

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

CSHCR 46, CSHJR 47, HJR 47, SCR 50 178

CSHCR

46

SENATE COMMITTEE REPORT

FURTHER

4/27/88

DATE TURNED INTO OFFICE 5/8/88

Mr. President:

FINANCE Committee considered CSHCR 46 (FIN)

Copper River toll road

and recommended

replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

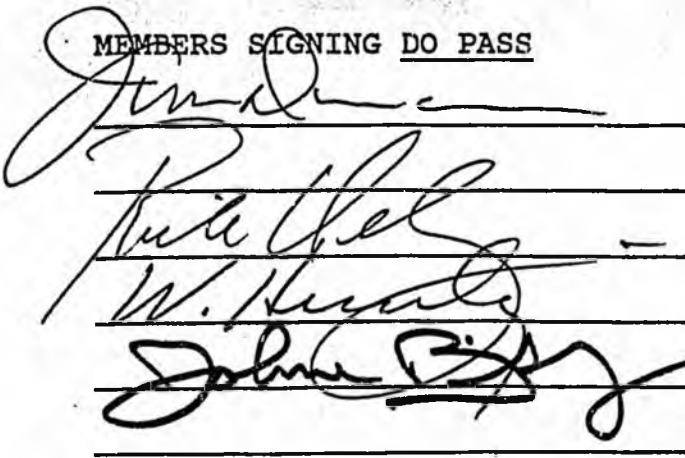
letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

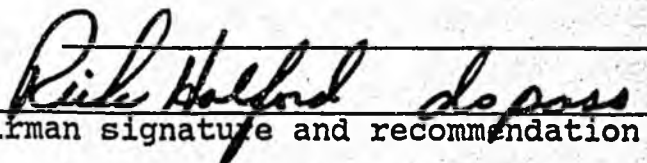
new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS



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

  
Chairman signature and recommendation

Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "Relating to a Copper River Toll Road."  
Sponsor: Representative Cato  
Requestor: House Finance

Agency Affected: DOT&PF  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Representative Al Adams, Chairman *AAA* Phone: 465-3706  
Division: House Finance Committee Date: 3/11/88

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

ASSUMPTIONS

No. 2

CSHCR 46  
HOUSE 3/14/88

- A) Toll Checkpoint
- 1) One toll checkpoint would be needed to collect tolls.
  - 2) Checkpoint costs were based on similar costs for a checkpoint on the Dalton Highway.
  - 3) A checkpoint for year round occupancy would be more expensive as it would require additional insulation, permanent utilities systems, larger living quarters, etc.
- B) Pioneer Road
- 1) Would be 18ft. wide, screened gravel surface and have trestle type bridges. The cost for this work assumes that 18ft. wide road could be constructed so that it was safe and maintainable and that only minimal reconstruction on the existing railbed would be necessary. Should any of these parameters be forced to change, during the course of actual design, the cost could increase substantially. Cost increases would depend on the type of changes that were necessary.
- C) Federal Aid Secondary
- 1) Would be 28ft. wide, crushed gravel surface and have standard bridges. The cost is based on current construction costs for typical gravel surface Federal Aid secondary roads. Assumes construction of access road from the Million Dollar Bridge, Mile Post 49, to Chitina.
- D) Copper River Bridge
- 1) To keep per vehicle tolls to a minimum, it was assumed that the estimated \$7,500,000 to construct a bridge across the Copper River, adjacent to the Million Dollar Bridge, would be done with Federal discretionary bridge funds. Therefore, this particular cost does not appear in the overall capital costs. If discretionary funding cannot be obtained the \$7,500,000 construction cost would have to be added to the total capital costs of the project. This would increase the per vehicle toll for capital costs payoff by \$7.00 for seasonal and \$4.00 for year-round.
- E) Maintenance Station
- 1) In order to distribute the added mileage evenly, one additional station would be needed in the Tasnuna River area and additional equipment would be needed at the Chitina Station.
  - 2) Facilities requirements to meet seasonal needs.  
2,400 sq. ft. shop  
Generator Bldg. w/two generators  
4 each trailer pads for 14X70 trailers.  
Utilities and water/well system.
  - 3) Facilities requirements to meet year round needs (in addition to above building needs).  
2 Trailer pads for 14X70 trailers.  
Utilities and water system.  
Sand shed 2,000 sq. ft.

2,000 sq. ft. work store building.

No. 2

F) Maintenance Equipment

CS HCR 46  
HOUSE 3/14/88

- 1) Seasonal (either type road)
  - a) New Tasnuna Station
    - Motor graders CAT 14 Type (2)
    - Dump Truck 8 Yd.
    - Loader 4 yd. type (1)
    - Dozer D-8 type
    - 2 4WD 3/4 ton pickups
    - Low tractor trailer
  - b) The mileage this road would add to the existing system would be slightly more than a new station should handle. Therefore, some additional equipment would be needed at the existing Chitina Station to cover the extra northernmost portion of the additional mileage. This additional equipment would also be used on other state-maintained roads in the Chitina area.
  - c) Chitina Station (additional equipment)
    - Motor grader CAT 14 type (1)
    - Loader 4yd. type (1)
    - Dump Truck 8 yd. type (1)
- 2) Year-round (in addition to season equipment needs) [either type road]
  - a) Tasnuna Station
    - Truck type Rotary snowblower 2 each 2200 tph
    - 4x4 Oshkosh with V-nose plow, belly blade and wing, 2 each
    - Sander

G) Building and equipment needs are based on:

- 1) Historical information from old railroad records, which show that a substantial maintenance effort was required to keep the alignment open and in good repair at all times of the year.
- 2) Personal on-site observations of substantial slide and erosion activity by DOT&PF maintenance staff and other individuals at various times of the year.
- 3) If the Pioneer Road is built, it will be heavily used. The one-lane road will not be able to handle the volume of traffic very long. By building and staffing an adequate camp, maintenance forces can make many of the upgrades that will be required by the traffic volume.

H) Maintenance Costs - Manpower Needs

- 1) Seasonal
    - a) Tasnuna Station (New Positions)
      - i) 1 WG 52 Foreman
      - ii) 2 WG 53 Operations
      - iii) 1 WG 53 Operator/Mechanic
    - b) Chitina Station
      - i) 2 WG 53 Operators
  - 2) Year Round
    - a) Tasnuna Station
      - i) above 4 Positions @ Full-time
      - ii) Plus 1 additional WG 53 Operator and 1 additional WG 54 Operator
- I) Toll Program Administration
- 1) Based on estimates of manpower needs for similar checkpoint program on Dalton Highway at \$7,000 per month for a staff of 3.
  - 2) Accounting support assumes accounting clerk, range 9, part-time.
- J) Average Annual Traffic
- 1) Based on historical traffic generating data for similar sized communities, future growth patterns as demonstrated in the draft Cordova Comprehensive Plan and the area's location relative to major population centers and recreational/resource opportunities. This resulted in an average daily traffic count forecast of 375 vehicles a day, or 11,250 a month based on a 30-day month.
  - 2) The average monthly traffic count for a year round rate will be less than a seasonal route. This is because the year round average takes in a 7-month period where historic traffic declines by approximately 60% from the five-month summer period.
- K) Capital Costs
- 1) Capital costs for check point construction, maintenance equipment, maintenance station construction, and Pioneer Road would all have to be funded initially from General Funds.
  - 2) Capital costs for constructing the Federal Aid Secondary Road would be split 91.35% Federal and 8.65% State General Fund match.
  - 3) Costs for Pioneer Road construction could be recovered from the FHWA upon upgrade of this road to Federal Highway Secondary standards. However this recovered cost would come from federal obligation authority which could otherwise be used on other projects.

- L) Toll charges for private vehicles may be able to be lessened by charging on the basis of vehicle gross weight. This would increase the cost to truck traffic, but assumably increase shipping costs as well. Because we have no way to determine gross weight at this time, such a charge schedule would have to wait until traffic data could be collected on the road, so that a determination could be made as to whether or not actual truck traffic was substantial enough to invoke such a schedule. An annual reassessment of toll charges could be done if changes in traffic level, maintenance costs, and/or toll program costs change.
- M) Analysis does not include "cost of money."

FISCAL NOTE ANALYSIS OF

HCR 46-COPPER RIVER HIGHWAY TOLL ROAD

COSTS	SEASONAL		YEAR-ROUND	
	PIONEER RD	FED. AID RD.	PIONEER RD.	FED. AID RD
Capital (Total)	\$16,925,000	\$92,255,000	\$18,405,000	\$93,405,000
Toll Check Pt.	50,000	50,000	150,000	150,000
Rd. Construction	15,000,000	90,000,000	15,000,000	90,000,000
Maint. Station	730,000	730,000	1,120,000	1,120,000
Maint. Equipment	1,145,000	1,475,000	2,135,000	2,135,000
Maintenance (Total)	600,000	800,000	1,200,000	1,600,000
Toll Prog. Admin. (Total)	50,000	50,000	120,000	120,000

REVENUES	CAPITAL COSTS		MAINTENANCE COSTS		TOLL PROG. COSTS	
	SEASONAL	YEAR-ROUND	SEASONAL	YEAR-ROUND	SEASONAL	YEAR-ROUND
Pioneer Road	\$16,925,000	\$18,405,000	\$ 600,000	\$ 1,200,000	\$50,000	\$120,000
Pay Back Basis	20 yrs.	20 yrs.	Annually	Annually	Annually	Annually
Annual Pay Back	846,250	920,250	600,000	1,200,000	50,000	120,000
Average Annual Traffic	56,250	135,000	56,250	135,000	56,250	135,000
Per Vehicle Toll	\$15.00	\$7.00	\$11.00	\$9.00	\$.90	\$.90
Federal Aid Road	\$92,255,000	\$93,405,000	\$ 800,000	\$ 1,600,000	\$50,000	\$120,000
Pay Back Basis	20 yrs.	20 yrs.	Annually	Annually	Annually	Annually
Annual Pay Back	4,612,750	4,670,250	800,000	1,600,000	50,000	120,000
Average Annual Traffic	56,250	135,000	56,250	135,000	56,250	135,000
Per Vehicle Toll	\$82.00	\$35.00	\$14.00	\$12.00	\$.90	\$.90

Original sponsors: Cato and Zawacki

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 46 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 Relating to a Copper River toll road.  
6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
7 WHEREAS there is currently no road to Cordova; and  
8 WHEREAS the residents of Cordova very much want to be connected by  
9 road to other points in the state; and  
10 WHEREAS a road to Cordova would stimulate economic development and  
11 encourage tourism in the area; and  
12 WHEREAS the availability of both state and federal funding for road  
13 construction has decreased; and  
14 WHEREAS the state has authority under AS 37.15.720 to construct and  
15 maintain toll roads;  
16 BE IT RESOLVED by the Alaska State Legislature that the Governor is  
17 respectfully requested to direct the Department of Transportation and  
18 Public Facilities, subject to conditions equivalent to those applicable to  
19 the Knik Arm Crossing under AS 37.15.730(1) - (3), to construct a toll road  
20 along the Copper River via Chitina to Cordova.

# THE EYAK CORPORATION

February 16, 1988

Office of The Governor  
ATTN: Governor Cowper  
Pouch A  
Juneau, AK 99811

RE: COPPER RIVER HIGHWAY SUPPORT BY EYAK

Dear Governor Cowper,

The Eyak Corporation strongly supports the building of the Copper River Highway, and has supported it for a number of years. Any method that would expedite the building of the Copper River Highway, including a pioneer road, we feel would be a benefit to our people and all the people of Cordova. A highway would be a more economical way for people and freight to flow in and out of this community.

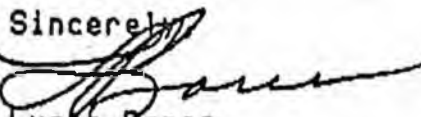
We feel that the question of whether or not the people of Cordova want a road, has been answered, and that answer was yes. We also would hope that you would be in favor of tying the state together via a highway system especially one that connects Cordova to the rest of the state. It is our understanding that since the Hickel Administration, new state highways have been built.

The Eyak Corporation passed a resolution that endorsed the Woods Canyon Route otherwise known as the Chitna Route. This resolution is attached.

We also feel that this road would not only benefit the Cordova area, but it would also benefit the entire state. With the increase in tourism, especially in the area of McKinley Park, The Copper River Highway could go a long way to diversifying the areas visited by tourists by opening up the Wrangell St Elias area during the tourist season. Additional attractions that would be opened up and visited, are the Childs Glacier, Copper River Delta, and Sheridan Glacier, all of which are currently enjoyed by only a few people. Another fact that should be considered is the potential stabilization of Cordova's economy with the additional flow of persons and commerce that would travel to Cordova via the Copper River Highway. Many of these persons and businesses might not come without the highway.

Again we ask for your support and hope that the Highway can become a reality soon.

Sincerely,

  
Lucas Borer  
Chief Executive Officer  
The Eyak Corporation

P.O. BOX 340 CORDOVA, ALASKA 99574 (907)424-7161

Betty Lato  
Juneau Alaska  
99811

FEB 23 1988

The Copper River Highway has long been a dream to most Cordovans. The business community has always supported the completion of our Highway. As you know, we were within 10 miles of completion when the Good Friday earthquake hit. Since then, the project has been a political football.

We ask you to support our legislators in the efforts to secure funding for the Copper River Highway. We are not asking for a deluxe or even paved highway, simply a pioneer access so that our community can be linked to Alaska's road system.

Supporting the development of Alaska's infrastructure through construction of necessary roads is vital to the economic well being of the State of Alaska.

We would be most appreciative of your support.

Sincerely,

David Henry  
General Delivery  
Cordova Alaska

Governor's Office  
Box A, Juneau, 99811-0101  
February 19, 1988

FEB 23 1988

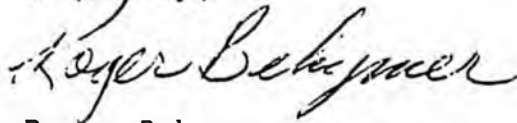
Dear Governor Cowper,

I want you to know I am in complete support of completion of the Copper River Highway to Chitna. I was born, raised, and have lived all my life in Cordova. The road would be a real asset to help with all aspects of life here. The ferry is essential and would remain so, but the way things are now the ferry is nearly impossible for the average guy. When I need service on my new truck I have to take a week to go to Anchorage to get the work done. The ferry schedule has always worked this way, and it seems like just by it's very nature it can not provide all our transportation needs. I believe if we had a highway connection with the rest of the state I probably would not have to go to Anchorage for vehicle service, in the long run.

In addition I do not think a road would ruin our town. We who were born and raised here have always had the history of the Copper River and Northwestern Railroad and regular land transportation to the Interior as part of our being and desires. It is very frustrating to have had a bunch of short timers and summer only users telling us a road would ruin our community. Land transportation made this City. It won't ruin anything to have what we grew up expecting to finally be a reality.

Thanks for listening and please help end this very frustrating situation for my community.

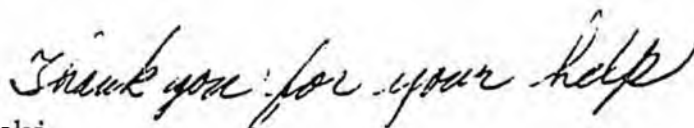
Sincerely,



Roger Behymer  
Box 614  
Cordova

cc.

Bette Cato  
Mike Szymanski  
Jay Kertulla



Office of the Governor:  
Box A  
Juneau, Alaska, 99811

FEB 23 1988

February 15, 1988

Dear Governor Cowper,

This letter is to show my support for the Copper River Highway which would connect Cordova, Alaska to the rest of the State by means of a road. Not only would the road encourage other Alaskan to visit Cordova, it would make it possible for Cordovans to visit and shop outside of Cordova at less expense.

The local merchants use the "high cost of shipping" excuse to inflate local prices to a ridiculous high and then virtually laugh at their customers because we pay these prices. Example: a gallon of milk cost almost \$5.00; a loaf of bread costs \$2.50, chicken sells for \$2.99 a pound. As there is no competition the merchants can set any price they so desire. If Cordovans were able to drive Anchorage without the need to take a ferry to Valdez, they could afford to bring back a truckload of groceries and still save money.

Please lend your support to the Copper River Highway to connect Cordova to the rest of the State.

Sincerely,

*Dixie Lambert*

Dixie Lambert

PO Box 614

Cordova, AK 99574

cc: Rep. Betty Cato  
Sen. Mike Szymanski  
Sen. Jay Kertulla

*I'd appreciate your support also Betty!*

Govenor Steve Cowper  
Juneau, 99811-0101  
February 15, 1988

FEB 23 1988

Dear Govenor Cowper,

I would like to see the Copper River ROAD COMPLETED. This would be a very strong unifying point for Cordova. You see the people who oppose the road all admit that sooner or later there will be a road. Once the road is finally completed we will be able to start having a city of agreement and purpose. As it is now many people who want the road keep quiet. They are afraid to lose some of the little business there is. Some such as our newspaper editor have very negative feelings about the road for selfish reasons. They do not want TO SHARE THE COUNTRY with others. They want to have rafting business or tour business all to themselves. Some of these few can make life uncomfortable for any of the many who want the road due to their community position. Many collect a salary from government in some form or another. These few have made life hard on some of our most energetic community members and they have left the community. Far too many of our young adults have to leave also creating a brain drain, and further erode our ability to have any sense of community except the small group of elite who managed to cheat Cordova out of the road. I know this is somewhat hard to believe, but for instance one might wonder why there is never anything in the newspaper about positive aspects of the Copper River Road. The editor makes it appear ridiculous. She will edit for space or run contradictory information.

None of these type of things is good for a community. We need to have our history back. The railroad went to Chitna and let people move freely into the interior and be Alaskans. We must regain our identity and take our place amongst other Alaskan cities. We need your help.

Respectfully,

*Dennis Marchant*  
P.O. Box 1625  
CORDOVA

cc.

Jay Kerttula

Bette Cato

Mike Szymanski

*PLEASE Be our FAIR & good mother  
make our hopes come true*

FEB 23 1988

Govenor Steve Cowper  
Juneau, Alaska  
Feb. 16, 1988

Dagmar Davis  
Box 192  
Cordova, 99574

Dear Govenor Cowper,

I have been a resident of Cordova for forty-three years and have always supported the completion of the Copper River Highway. The town has always been in favor of the road except in the very unfair 1982 vote. They said that it was just another unofficial vote but very unfairly doomed the Million Dollar Bridge on the basis of the vote. To many voters it was just another ho-hum vote for something we all knew was desperately needed and long sought. Advertisements in the newspaper made it appear like a yes vote would ruin the hunting and fishing and leave us buried in litter. I don't believe any of these things would happen. I know from living at a turn around spot on Eyak Lake that TOURISTS DON'T LITTER, LOCALS DO.

The ferry system is good but it can not run every day. A road would give us the added dimension of freedom to travel to other Alaskan cities when we need to go. I would be happy to pay a toll to travel at my own convenience and would continue to use the Marine Highway as it fit into my own schedule. I know that the road has been made to appear very controversial in the past but I do not think this is true. I believe that the '82 vote was generated by a young element who were relatively new to Cordova and wanted it all to themselves. As it is now many of our young people have to move away, and this is not good for our sense of our community.

I hope you will give us strong support in finally finishing the road.  
Thank you.

Sincerely,

*Dagmar J. Davis*  
Dagmar Davis

cc.

Bette Cato

Mike Szymanski

Jalmar Kerttula

*Thank you for your help*

7-20-55

FEB 23 1960

unbuilt

Copper River Highway #10 finally has come this far with the help of many of you--Cato, City of Cordova, etc. we now have HCR-46 attached.

I don't need to tell you or stress that NOW IS THE TIME. After 50 years, after 29 years in statehood, and only one highway being built, Cordova's economy, future tourism, and the North Gulf Coast should be opened to some development

I only have two words LET'S BUILD.

Under the toll road option we are not asking for handouts, there can be no more legitimate obstacles. For all Alaska, not just this area, build the highway; let's work together. There can be no other alternative but to support HCR 46.

*Marla J. Adkins*

Marla J. Adkins  
An Alaskan  
P.O. Box 461  
Cordova, AK 99574

This will be out be  
every Reg- voters. with some personal  
rates  
Hope helps!  
My  
Good Job Lady  
lets push pray

Best to county

Govenor Steve Cowper  
Juneau, 99811-0101  
February 15, 1988

Dear Govenor Cowper,

Cordova deserves to be re-connected with the rest of Alaska. The Copper River Route is the easiest way into the interior, and its construction is the history of Cordova. All Americans deserve the chance to travel through the old rail-belt area and see some of the most spectacular scenery on earth. This road has always been a political football. They say copper is the metal people fight the most over. This must be true and have rubbed of on the railroad grade. I hope you can help us rejoin the rest of Alaska.

Sincerely,

*Phil Landis*  
P.O. Box 1254  
Cordova, AK  
99574  
424-3955

cc.  
Betto Cato  
Jay Kerttula  
Mike Szymanski

Govenor Steve Cowper  
Juneau, 99811-0101  
February 15, 1988

FEB 19 1988

Dear Govenor Cowper,

Please give your approval to finishing the road up the Copper River to Chitna. It will be important to protect the salmon stock spawning areas that might be adjacent to the road so fish and game can study any effect additional use might have. perhaps some kind of moratorium could be made so as to do no harm. We need the road very badly right now. If you would help us, may be we would not have to wait another fifty years. It seems similar to the question of ANWR, Only it really is not new business, just a return to what we had historically and something that could be managed with very low impact on the enviornment. The Southeastern tourism people have shown quite plainly that the best return from tourism is the independant traveler. I think we can easily double the amount of business the Bartlett Does here, and that would decrease the overall subsidy to the Marine Highway system.

It seems like the kind of proposition where no one can lose. I sincerely hope you can help make the completion of the road a reality in the very near future. Thank you.

Very Truly Yours,

*Bruce Selman*  
PO 172

cc.

Jay Kerttula  
Mike Szymanski  
Bette Cato

Govenor Steve Cowper  
Juneau, 99811-0101  
February 15, 1988

COPY  
FEB 19 1988

Dear Govenor Cowper,

Since our only real builder in Cordova has moved over to Valdez to begin a new fish processing plant where there is a road, and the Coast Guard which is ten percent of our winter population will probably be moving out in the fall we need a road into Cordova more than ever. Please if you can help, help now. Some people say that the army has a plan to put a road into Cordova that would only take one month to complete. Have you ever heard this about a defense road which the Corps of Engineers supposedly has.? This would really be great if it were true. It really doesn't seem like we should have to wait anymore for permits or any of that stuff. After all this road is not new. It was there 75 years ago. It operated as a railroad for 30 years. We have always wanted to still be a part of Alaska, but it isn't easy being isolated without normal transportation.

I have also heard that a toll road might be possible. If this was true then the road could maintain itself and no one could object due to high costs. Then we here in Cordova could share in the beauty that is in the rest of the state, and the rest of the state could come over here to see the Gulf of Alaska. It would be the only place where Alaskans could see the ocean. Amazing, we have more coast than the entire US and this would be the only place to see the Pacific from that you could drive to! I hope you can help all Alaskans share the beauty we have to offer.

Thanks for reading,

Donnita K. Burch

cc.

Mike Szymanski  
Jay Kerttula  
Bette Cato



# Resource Development Council for Alaska, Inc.

807 "G" Street, Suite 200, Anchorage, Alaska 99501-3440  
Box 100516, Anchorage, Alaska 99510-0516 - 907/276-0700

HCR 46

April 20, 1988

EXECUTIVE DIRECTOR  
Becky L. Gay

EXECUTIVE COMMITTEE  
Joseph R. Henri, President  
J. Shelby Stastny, Vice Pres.  
John Forcaskie, Vice Pres.  
John Rense, Vice Pres.  
Stephen M. Ellis, Secretary  
Larry Laughman, Treasurer  
Sharon E. Anderson  
Earl H. Beistline  
Rex I. Bishopp  
Boyd J. Brownfield  
O.K. "Easy" Gilbreth  
Uwe L. Gross  
Karen J. Hofstad  
John T. Kelsey  
J. Vincent O'Reilly  
Ethel H. "Pete" Nelson  
E. Thomas Pargeter  
Lin S. Sloane  
Darrell F. Smith  
R.D. Stock  
Doug M. Webb  
Charles R. Webber

Governor Steve Cowper  
State of Alaska  
Box A  
Juneau, AK 99811

re: Copper River Highway

Dear Governor Cowper:

The Resource Development Council strongly urges you to consider supporting the "often begun, but never completed," Copper River Highway (CRH).

This project has many positive benefits for Alaska. Community support, surface access to important natural resources, increased recreation utilization and better opportunities for road-oriented visitors all merit your consideration as valid reasons to support this much-needed road.

RDC recognizes there are a number of hurdles facing the state as it considers this project, not the least of which is funding. But we still believe your administration should investigate and analyze innovative means of financing the road. Among the options available are the initial construction of only a pioneer road, issuing bonds for this and other statewide road projects and the approval of a toll authority for the CRH.

This project is one that should be highlighted in your administration as the type of economic development infrastructure so badly needed in Alaska. RDC urges you to put the full weight of the Governor's Office firmly behind the timely construction of the Copper River Highway, State Highway #10.

Thank you for your consideration,

RESOURCE DEVELOPMENT COUNCIL  
for Alaska, Inc.

Becky L. Gay  
Executive Director

DIRECTORS  
Lenny Arsenault  
James K. Barnett  
Steven C. Borell  
Janna Brattain  
Robert A. Breeze  
Michael Broili  
Kelly M. Campoell  
Alexander J. Capasso  
Don Cornett  
Ric Davidge  
Larry Dinneen  
James V. Drew  
Roy Ewan  
Don L. Finney  
Lee E. Fisher  
Dan R. Fondell  
A. Debbie Fullenwider  
Ray D. Gardner  
Robert Gilliland  
Paul Glavinovich  
Randy Goodrich  
Dick Griffin  
Jon Halliwill  
Donald L. Hansen  
Dave Harbour  
Alan E. Hastings  
Hazel Heath  
Charles F. Herbert  
Stephen C. Hillard  
Phil R. Holdsworth  
William J. Hornung  
Steven L. Jackstadt  
Dorothy A. Jones  
Janet M. Luberg  
Phillip L. Locker  
Robert W. Loescher  
Chris McAfee  
Len McLean  
Lee R. Nunn  
Richard A. Peluso  
Charles Pool  
Rosemary Porter  
Stephen M. Rehnberg  
Thomas H. Reynolds  
William E. Schneider  
Jerome Selby  
Wayne F. Simpson  
Dale Teel  
Leighton H. Thetford  
Joe J. Thomas  
Richard W. Tindall  
Cynthia D. Toohey  
Joseph E. Usibelli, Jr.  
Lyle Von Bargen  
William R. Whiteside  
George P. Wuerch

EX-OFFICIO MEMBERS  
Senator Ted Stevens  
Senator Frank Murkowski  
Congressman Don Young

March 7, 1988

Martha

TO: House Finance Committee members

FR: Dave McCargo  
Box 100767  
Anchorage, AK 99510

RE: Wednesday's hearing on HCR 46, the Copper River toll road

Please do not approve this resolution. Although it does not commit any money, the resolution is an embarrassment as it continues the "mega-project" mentality. The pro-road residents of Cordova need to face the fact that the State can no longer obligate itself to \$100 million dollar projects with marginal benefits. I hope you will consider three points:

1) The fiscal note severely underestimates the cost of maintenance. For example, the cost of maintenance for a year-round road was estimated to be over \$3 million in the DOT/PF 3/1/83 project analysis. And that was in 1983 dollars!

2) The road proponents have a major dilemma since a pioneer or seasonal road wouldn't provide sufficient access for those local residents and tour operators who want it, while a year-round road's construction and maintenance costs would be prohibitive.

3) The whereas clause in HCR 46 that claims "residents of Cordova very much want" road access is ridiculous. In a 1982 Cordova city poll voters opposed the highway by a 59% to 41% margin. Since then the Cordova economy has worsened, and a majority is apparently now in favor of the road. If the economy improves, the majority will probably reverse itself again. The important point is that it is not true that Cordova residents very much want a road; they are in fact very divided in opinion on the issue.



# Peratrovich, Nottingham & Drage, Inc.

Engineering Consultants

Telex 090 26436  
Telefax (907) 563-4220

1506 West 36th Avenue • Suite 101 • Anchorage, Alaska 99503 • 907-561-1011

January 20, 1988

FEB 11 1988;

PN&D K-514

*HCR #6*

Margy Johnson  
Reluctant Fisherman  
Box 150  
Cordova, Alaska 99574

Re: Copper River Highway

Dear Margy:

As I promised, we are continuing to gather information about the Copper River Highway. Both Roy Peratrovich and I have always thought that this project is of great economic importance to Chitna, Cordova, Valdez and Alaska.

In earlier days, we both worked on route reconnaissance and designed many of the bridges including the large ones at Flag Point.

When work was stopped in the mid 1970's only about 4 miles was left to complete the initial pioneer road stretching from Chitna to the Million Dollar Bridge, according to Bruce Campbell, then Commissioner of Highways. Apparently work crews on both sides of the Tasnuna River were within sight of each other.

The pioneer road was begun at two ends, one near Chitna and the other near the Million Dollar Bridge. Crews pressed forward to around the Tasnuna River.

Photos taken by the late Charles Matlock are enclosed to show typical views of the road along the route. The pioneer road was about 14 feet wide and in condition to allow car passage.

The route crosses a few rivers that need substantial bridges. The Million Dollar Bridge could be repaired, Allen River needs a bridge, Abercrombie Creek, the large Tasnuna crossing would be the most expensive and there could be some lessor crossings of creeks.

Bruce Campbell says that a 14 foot wide gravel road with turnouts every 1/4 mile or so could be readily built in a fairly short time.

The State apparently owns the entire route right-of-way so that should not be a problem.

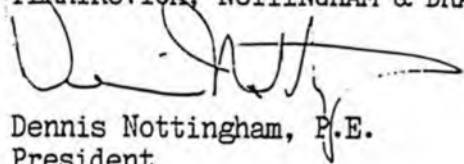
Modern technology involving modular bridges, heavy lift techniques and fast track road construction methods could all be employed on this project.

Margy Johnson  
January 20, 1988/K-514  
Page 2

We will continue to support your efforts and should you have any questions please call.

Sincerely,

PERATROVICH, NOTTINGHAM & DRAGE, INC.



Dennis Nottingham, P.E.  
President

DN/dt/L5

xc: Rep. Bette Cato  
Don Moore, Cordova City Manager  
w/attachments



SENATE COMMITTEE REPORT

FURTHER

FINANCE

3/18/88  
Mr. President:

DATE TURNED INTO OFFICE 4/26/88

TRANSPORTATION Committee considered CSHCR 46 (FIN)

Copper River toll road

and recommended

replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

*STW*

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)  
 new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Handwritten signatures]*

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

*[Handwritten signature]*  
Chairman signature and recommendation

Committee Backup attached

CSHJR

47

SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE \_\_\_\_\_

4/19/88

Mr. President:

Finance Committee considered CSHJR 47 (FIN)

providing a federal income tax exemption to minors and to the parents or guardians of minors for income earned on reinvested permanent fund dividends

and recommended

[ ] replace with \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] same title  
[ ] or adopt \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] new title

[ ] attached amendment(s) and

[ ] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [ ] attached or [ ] adopted fiscal note(s)

[ ] new [ ] updated or [ ] previous

[ ] zero [ ] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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

\_\_\_\_\_  
Chairman signature and recommendation

[ ] Committee Backup attached

SENATE COMMITTEE REPORT

FURTHER Finance

3/10/88

DATE TURNED INTO OFFICE 4-18-88

Mr. President:

State Affairs Committee considered CSHJR 47 (FIN)

providing a federal income tax exemption to minors and to the parents or guardians of minors for income earned on reinvested permanent fund dividends

and recommended

replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title

attached amendment(s) and

*Mazant*  
 do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous *no*  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Sen. Joseph J. ...*  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

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

*Sen. ...*  
\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup attached

Original sponsors: Cato, Gruenberg,  
Davidson, et al.

*zero analysis*

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 47 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to providing a federal income  
6 tax exemption to minors and to the  
7 parents or guardians of minors for  
8 income earned on reinvested permanent  
9 fund dividends.

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

11 WHEREAS the interest of national leaders has recently turned to pro-  
12 grams to provide assistance to families facing the increasing financial  
13 burden of college education for their children; and

14 WHEREAS state law requires parents or guardians of minors in Alaska to  
15 submit applications for permanent fund dividends on behalf of their minor  
16 children; and

17 WHEREAS present and projected estimates of the permanent fund dividend  
18 payable to minors suggest that the cumulative annual dividends, and income  
19 earned from the careful reinvestment of them, may prove a significant  
20 source of financial assistance to families facing costs of postsecondary  
21 education; and

22 WHEREAS the Tax Reform Act of 1986 (P.L. 99-514) makes extensive  
23 changes in the tax treatment of income-producing assets transferred to  
24 minors and may require the minor to pay taxes on at least a portion of the  
25 net unearned income received at the top tax rate payable by the minor's  
26 parents; and

27 WHEREAS the recent tax change is particularly detrimental to minors  
28 who choose to save or invest permanent fund dividends they receive in order  
29 to meet anticipated expenses of postsecondary education, only to see the

HR 047C  
COMMITTEE COPY

1 earnings on these investments taxed at rates comparable to rates payable by  
2 their parents; and

3 WHEREAS federal tax policy should be amended to take into account the  
4 efforts of minors to arrange their financial affairs in order to assist in  
5 meeting the ever-increasing costs of postsecondary education;

6 BE IT RESOLVED by the Alaska State Legislature that the Alaska con-  
7 gressional delegation is urged to introduce and support passage of legis-  
8 lation providing a federal income tax exemption to minors for income earned  
9 on reinvested permanent fund dividends, and to the parents or guardians of  
10 minors for income earned on permanent fund dividends reinvested on behalf  
11 of the minors.

12 COPIES of this resolution shall be sent to the Honorable Lloyd  
13 Bentsen, Chairman of the Senate Committee on Finance; and to the Honorable  
14 Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the  
15 Honorable Don Young, U.S. Representative, members of the Alaska delegation  
16 in Congress.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSHJR 47(FIN)  
PUBLISH DATE: HOUSE 3/2/88

FISCAL NOTE

REQUEST: House Finance

Revision Date: 2/26/88  
Title: Relating to the reinvestment of Permanent Fund Dividends  
Sponsor: Representative Cato  
Requestor: House Finance Committee

Agency Affected: \_\_\_\_\_  
BRU: \_\_\_\_\_

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) This resolution urges the Congressional delegation to seek a caveat in the 1986 tax reform law for minors who choose to save or reinvest their permanent fund dividends.

Prepared by: Representative Al Adams, Chairman *AAA*  
Division: House Finance Committee

Phone: 465-3706  
Date: 2/26/88

Approved by Commissioner: \_\_\_\_\_  
Agency: N/A

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

Distribution (by preparer) :  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

zero fiscal rate of analysis

3/2/88

**ALASKA STATE LEGISLATURE**

15th Legislature **SECOND** Session

**JOINT RESOLUTION NO. 47**

By **GATO, GRUENBERG** .....  
*Dowdson, Guel, Adams, Merrill, Hudson, Hoffman, Zowacki, Cady, Nozawa, Ulmer*

Relating to a federal income tax exemption for minors for income earned on reinvested permanent fund dividends.

**CSHJR 47(Fin) BY FINANCE**

Offered: 3/2/88  
 Referred: Rules

Relating to providing a federal income tax exemption to minors and to the parents or guardians of minors for income earned on reinvested permanent fund dividends.

Introduced in the House **Jan. 22, 1988** ..

**HISTORY IN THE HOUSE**

1988	Read first time and referred to Committee on
<b>JAN 22</b>	<b>STATE AFFAIRS, FINANCE</b>
<i>Feb 22</i>	Reported back with recommendation that <i>Date Affairs - CS/SA          60 days, 3/2/88          To Finance</i>
<i>MAR 2</i>	<i>Finance - CS/Fin - 10 days          3/2/88 To Rules</i>
<i>mar 7</i>	Read second time and <i>CS/Fin adopted rules</i>
<i>mar 7</i>	Read third time and
<i>mar 7</i>	<b>PASSED</b> Effective Date Yeas <i>38</i> Yeas Nays <i>0</i> Nays Excused <i>2</i> Excused Absent <i>0</i> Absent
<i>mar 7</i>	Reconsideration <i>Greenberg</i>
<i>mar 9</i>	Reconsideration not taken up
<i>mar 9</i>	<b>PASSED</b> Effective Date Yeas <i>38</i> Yeas Nays <i>0</i> Nays Excused <i>0</i> Excused Absent <i>2</i> Absent
<i>unl 9</i>	Reported correctly engrossed Signed by Speaker Sent to Senate <i>Irene Cashen</i> CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

1988	Read first time and referred to Committee on
<i>39</i>	<i>SA FIN</i>
<i>4/9</i>	Reported back with recommendation that <i>SA 30 days, previous OK to Fin</i>
	Read second time and
	Read third time and
	<b>PASSED</b> Effective Date Yeas Yeas Nays Nays Excused Excused Absent Absent
	Reconsideration
	Reconsideration not taken up
	<b>PASSED</b> Effective Date Yeas Yeas Nays Nays Excused Excused Absent Absent
	Reported correctly engrossed Signed by President Returned to House SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

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

# Alaska State Legislature



## House of Representatives

REPRESENTATIVE  
BETTE CATO

DISTRICT 6  
BOX 775

VALDEZ, ALASKA 99686  
(907) 835-4568

WHILE IN JUNEAU  
P.O. BOX V

JUNEAU, ALASKA 99811  
(907) 465-4858  
(907) 586-2660

COMMITTEES

CHAIRMAN  
HOUSE TRANSPORTATION

MEMBER  
COMMUNITY AND  
REGIONAL AFFAIRS

LEGISLATIVE COUNCIL

TRANSPORTATION  
BUDGET SUBCOMMITTEE

### MEMORANDUM

TO: The Honorable Mitch Abood, Chairman  
and Members of the Committee  
Senate State Affairs Committee

FROM: Representative Bette Cato, Chairman *Bette*  
House Transportation Committee

DATE: April 18, 1988

RE: HJR 47

I've introduced this resolution because I am concerned about inequities in the federal tax laws, particularly as they affect our children. Many families save their children's permanent fund dividend to establish a "college fund" to help send their kids to school. University tuitions are continually on the rise and our own student loan program is more and more expensive to use. In short, the costs of a postsecondary education today are astronomical. It is natural to desire to send Alaskan youths to school, and individual families saving the child's dividend is a logical step in that process.

Unfortunately, the new tax law makes it difficult for a child to save his or her dividends for school. As the federal law now reads, unearned income over and above \$1000 is taxed at the parent's rate. As dividends continue to grow and interest accrues on past dividends, children who are saving their dividends for school are finding the federal government chewing away at their principal.

This resolution urges the congressional delegation to seek a caveat in the 1986 tax reform law for Alaskan minors on income received from Permanent Fund dividends or reinvestment of the dividends.

We are fortunate enough to have had leaders with the foresight to provide Alaskans with the dividend program. I urge you to have the foresight to help protect our children's dividends from exorbitant taxes and to assist Alaskan families with meeting the significant costs of a college education through the careful savings and investments of their child's permanent fund dividends.

Thank you.

HOUSE JOINT RESOLUTION NO. 47

"An Act relating to federal income tax exemption for minors for income earned on reinvested permanent fund dividends."

Chairman Adams advised members that there is a Finance Committee Substitute which makes a title correction. He said the Resolution asks Congress to pass legislation which would exempt minors from paying federal income tax on income earned from reinvested permanent fund dividend checks. It asks that legislation be passed which exempts parents or guardians from federal income tax for dividends reinvested on behalf of the minors. He said the Resolution cites changes with the Tax Reform Act of 1986 which could require minors to pay taxes on a portion of net unearned income received at the tax rate of the minor's parents. The Resolution has no fiscal impact.

Representative Frank MOVED to adopt CS HJR 47 (Finance) and report the bill out of Committee with a zero fiscal note. There being NO OBJECTION, it was so ordered. CS HJR 47 (Finance) was reported out of Committee with a "do pass" recommendation and fiscal note dated 2/26/88 by the House Finance Committee.

J.C. Shine, speaking for Representative Cato, prime sponsor of HJR 47, read a statement from Representative Cato explaining the purpose of HJR 47. She said it would urge the congressional delegation to seek a tax exemption for Alaskan minors on income received from Permanent Fund dividends or reinvestment of Permanent Fund dividends. She said that currently dividends are taxed at the rate of the minor's parents and that in the case of parents who are in a high tax bracket, the children's dividends are taxed at that same rate. (Complete statement attached.)

Representative Martin said the congressional delegation may already be working on this issue. Representative Hoffman said the resolution would show the legislature's concern even if they were already working on it.

Representative Ulmer suggested that the language on page 2, line 5, could be changed to read, "is urged to continue in their efforts to obtain legislation providing...."

Representative Hoffman suggested that if Congress is already considering this, that copies of the resolution ought to be sent to the appropriate congressional committees. Representative Ulmer said that staff could check and insert the appropriate language as to the committees to which the resolution should be sent.

Representative Menard moved to adopt CS HJR 47 (SA) with the above changes and to pass it from State Affairs Committee with individual recommendations. There was no objection.

# Alaska State Legislature

## COMMITTEES

Chair-State Affairs  
V Chair-Judiciary  
Telecommunications  
Special Ethics  
Legislative Council  
Finance Subcommittee  
for the University of Alaska  
Joint Committee  
on Economic Recovery



**REPRESENTATIVE FRAN ULMER**

## M E M O R A N D U M

TO: House State Affairs Committee  
FROM: Fran Ulmer, Chair  
RE: HJR 47

DATE: February 19, 1988

After checking with the offices of the Alaska Congressional Delegation, State Affairs Committee staff has determined that there is no pending legislation addressing the intent of HJR 47-federal income tax exemptions for minors for income earned on reinvested permanent fund dividends. The delegation has been working on an amendment to a future tax bill which would accomplish this purpose. Because there is nothing currently pending, page 2, line 5 of HJR 47 (SA) appears appropriate and should not be amended.

At Representative Hoffman's suggestion, I have requested a Committee Substitute (CS HJR 47-SA) which includes Senator Lloyd Bentsen, Chairman of the Senate Finance Committee, as a recipient of the resolution along with our Congressional Delegation. As noted above, once a tax bill has been amended to include the exemption, the first committee of referral will be that chaired by Senator Bentsen.

CC: Representative Betty Cato

# Alaska State Legislature

## Committees

Chair-State Affairs  
V Chair-Judiciary  
Telecommunications  
Special Ethics  
Legislative Council  
Finance Subcommittee  
for the University of Alaska  
Joint Committee  
on Economic Recovery



007 203 2027

**REPRESENTATIVE FRAN ULMER**

## MEMORANDUM

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FROM: Fran Ulmer, Chair  
RE: HJR 47

DATE: February 19, 1988

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At Representative Hoffman's suggestion, I have requested a Committee Substitute (CS HJR 47-SA) which includes Senator Lloyd Bentsen, Chairman of the Senate Finance Committee, as a recipient of the resolution along with our Congressional Delegation. As noted above, once a tax bill has been amended to include the exemption, the first committee of referral will be that chaired by Senator Bentsen.

CC: Representative Betty Cato

# Alaska State Legislature



## House of Representatives

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COMMITTEES  
—  
CHAIRMAN  
HOUSE TRANSPORTATION  
—  
MEMBER  
COMMUNITY AND  
REGIONAL AFFAIRS  
LEGISLATIVE COUNCIL  
TRANSPORTATION  
BUDGET SUBCOMMITTEE

### MEMORANDUM

TO: The Honorable Rick Halford, Co-Chairman  
and Members of the Committee  
Senate Finance Committee

FROM: Representative Bette Cato, Chairman *Bette Cato*  
House Transportation Committee

DATE: April 19, 1988

RE: HJR 47

I've introduced this resolution because I am concerned about inequities in the federal tax laws, particularly as they affect our children. Many families save their children's permanent fund dividend to establish a "college fund" to help send their kids to school. University tuitions are continually on the rise and our own student loan program is more and more expensive to use. In short, the costs of a postsecondary education today are astronomical. It is natural to desire to send Alaskan youths to school, and individual families saving the child's dividend is a logical step in that process.

Unfortunately, the new tax law makes it difficult for a child to save his or her dividends for school. As the federal law now reads, unearned income over and above \$1000 is taxed at the parent's rate. As dividends continue to grow and interest accrues on past dividends, children who are saving their dividends for school are finding the federal government chewing away at their principal.

This resolution urges the congressional delegation to seek a caveat in the 1986 tax reform law for Alaskan minors on income received from Permanent Fund dividends or reinvestment of the dividends.

We are fortunate enough to have had leaders with the foresight to provide Alaskans with the dividend program. I urge you to have the foresight to help protect our children's dividends from exorbitant taxes and to assist Alaskan families with meeting the significant costs of a college education through the careful savings and investments of their child's permanent fund dividends.

Thank you.

# Alaska State Legislature

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## House of Representatives

COMMITTEES  
CHAIRMAN  
HOUSE TRANSPORTATION  
MEMBER  
COMMUNITY AND  
REGIONAL AFFAIRS  
LEGISLATIVE COUNCIL  
TRANSPORTATION  
BUDGET SUBCOMMITTEE

### MEMORANDUM

TO: HOUSE STATE AFFAIRS COMMITTEE

FROM: REPRESENTATIVE BETTE CATO *BC*

DATE: 5 FEBRUARY, 1988

RE: HJR 47

I've introduced this resolution because I am concerned about inequities in the federal tax laws, particularly as they affect our children. Many families save their children's permanent fund dividends in a savings account or invest the dividend to establish a "college fund" to help send their kids to school. University tuitions are continually on the rise, our own student loan program is more and more expensive to use; in short, the costs of a postsecondary education today astronomical. It is natural to desire to send Alaskan youths to school, and individual families saving the Child's dividend is a logical step in that process.

Unfortunately, the new tax law makes it difficult for a child to save her dividends for school. As the federal law reads now, unearned income over and above \$1000 is taxed at their parent's rate. As dividends continue to grow and interest accrues on past dividends, children who are saving their dividends for school are finding the federal government chewing away at their principal by treating them as their parents. If Billy's mom is a doctor in a 40% tax bracket, then Billy's dividends and interest over \$1000 is taxed at mom's rate.

This resolution urges the congressional delegation to seek a caveat in the 1986 tax reform law for Alaskan minors on income received from Permanent Fund dividends or reinvestment of the dividends.

We are fortunate enough to have had leaders with the foresight to provide Alaskans with the dividend program. I urge you to have the foresight to help protect our children's dividends from exorbitant taxes, and to assist Alaskan families with meeting the significant costs of a college education through the careful savings and investments of their child's Permanent Funds.

Thank you.

HJR

47

# HOUSE COMMITTEE REPORT

(11)

Date referred: 2/22/88

FURTHER REFERRALS:

DATE: 3/1/88

The Finance Committee has considered HJR 47

Relating to a federal income tax exemption for minors for income earned on reinvested permanent fund dividends.

**RECOMMENDS:**

- replace with CS HJR 47 (Fin)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

GOLL Peter Goll

ADAMS Al Adams

BOYER Mark Boyer

DAVIS Mike Davis

BROWN Tay Brown

RIEGER Al Rieger (RIEGER)

FRANK Frank

LARSON Ronald Larson

SWACK-HAMMER Swack-Hammer

PURCHOT Purchot

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Al Adams  
Chairman's signature

**FISCAL NOTE**

**REQUEST:** House Finance

Revision Date: 2/26/88  
Title: Relating to the reinvestment of Permanent Fund Dividends  
Sponsor: Representative Cato  
Requestor: House Finance Committee

Agency Affected: \_\_\_\_\_  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

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

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) This resolution urges the Congressional delegation to seek a caveat in the 1986 tax reform law for minors who choose to save or reinvest their permanent fund dividends.

Prepared by: Representative Al Adams, Chairman *AAA* Phone: 465-3706  
Division: House Finance Committee Date: 2/26/88

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: N/A

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Original sponsors: Cato, Gruenberg,  
Davidson, et al.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 47 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to providing a federal income  
6 tax exemption to minors and to the  
7 parents or guardians of minors for  
8 income earned on reinvested permanent  
9 fund dividends.

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

11 WHEREAS the interest of national leaders has recently turned to pro-  
12 grams to provide assistance to families facing the increasing financial  
13 burden of college education for their children; and

14 WHEREAS state law requires parents or guardians of minors in Alaska to  
15 submit applications for permanent fund dividends on behalf of their minor  
16 children; and

17 WHEREAS present and projected estimates of the permanent fund dividend  
18 payable to minors suggest that the cumulative annual dividends, and income  
19 earned from the careful reinvestment of them, may prove a significant  
20 source of financial assistance to families facing costs of postsecondary  
21 education; and

22 WHEREAS the Tax Reform Act of 1986 (P.L. 99-514) makes extensive  
23 changes in the tax treatment of income-producing assets transferred to  
24 minors and may require the minor to pay taxes on at least a portion of the  
25 net unearned income received at the top tax rate payable by the minor's  
26 parents; and

27 WHEREAS the recent tax change is particularly detrimental to minors  
28 who choose to save or invest permanent fund dividends they receive in order  
29 to meet anticipated expenses of postsecondary education, only to see the

1 earnings on these investments taxed at rates comparable to rates payable by  
2 their parents; and

3 WHEREAS federal tax policy should be amended to take into account the  
4 efforts of minors to arrange their financial affairs in order to assist in  
5 meeting the ever-increasing costs of postsecondary education;

6 BE IT RESOLVED by the Alaska State Legislature that the Alaska con-  
7 gressional delegation is urged to introduce and support passage of legis-  
8 lation providing a federal income tax exemption to minors for income earned  
9 on reinvested permanent fund dividends, and to the parents or guardians of  
10 minors for income earned on permanent fund dividends reinvested on behalf  
11 of the minors.

12 COPIES of this resolution shall be sent to the Honorable Lloyd  
13 Bentsen, Chairman of the Senate Committee on Finance; and to the Honorable  
14 Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the  
15 Honorable Don Young, U.S. Representative, members of the Alaska delegation  
16 in Congress.

# Alaska State Legislature

## Committees:

Chair-State Affairs  
V. Chair-Judiciary  
Telecommunications  
Special Ethics  
Legislative Council  
Finance Subcommittee  
for the University of Alaska  
Joint Committee  
on Economic Recovery



PO Box A  
Juneau, Alaska 99811  
(907) 465-4947

## REPRESENTATIVE FRAN ULMER

### M E M O R A N D U M

TO: House State Affairs Committee  
FROM: Fran Ulmer, Chair  
RE: HJR 47  
DATE: February 19, 1988

After checking with the offices of the Alaska Congressional Delegation, State Affairs Committee staff has determined that there is no pending legislation addressing the intent of HJR 47- federal income tax exemptions for minors for income earned on reinvested permanent fund dividends. The delegation has been working on an amendment to a future tax bill which would accomplish this purpose. Because there is nothing currently pending, page 2, line 5 of HJR 47 (SA) appears appropriate and should not be amended.

At Representative Hoffman's suggestion, I have requested a Committee Substitute (CS HJR 47-SA) which includes Senator Lloyd Bentsen, Chairman of the Senate Finance Committee, as a recipient of the resolution along with our Congressional Delegation. As noted above, once a tax bill has been amended to include the exemption, the first committee of referral will be that chaired by Senator Bentsen.

CC: Representative Betty Cato

# Alaska State Legislature

REPRESENTATIVE  
BETTE CATO  
DISTRICT 6  
BOX 775  
VALDEZ, ALASKA 99686  
(907) 835-4568  
WHILE IN JUNEAU  
P O BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4858  
(907) 586-2660

## House of Representatives

COMMITTEES  
-----  
CHAIRMAN  
HOUSE TRANSPORTATION  
-----  
MEMBER  
COMMUNITY AND  
REGIONAL AFFAIRS  
LEGISLATIVE COUNCIL  
TRANSPORTATION  
BUDGET SUBCOMMITTEE

### MEMORANDUM

TO: HOUSE STATE AFFAIRS COMMITTEE

FROM: REPRESENTATIVE BETTE CATO *BC*

DATE: 5 FEBRUARY, 1988

RE: HJR 47

I've introduced this resolution because I am concerned about inequities in the federal tax laws, particularly as they affect our children. Many families save their children's permanent fund dividends in a savings account or invest the dividend to establish a "college fund" to help send their kids to school. University tuitions are continually on the rise, our own student loan program is more and more expensive to use; in short, the costs of a postsecondary education today astronomical. It is natural to desire to send Alaskan youths to school, and individual families saving the Child's dividend is a logical step in that process.

Unfortunately, the new tax law makes it difficult for a child to save her dividends for school. As the federal law reads now, unearned income over and above \$1000 is taxed at their parent's rate. As dividends continue to grow and interest accrues on past dividends, children who are saving their dividends for school are finding the federal government chewing away at their principal by treating them as their parents. If Billy's mom is a doctor in a 40% tax bracket, then Billy's dividends and interest over \$1000 is taxed at mom's rate.

This resolution urges the congressional delegation to seek a caveat in the 1986 tax reform law for Alaskan minors on income received from Permanent Fund dividends or reinvestment of the dividends.

We are fortunate enough to have had leaders with the foresight to provide Alaskans with the dividend program. I urge you to have the foresight to help protect our children's dividends from exorbitant taxes, and to assist Alaskan families with meeting the significant costs of a college education through the careful savings and investments of their child's Permanent Funds.

Thank you.

Original sponsors: Cato, Gruenberg,  
Davidson, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE JOINT RESOLUTION NO. 47 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 Relating to a federal income tax ex  
6 emption for minors for income earned on  
7 reinvested permanent fund dividends.  
8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 WHEREAS the interest of national leaders has recently turned to pro-  
10 grams to provide assistance to families facing the increasing financial  
11 burden of college education for their children; and  
12 WHEREAS state law requires parents or guardians of minors in Alaska to  
13 submit applications for permanent fund dividends on behalf of their minor  
14 children; and  
15 WHEREAS present and projected estimates of the permanent fund dividend  
16 payable to minors suggest that the cumulative annual dividends, and income  
17 earned from the careful reinvestment of them, may prove a significant  
18 source of financial assistance to families facing costs of postsecondary  
19 education; and  
20 WHEREAS the Tax Reform Act of 1986 (P.L. 99-514) makes extensive  
21 changes in the tax treatment of income-producing assets transferred to  
22 minors and may require the minor to pay taxes on at least a portion of the  
23 net unearned income received at the top tax rate payable by the minor's  
24 parents; and  
25 WHEREAS the recent tax change is particularly detrimental to minors  
26 who choose to save or invest permanent fund dividends they receive in order  
27 to meet anticipated expenses of postsecondary education, only to see the  
28 earnings on these investments taxed at rates comparable to rates payable by  
29 their parents; and

1           WHEREAS federal tax policy should be amended to take into account the  
2 efforts of minors to arrange their financial affairs in order to assist in  
3 meeting the ever-increasing costs of postsecondary education;

4           BE IT RESOLVED by the Alaska State Legislature that the Alaska con-  
5 gressional delegation is urged to introduce and support passage of legis-  
6 lation providing a federal income tax exemption to minors for income earned  
7 on reinvested permanent fund dividends, and to the parents or guardians of  
8 minors for income earned on permanent fund dividends reinvested on behalf  
9 of the minors.

10          COPIES of this resolution shall be sent to the Honorable Lloyd  
11 Bentsen, Chairman of the Senate Committee on Finance; and to the Honorable  
12 Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the  
13 Honorable Don Young, U.S. Representative, members of the Alaska delegation  
14 in Congress.

1 IN THE HOUSE BY CATO AND GRUENBERG  
2 HOUSE JOINT RESOLUTION NO. 47  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 Relating to a federal income tax ex-  
6 emption for minors for income earned on  
7 reinvested permanent fund dividends.  
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19 education; and  
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21 changes in the tax treatment of income-producing assets transferred to  
22 minors and may require the minor to pay taxes on at least a portion of the  
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27 to meet anticipated expenses of postsecondary education, only to see the  
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3 meeting the ever-increasing costs of postsecondary education;

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5 gressional delegation is urged to introduce and support passage of legis-  
6 lation providing a federal income tax exemption to minors for income earned  
7 on reinvested permanent fund dividends, and to the parents or guardians of  
8 minors for income earned on permanent fund dividends reinvested on behalf  
9 of the minors.

10       COPIES of this resolution shall be sent to the Honorable Ted Stevens  
11 and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don  
12 Young, U.S. Representative, members of the Alaska delegation in Congress.

SCR

50

SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE 4/14/88

3/14/88  
Mr. President:

Finance Committee considered SCR 50

senior citizen housing

and recommended

replace with \_\_\_\_\_ CS SCR 50 (Finance)  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)  
 new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Jim Duncan  
Rick Halford  
Richard H. ...  
...

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

Rick Halford - do pass  
Chairman signature and recommendation

Committee Backup attached

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSCR 50 (SA)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Relating to Senior Housing  
Sponsor: Duncan, Szymanski  
Requestor: Senate Finance

Agency Affected: Dept. of Administration  
BRU: Older Alaskans Commission  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		37.7				
TRAVEL		9.5				
CONTRACTUAL		5.3				
SUPPLIES		.3				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	52.8	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER *CIP		52.8				
TOTAL	-0-	52.8	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME		1.0				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funds for the position and associated costs will be supported by the Senior Citizen Housing Development capital appropriation in chapter 171 SLA 84 and shall be RSA'd to the Older Alaskans' Commission by the Dept. of Community & Regional Affairs

Prepared by: Rick Halford  
Division: Senator Rick Halford, Co-chairman  
Senate Finance Committee

Phone: 465-3753  
Date: April 14, 1988

Approved by Commissioner: \_\_\_\_\_  
Agency: \_\_\_\_\_

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

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Original sponsors: Duncan, Szymanski  
and Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 50 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to senior citizen housing.

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

7 WHEREAS senior citizens in the state are a valuable resource of expe-  
8 rience and have contributed with their accomplishments to the development  
9 of the state; and

10 WHEREAS it is the desire of all residents of the state that our senior  
11 citizens live out their lives in a way that enhances their individual  
12 dignity and independence; and

13 WHEREAS there may be housing alternatives that complement our system  
14 of Pioneers' Homes and other senior citizen facilities and these alterna-  
15 tives might be appropriate for many senior citizens, including residential  
16 assisted living facilities or other alternative housing arrangements;

17 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
18 the Governor to direct the Older Alaskans Commission to

19 (1) work with the Department of Administration, the Department  
20 of Community and Regional Affairs, the Alaska State Building Authority, and  
21 other appropriate state agencies to develop housing alternatives for senior  
22 citizens;

23 (2) conduct an inventory of existing senior citizen housing in  
24 the state;

25 (3) assess the future needs for housing for senior citizens in  
26 the state with particular attention to the type or nature of the housing  
27 alternatives that could meet the needs of senior citizens, including ar-  
28 rangements by which they could live in private dwellings while receiving  
29 certain types of social services to ease their lives; and

1 (4) report to the legislature and the Governor by January 15,  
2 1989, with detailed comprehensive recommendations for legislative and  
3 executive actions that are necessary to provide housing arrangements that  
4 will best meet the needs of all senior citizens in the state.

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FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Relating to Senior Housing

Agency Affected: Administration  
BRU: Older Alaskans Commission

Sponsor: Duncan, Szymanski, Kerdtula  
Requestor: \_\_\_\_\_

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

*Figures do not add to total*

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		37.7				
TRAVEL		4.5				
CONTRACTUAL		5.3				
SUPPLIES		.3				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	52.8	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		52.8				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL	0	52.8	0	0	0	0

POSITIONS:

FULL-TIME		1.0				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Connie J. Sipe, Executive Director *C. Sipe* Phone: 465-3250  
Division: Older Alaskans Commission Date: 03/10/88

Approved by Commissioner: John M. Andrews *J. Andrews* Date: 3/11/88  
Agency: Administration

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SCR 50

A project employee for at least 9 months will be needed (July through March). It is contemplated to hire a Project Coordinator at Range 18, Class Code 4677. The Commission will seek to hire from this class someone with expertise in either housing issues, or needs assessment and planning work. At this time, the only person on staff with real estate knowledge is the director, but the director does not have expertise in public housing development techniques.

A project employee is needed because the present staff resources will not be able to meet the intent of this Resolution, especially not in the first half of FY 89, as the staff resources and a significant part of the OAC contractual and travel budgets will be needed to prepare a new three-year State Plan as required by our federal funding sources. The ongoing OAC work of monitoring the 50 grants programs and the 55 employers of 160 senior workers must also continue.

A project position is needed because the Commission staff has been reduced from 21 to 13 full-time positions from FY 85 to FY 89, with no decrease in programs or responsibilities. A chart describing the staffing changes at the Commission is attached. The Commission's FY 89 budget includes a vacancy factor of over 10%, or two vacant positions. The present staff resources can not do justice to this task.

The project employee and, at times the executive director, will need to travel a fair amount in order to meet with key agencies and individuals in the housing market, and in order to hold town meetings and conduct sample needs assessments. A small professional services contract or RSA may be needed to analyze raw data available at the University in Anchorage, a study of Longevity Bonus recipients and their "self-declared" functional disabilities.

The project employee can use existing office equipment.

OLDER ALASKANS COMMISSION BUDGET HISTORY  
21-Oct-87

BUDGET	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88 *	Preliminary FY 89
ADMINISTRATION	\$1,250,500	\$1,144,800	\$1,117,100	\$892,500	\$763,300	\$714,600	\$793,500
GRANTS	\$6,572,400	\$7,621,800	\$8,811,300	\$8,954,600	\$8,757,000	\$8,588,600	\$8,611,700
TOTAL	\$7,822,900	\$8,766,600	\$9,928,400	\$9,847,100	\$9,520,300	\$9,303,200	\$9,405,200
FEDERAL	\$4,955,400	\$5,105,400	\$5,665,500	\$5,276,800	\$5,388,300	\$5,608,100	\$5,680,300
SGF	\$2,867,500	\$3,661,200	\$4,262,900	\$4,570,300	\$4,132,000	\$3,695,100	\$3,724,900
TOTAL RECEIPTS	\$7,822,900	\$8,766,600	\$9,928,400	\$9,847,100	\$9,520,300	\$9,303,200	\$9,405,200
FULL TIME	21.0	21.0	21.0	15.0	14.0	13.0	13.0
PART TIME	8.0	8.0	8.0	11.0	2.0	2.0	2.0
STAFF MONTHS			311.2	240.0	162.6	167.2	168.4

\* Does not include supplemental of \$68.4 for personal services and \$16.8 for health benefits.

Position Title		Project Coordinator		No. of Positions	one	Range/Step	18A	Org. Unit	General
Time Status	F	Staff Months	9.0	Location	Juneau		Election District		
Type of Expenditure				Amount		<p><b>Justification</b> This project employee is needed for nine (9) months to complete the report to the Legislature due January 15, and to be available to work with the Governor or Legislature on possible bill introductions up to the March 1989 personal bill filing date.</p> <p>A Project Coordinator can provide the level of research planning, and writing abilities needed to complete this study. The Commission will seek to hire someone with expertise in either housing issues, or needs assessment and planning work.</p> <p>The Project Coordinator will operate with a significant degree of independence, under supervision of the Executive Director. The Coordinator will meet with public agencies, financial institutions, and private housing industry representatives, to discuss possible housing options. The Coordinator will conduct research on the functional abilities and coorelated housing and service needs of seniors, write the report, and write detailed legislative proposals and demonstration project budgets.</p>			
1		2		3					
Salary		28.0							
Benefits		9.7							
Premium Pay									
Other									
Total Personal Services				37.7					
Travel				9.5					
Contractual				5.3					
Commodities				.3					
Equipment									
Other									
Total Cost				52.8					
Funding Source for Total Cost									
Federal Receipts		1002							
G. P. Match		1003							
General Fund		1004				52.8			
GF Program Receipts		1005							
Other									

**Request For  
New Position**

Agency Administration  
 BRU Older Alaskans Commission  
 Component \_\_\_\_\_

Page 1 of 1  
 Revised Date \_\_\_\_\_

**FY 89**

Original sponsors: Duncan, Szymanski  
and Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 50 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to senior citizen housing.

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

7 WHEREAS senior citizens in the state are a valuable resource of expe-  
8 rience and have contributed with their accomplishments to the development  
9 of the state; and

10 WHEREAS it is the desire of all residents of the state that our senior  
11 citizens live out their lives in a way that enhances their individual  
12 dignity and independence; and

13 WHEREAS there may be housing alternatives that complement our system  
14 of Pioneers' Homes and other senior citizen facilities and these alterna-  
15 tives might be appropriate for many senior citizens, including residential  
16 assisted living facilities or other alternative housing arrangements;

17 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
18 the Governor to direct the Older Alaskans Commission to

19 (1) work with the Department of Administration, the Department  
20 of Community and Regional Affairs, the Alaska State Building Authority, and  
21 other appropriate state agencies to develop housing alternatives for senior  
22 citizens;

23 (2) conduct an inventory of existing senior citizen housing in  
24 the state;

25 (3) assess the future needs for housing for senior citizens in  
26 the state with particular attention to the type or nature of the housing  
27 alternatives that could meet the needs of senior citizens, including ar-  
28 rangements by which they could live in private dwellings while receiving  
29 certain types of social services to ease their lives; and

10-12

1 (4) report to the legislature and the Governor by January 15,  
2 1989, with detailed comprehensive recommendations for legislative and  
3 executive actions that are necessary to provide housing arrangements that  
4 will best meet the needs of all senior citizens in the state.

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# Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:  
FINANCE  
RESOURCES  
BUDGET AND AUDIT

RECEIVED MAR 17 1988

## MEMORANDUM

March 16, 1988

TO: Senator Rick Halford, Co-Chairman  
Senate Finance Committee

FROM: Senator Jim Duncan


SUBJECT: CSSCR 50, Relating to Senior Citizen Housing

CSSCR 50, Relating to Senior Citizen Housing would focus attention on what I think is an area of critical need in the housing continuum for senior citizens in Alaska. We already have an excellent Pioneer's Home System for our elders and some fine apartment facilities such as Mountain View available. The time has come to address the need for residential assisted living facilities and more housing alternatives for seniors in this state.

Because our senior citizens are a valuable resource to this state and we all want them to live out their lives with dignity and independence, alternative housing situations should be developed which respond to their needs and desires. To accomplish this the resolution directs the Department of Administration and the Department of Community and Regional Affairs to work with the Older Alaskans Commission, Alaska State Building Authority and other appropriate state agencies to identify housing alternatives for the elderly. The Department would be required to provide an inventory of existing housing as well as a projection of the future needs for senior housing in this State.

The resolution further directs the Department to report their findings to the Legislature and the Governor by January 15, 1988, with detailed, comprehensive recommendations for the legislative and executive actions required to provide housing arrangements which best meet the needs of all senior citizens in this State.

I urge you to schedule this resolution for a Finance Committee hearing as soon as possible.



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## Older Alaskans Commission

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Box C  
Juneau, Alaska 99811-0209  
907/465-3250

### POSITION PAPER

#### Senate Concurrent Resolution 50

##### "Relating to Senior Housing"

This Resolution asks the Governor to direct the Department of Administration, the Older Alaskans Commission, the State Building Authority, and other appropriate agencies to develop, by January, 1989, a set of recommendations for executive and legislative actions which may be needed to provide alternative housing arrangements to meet seniors' varying needs. Such alternative housing arrangements are meant to complement the present system of Pioneer Homes and other senior citizen facilities, such as senior apartments and private nursing homes. We understand that the sponsors intend the report to focus on the use of private dwellings or other residential settings where social and health services could be "brought in" to support and assist the senior's living situation, whether for a single senior or a congregate home shared by several seniors.

The Resolution also calls for an inventory of all existing senior housing in the state, and a needs assessment of the future needs of seniors around the state for various types of housing alternatives, including supportive services in the home.

Many legislators have expressed interest this year in the development of "supportive" or "assisted" living residential facilities for seniors--something with more staff support and congregate services than a senior apartment building, but less intensive than a nursing home. Many seniors and senior groups are asserting that there is a strong need for a variety of alternative housing situations in this category.

The Older Alaskans Commission and the Department are in support of the resolution, if adequate staff or contractual resources can be made available to perform meaningful work which will result in a practical, ready-to-implement package of recommendations.

A fiscal note is attached. The present staff resources will not be able to meet the intent of this Resolution, especially not in the first half of FY 89, as the staff resources and a

Original sponsors: Duncan, Szymanski  
and Kerttula

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 50 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to senior citizen housing.

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

7 WHEREAS senior citizens in the state are a valuable resource of expe-  
8 rience and have contributed with their accomplishments to the development  
9 of the state; and

10 WHEREAS it is the desire of all residents of the state that our senior  
11 citizens live out their lives in a way that enhances their individual  
12 dignity and independence; and

13 WHEREAS there may be housing alternatives that complement our system  
14 of Pioneers' Homes and other senior citizen facilities and these alterna-  
15 tives might be appropriate for many senior citizens, including residential  
16 assisted living facilities or other alternative housing arrangements;

17 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
18 the Governor to direct the Department of Administration and the Department  
19 of Community and Regional Affairs to

20 (1) work with the Older Alaskans Commission, the Alaska State  
21 Building Authority, and other appropriate state agencies to develop housing  
22 alternatives for senior citizens;

23 (2) conduct an inventory of existing senior citizen housing in  
24 the state;

25 (3) assess the future needs for housing for senior citizens in  
26 the state with particular attention to the type or nature of the housing  
27 alternatives that could meet the needs of senior citizens, including ar-  
28 rangements by which they could live in private dwellings while receiving  
29 certain types of social services to ease their lives; and

1           (4) report to the legislature and the Governor by January 15,  
2 1989, with detailed comprehensive recommendations for legislative and  
3 executive actions that are necessary to provide housing arrangements that  
4 will best meet the needs of all senior citizens in the state.

1 IN THE SENATE BY DUNCAN, SZYMANSKI  
AND KERTTULA

2 SENATE CONCURRENT RESOLUTION NO. 50  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to senior citizen housing.

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

7 WHEREAS senior citizens in the state are a valuable resource of expe-  
8 rience and have contributed with their accomplishments to the development  
9 of the state; and

10 WHEREAS it is the desire of all residents of the state that our senior  
11 citizens live out their lives in a way that enhances their individual  
12 dignity and independence; and

13 WHEREAS there may be housing alternatives that complement our system  
14 of Pioneers' Homes and other senior citizen facilities and these alterna-  
15 tives might be appropriate for many senior citizens, including intermediate  
16 care facilities or other alternative housing arrangements;

17 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
18 the Governor to direct the Department of Administration to

19 (1) work with the Older Alaskans Commission, the Alaska State  
20 Building Authority, and other appropriate state agencies to develop housing  
21 alternatives for senior citizens;

22 (2) conduct an inventory of existing senior citizen housing in  
23 the state;

24 (3) assess the future needs for housing for senior citizens in  
25 the state with particular attention to the type or nature of the housing  
26 alternatives that could meet the needs of senior citizens, including ar-  
27 rangements by which they could live in private dwellings while receiving  
28 certain types of social services to ease their lives; and

29 (4) report to the legislature and the Governor by January 15,

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/2/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

*FN*

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

2/16/88  
Mr. President:

DATE TURNED INTO OFFICE 3/14/88

State Affairs Committee considered SCR 50

Relating to senior citizen housing

*Moving of the Committee*  
and recommended:

- replace with CS SCR 50 (SA)  same title
- attached amendment(s) and also do pass  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to Finance *FN*
- letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Signature]*  
*[Signature] (DO PASS)*

*[Signature]*  
Chairman signature and recommendation

Committee Backup Attached

1 1989, with detailed comprehensive recommendations for legislative and  
2 executive actions that are necessary to provide housing arrangements that  
3 will best meet the needs of all senior citizens in the state.