administrative Services Division

Phone: 465-2313  
Date: 1/16/84

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 2/16/84

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

### Analysis

Since the majority of the expenditures for the reopening of the filing period would be in FY 84, a fiscal note which would be effective July 1, 1984 would be inappropriate. Rather, a special appropriation with a June 30, 1985 lapse date would allow the funds to be expended in FY 84 and early FY 85 as the legislation would require.

The attached schedule presents the total special appropriation required, with an allocation for dividends and a second allocation to cover the administrative expense of the Department of Revenue for administering the reopening. This summary schedule and the detailed schedules presented for each of the three operational divisions involved in the PFD program are based on the following key assumptions:

- 1) The legislation and the special appropriation is signed into law by the end of February, 1984.
- 2) The Department of Revenue is to pay or deny all applicants filing during the extended period by June 30, 1984. This expedited processing minimizes the possibility of public confusion between the 1983 reopening and the 1984 PFD filing requirement. The 1984 filing period is from June 1 through September 30, 1984. Any overlap of these two periods is going to create a great deal of unnecessary confusion and resultant additional costs to the program.
- 3) All estimates are based on a conservative estimate of the potential late filers of 30,000, roughly the difference between the number of 1982 applicants and the number of timely-filed 1983 applicants. If, in fact the total applicants turns out to be less, some costs, such as personal services in Administrative Services and Enforcement and data processing will be less. Other expenditures, such as forms cost, rural assistance and advertising will have already been made. It is the intention of the Department that all administrative costs appropriated be separately accounted for and any balances lapsed when the program is completed.

HB 478  
Extension of 1983 PFD Filing Period  
PFD BRU  
Summary of estimated additional cost  
January 16, 1984

Direct costs of additional dividends (Estimated 30,000 applicants X \$386.15)	=	\$11,584,500
Administrative costs of reopening and expedited processing:		
Administrative Services Division (Application processing, data processing)		\$ 39,654
Public Services Division (Rural assistance outreach program, statewide advertising, Service Center assistance, telephone assistance)		\$132,300
Enforcement Division (Review and investi- gation of potential fraudulent/erroneously filed applications)		\$112,896
 TOTAL administrative costs		 <u>\$284,850</u>
 TOTAL estimated additional cost of reopening 1983 filing period		 <u>\$11,869,350</u>

HB 478  
Extension of 1983 PFD Filing Period  
PFD BRU Estimated Additional Cost  
Administrative Services Division  
January 16, 1984

The Administrative Services Division is responsible for the physical processing of PFD applications, from opening the incoming mail to releasing the actual checks. This includes batching, microfilming, date-stamping, affixing a document locator number for later retrieval, reviewing for errors and completeness and coding for data capture. The division is also responsible for forms production and management, designing, creating, modifying and maintaining the myriad data processing programs that make up the PFD data processing system and for processing, balancing and certifying the actual check runs, including all accounting functions, and cancellation and subsequent reissue of returned warrants.

Although the majority of the extra processing effort would be absorbed by existing staff, there are certain direct costs that are unavoidable such as forms cost and postage. To expedite the processing, so that all applications would be on file, reviewed, and either paid or denied by June 30, 1984, three part-time employees are needed from approximately March 1 through June 30, 1984 at a total cost of \$21,354.

The schedule below details the estimated costs.

Personal Services

3 Revenue Scanners, R9, @ \$1,649/Month plus \$130.50/Month in benefits for 4 months	\$21,354
---	----------

For mail opening, distribution, affixing document locator number, batching, scanning for errors, missing information, correspondence with applicants for missing information, identifying potential Enforcement investigation cases based on predetermined criteria, data-capture, verification of data captured, maintaining accounting controls on payment runs, balancing runs, retrieval and filing of applications.

Travel	1,000
--------	-------

Arranging for expedited printing of various forms, coordination of processing new applications with Anchorage field office.

Contractual

Data Processing

Estimated additional CPU run time for update and payment runs, as well as special runs to assist Enforcement Investigations review these late-filed applications, 1,800 CPU sec/Week for additional 16 weeks (it is assumed that this cost will not be billed to Revenue by Department of Administration-- DP).

\$ -0-

Forms Printing

30,000 Application Booklets \$4,000  
15,000 Receipts @ \$20/M 300  
2,000 Scan letters @ \$30/M 60  
TOTAL Printing

4,500

Postage

30,000 checks @ 18¢/ea. \$5,400  
15,000 Receipts @ 20¢/ea. 3,000  
2,000 Scan letters @ 20¢/ea. 400  
5,000 General correspondence  
@ 20¢/ea. 1,000  
TOTAL Postage

9,800

Telephone (LD.)

2,000

TOTAL Contractual

16,300

Supplies

1,000

TOTAL Administrative Services cost

\$ 39.654

HB 478  
 Extension of 1983 PFD Filing Period  
 PFD BRU  
 Estimated Additional Cost  
 Public Services Division Component

The Public Services Division is charged with assisting the public in meeting the application requirements of the PFD program. This assistance comes in several forms; a) walk-in assistance at three service centers in the state, b) toll free telephone service, c) assistance provided at selected shopping malls on weekends, and d) scheduled assistance in selected rural communities throughout the state.

This Division will conduct an advertising campaign aimed at reaching those eligible individuals that were unable to file during the original filing period. It is anticipated that this campaign will rely heavily on public service announcements coupled with eye-catching posters throughout the state. Approximately half of the advertising exposure will be used for local advertising just prior to the scheduled visits to the rural communities.

During the filing period and prior to payment this Division attempts to resolve any problems the applicants may encounter with the program including a change of address.

Below please find a breakdown of the estimated costs:

Personal Services

5 Tax Examiners I/II (Range 10/12) for 3 months This staff will be used for augmenting the service centers (15 months @ \$2,400)	\$36,000	
4 Tax Examiner I/II (Range 10/12) for 2 months This staff will be used for the rural assistance program (8 months @ \$2,400)	<u>19,200</u>	\$ 55,200

Travel

Transportation	\$26,000	
Per Diem	<u>6,500</u>	32,500

Contractual Services

Advertising (Radio, T.V., Newspaper and Posters)	\$14,600	
Telephone (Toll Free Zenith Numbers - approximately \$10,000 a month)	<u>30,000</u>	<u>44,600</u>

Total Public Services Division Costs	<u>\$132,300</u>
--------------------------------------	------------------

HB 478  
Extension of the 1983 PFD Filing Period  
PFD BRU  
Estimated Additional Cost for the Enforcement Division  
January 13, 1984

Program Analysis

The impact of this bill on the Enforcement Division is strictly dependent on the number of applications filed under the extended deadline and the corresponding number of investigations which are likely to be necessary. If, as a matter of policy, we choose not to investigate any of the applications filed under the extended deadline, we could probably absorb the incidental increased workload in stop payment requests and garnishments with current staff. However, this policy would likely result in a substantial number of fraudulent or erroneous filings being paid. Therefore, for the overall integrity of the program it is essential some investigative effort be focused on applications filed under the extended deadline.

The most positions we would likely be able to efficiently absorb would be five Investigators, one in Anchorage and four in Juneau. With the supplemental clerical support, one Clerk Typist each in Anchorage and Juneau, we would likely be able to have our investigators complete 20 investigations per week.

Clerical staff is needed to answer incoming telephone calls, requisition supplies, enter updated information on PFD files, file cases, type correspondence, including denial letters and inquiries for information, provide general support for our investigative staff.

Assuming we can hire personnel and have equipment installed by the second week of March, 1984, this leaves a little over 14 weeks of review time prior to the June 21 data entry deadline required by the payment deadline of June 30, 1984. If each of the five investigators can complete investigations on 20 applications per week for 14 weeks, 1400 applications would be reviewed. Our denial rate is estimated to be 40% of those selected for review. If 1400 were reviewed, then approximately 560 would be denied. We would estimate a 10-11% appeal rate, resulting in 55-60 appeals.

Once the investigations are complete, we would keep the two PFD Investigator II positions for up to two months each, with the clerical support, in order to help resolve appeals at the informal conference level.

The Enforcement Division review process is the only part of the current program which generates actual overall cost savings to the PFD program. The monies saved by identifying invalid or fraudulent applications have historically exceeded the cost of the reviews. In this case, given the scenario described above, the potential savings to the PFD program would be  $\$386.15 \times 560 = \$216,244$  or 192% of the requested budget of  $\$112,896$ .

Computations

Personal Services (100)

PFD Investigator II (R13)	2 for 6 months @ \$2,800/mo.	\$ 33,600
PFD Investigator I (R12)	3 for 4 months @ \$2,645/mo.	31,740
Clerk Typist III (R08)	2 for 6 months @ \$2,130/mo.	<u>25,560</u>

Total Personal Services (100) 90,900

Contractual Service (300)

Telephone

Telephone purchase	4 phones @ \$ 60	240
Installation - Juneau	4 phones @ \$ 90	360
Local Centrex - Juneau	4 for 6 months @ \$ 46/mo.	1,104
Juneau	1 for 2 months @ \$ 46/mo.	92
Long Distance - Anchorage	6 months @ \$1,000/mo.	6,000
Long Distance - Juneau	4 months @ \$2,000/mo.	8,000
Long Distance - Juneau	2 months @ \$1,000/mo.	<u>2,000</u>

Computer Terminals

Installation	1 terminal @ \$2,000	2,000
Rental	1 terminal for 6 months @ \$ 200/mo.	<u>1,200</u>

Total Contractual Services (300) 20,996

Supplies (400)

Stationery, envelopes, and office supplies		<u>1,000</u>
--	--	--------------

Total Enforcement Division \$112,896

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

3/30/84

Date: 5-24-84

(Finance added 3/30/84)

The Committee on FINANCE has had SSHB 517

"An Act relating to the confidentiality of state personnel records."

under consideration and recommends:

do pass  do not pass

do pass with attached amendments(s)

replace with CS for SSHB 517 (SA)  same title  
 new title  
and recommends do pass

AND attaches a "Letter of Intent"  New Fiscal Note  
 reports it back without recommendation  Zero Fiscal Note Attached

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Albert A. Adams  
John J. ...  
T. M. ...  
...  
...  
MILO HERITZ

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Walt ... No Rec  
J. D. ... No Rec  
...  
...

Albert A. Adams  
CHAIRMAN

Offered: 3/30/84  
Referred: Finance

Original sponsors: Bussell, Martin,  
Ward, et al

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 517 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the confidentiality of state  
7 personnel records."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 39.25.080(a) is amended to read:  
10 (a) State personnel records, including employment applications  
11 for classified positions and examination materials, are confidential  
12 and are not open to public inspection except as provided in this  
13 section.  
14 \* Sec. 2. AS 39.25.080(b) is amended to read:  
15 (b) The following information is available for public inspec-  
16 tion, subject to reasonable regulations on the time and manner of  
17 inspection:  
18 (1) the names and position titles of all state employees;  
19 (2) the position held by a state employee;  
20 (3) prior positions held by a state employee;  
21 (4) whether a state employee is in the classified, par-  
22 tially exempt, or exempt service;  
23 (5) the dates of appointment and separation of a state  
24 employe; [AND]  
25 (6) the compensation authorized for a state employee; and  
26 (7) employment histories and educational background  
27 submitted by an applicant for an exempt or partially exempt position.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: April 4, 1984

REQUEST

Bill/Resolution No.: CSSSHB517(SA)  
 Title: Confidentiality of State Personnel  
Records  
 Sponsor: Bussell  
 Requestor: State Affairs (staff)  
 Date of Request: March 29, 1984

FISCAL DETAIL

Page 1 of 2

Agency Affected: Administration  
 Program Category Affected: Centralized  
Administrative Services  
 BRU, Program or Subprogram(s) Affected:  
Personnel

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL	0	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

None needed.

ANALYSIS: Attach a separate page for analysis

Prepared By: Frank Raye *Frank Raye* Phone: 465-4430  
 Division: Personnel Date: April 4, 1984

Approved by Commissioner: Lisa Rudd *LJR* Date: 4/9/84  
 Agency: DEPARTMENT OF ADMINISTRATION

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

CSSSHB517(SA)  
Fiscal Note Analysis  
Prepared by the Division of Personnel  
Department of Administration  
April 4, 1984

This revised Fiscal Note reflects the change in the House State Affairs Committee Substitute for SSHB 517. The sponsor substitute would have made applications for all job classes available for public inspection. A considerable number of requests for copies was expected. The committee substitute would make the application for only partially exempt and exempt positions subject to public inspection. The number of such applications is much smaller than projected in the original Fiscal Note. Additionally, they are not maintained by the Division of Personnel. We are pleased to be able to submit this "0" Fiscal Note for CSSSHB517(SA).

Offered: 3/30/84  
Referred: Finance

Original sponsors: Bussell, Martin,  
Ward, et al

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 517 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the confidentiality of state  
7 personnel records."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 39.25.080(a) is amended to read:  
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11 for classified positions and examination materials, are confidential  
12 and are not open to public inspection except as provided in this  
13 section.  
14 \* Sec. 2. AS 39.25.080(b) is amended to read:  
15 (b) The following information is available for public inspec-  
16 tion, subject to reasonable regulations on the time and manner of  
17 inspection:  
18 (1) the names and position titles of all state employees;  
19 (2) the position held by a state employee;  
20 (3) prior positions held by a state employee;  
21 (4) whether a state employee is in the classified, par-  
22 tially exempt, or exempt service;  
23 (5) the dates of appointment and separation of a state  
24 employee; [AND]  
25 (6) the compensation authorized for a state employee; and  
26 (7) employment histories and educational background  
27 submitted by an applicant for an exempt or partially exempt position.

Introduced: 2/1/84  
Referred: State Affairs

BY BUSSELL, MARTIN, WARD,  
ABOOD, TISCHER AND FURNACE

1 IN THE HOUSE

2

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 517

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the confidentiality of state

7

personnel records."

8

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

9

\* Section 1. AS 39.25.080(a) is amended to read:

10

(a) State personnel records, including [EMPLOYMENT APPLICATIONS

11

AND] examination materials, are confidential and are not open to

12

public inspection except as provided in this section.

13

\* Sec. 2. AS 39.25.080(b) is amended to read:

14

(b) The following information is available for public inspec-

15

tion, subject to reasonable regulations on the time and manner of

16

inspection:

17

(1) the names and position titles of all state employees;

18

(2) the position held by a state employee;

19

(3) prior positions held by a state employee;

20

(4) whether a state employee is in the classified, par-

21

tially exempt, or exempt service;

22

(5) the dates of appointment and separation of a state

23

employee; [AND]

24

(6) the compensation authorized for a state employee; and

25

(7) employment applications, employment histories, and

26

educational background submitted by an applicant to demonstrate the

27

applicant's qualifications and prior employment history; this

28

paragraph does not apply to information required by law to be held

29

confidential.