

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

CSSCR 50, HJR 50, HJR 50-S, HJR 52, HCR 52 179

CSSCR

50

**HOUSE COMMITTEE REPORT**

(11)

Date referred: 4/28/88

FURTHER REFERRALS:

DATE: 5/4/88

The Finance Committee has considered CSSCR 50(Fin)  
Relating to senior citizen housing.

**RECOMMENDS:**

- replace with \_\_\_\_\_  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
- zero fiscal note
- zero with analysis
- same as previous fiscal note published 4/14/88 (senate)
- same as previous zero fiscal note published \_\_\_\_\_

**SIGNING DO PASS:**

ADAMS Al Adams

POURCHOT Pat Pourchot

LARSON Ron Larson

GOLL Steve Goll

SWACK Chuck Swack

BOYER Mark Boyer

RIEGER Steve Rieger

FRANK Don Frank

BROWN Jan Brown

DAVIS Mike Davis

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Al Adams  
Chairman's signature

308

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSCR 50 (Fin)  
PUBLISH DATE: SENATE 4/14

FISCAL NOTE

REQUEST:

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

Agency Affected: Dept. of Administrat.  
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 Phone: 465-3753  
Division: Senator Rick Halford, Co-chairman Date: April 14, 1988  
Senate Finance Committee

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

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

Handwritten: *not backup*

Older Alaskans Commission

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

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.

The housing plan would need a great deal of work, such as meetings with housing agencies, realtors, financial institutions, municipal agencies, and the drafting of proposed legislation and demonstration project budgets. No agency now keeps an inventory of senior housing, so a search must be done to update the inventory in the Commission's 1985 Report on Housing.

Projecting accurately the functional needs of seniors for what kinds of support services, to be provided in what settings, in different size communities, will require considerable research and sample interviewing. There is no public data base on functional abilities of impaired adults, and age alone is not a valid indicator of functional need.

The Older Alaskans Commission last did a Housing Report, including an inventory of senior housing, in 1985. Unfortunately, many of the recommendations made in that report, although still valid today, have not been implemented.

The Commission respectfully requests that if the Legislature wishes the Executive Branch to proceed with the task set out in SCR 50, that both the Legislature and the Governor now make a commitment that the State of Alaska will indeed move forward to take affirmative and active leadership to cause alternative senior housing to happen--before the rapid aging of our Alaskan population turns this "issue" into a "crisis."

APPROVED BY:

APPROVED BY:

\_\_\_\_\_  
Dove Kull, Chair  
Legislative Committee  
Older Alaskans Commission

\_\_\_\_\_  
John M. Andrews, Commissioner  
Department of Administration

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SCR 50

*1000  
to build  
will build  
pos. dev.  
T. ...*

*PH 73*

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					
				Justification 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.					
				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.					
				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.					
Type of Expenditure		Amount							
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. F. Match		1003							
General Fund		1004		52.8					
GF Program Receipts		1005							
Other									
<i>Contractual - must allow for services</i> <i>will file</i>									

Request For  
New Position

Agency Administration  
 DRU 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

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.

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  
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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

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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;

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28 certain types of social services to ease their lives; and

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

HJR

50

1 IN THE HOUSE

BY DAVIS, KOPONEN, BOYER,  
FRANK, MILLER, SUND, PEARCE  
AND DAVIDSON

2

HOUSE JOINT RESOLUTION NO. 50

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Requesting the Congress to remove the

6

Highway Trust Fund and the Airport and

7

Airway Trust Fund from the Unified

8

Federal Budget.

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

10 WHEREAS the Alaska Legislature believes it is inappropriate that the  
11 dedicated trust funds for highways and airports are subject to the Unified  
12 Federal Budget process; and

13 WHEREAS the highway and airport trust funds are funded by user fees  
14 collected in advance of expenditure and are dedicated to highway and air-  
15 port improvement programs; and

16 WHEREAS, at the national level, the Highway Trust Fund can support an  
17 annual spending level of over \$15,000,000,000 and the Airport and Airway  
18 Trust Fund can support an annual spending level of \$5,000,000,000; and

19 WHEREAS inclusion in the Unified Federal Budget has limited appro-  
20 priations from the Highway Trust Fund to less than \$13,000,000,000 a year  
21 and appropriations from the Airport and Airway Trust Fund to approximately  
22 \$3,500,000,000 a year; and

23 WHEREAS the inclusion of appropriations from the highway and airport  
24 trust funds in the Unified Federal Budget prevents Alaska from receiving  
25 \$20,000,000 each year in highway funds and \$6,000,000 each year in airport  
26 funds to which the state is entitled; and

27 WHEREAS reductions in highway and airport transportation trust fund  
28 appropriations hamper Alaska's, as well as the other states', ability to  
29 address identified, critical transportation needs; and

1       WHEREAS the money in the highway and airport trust funds cannot be  
2 transferred to other programs included in the Unified Federal Budget; and

3       WHEREAS limitations on highway and airport trust fund expenditures  
4 reduce only the total federal budget but do not result in a real reduction  
5 in the federal deficit;

6       BE IT RESOLVED that the Alaska State Legislature respectfully requests  
7 the Congress to remove the Highway Trust Fund and the Airport and Airway  
8 Trust Fund from the Unified Federal Budget.

9       COPIES of this resolution shall be sent to the Honorable Ronald  
10 Reagan, President of the United States; to the Honorable George Bush,  
11 Vice-President of the United States and President of the U.S. Senate; the  
12 Honorable James H. Burnley IV, Secretary of Transportation; the Honorable  
13 Jim Wright, Speaker of the U.S. House of Representatives; and to the  
14 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
15 the Honorable Don Young, U.S. Representative, members of the Alaska  
16 delegation in Congress.

17

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BY DAVIS, KOPONEN, BOYER,  
FRANK, MILLER, SUND, PEARCE  
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12 Honorable James H. Burnley IV, Secretary of Transportation; the Honorable  
13 Jim Wright, Speaker of the U.S. House of Representatives; and to the  
14 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
15 the Honorable Don Young, U.S. Representative, members of the Alaska  
16 delegation in Congress.

17

HJR

50's

SENATE COMMITTEE REPORT

FURTHER

3/4/88

DATE TURNED INTO OFFICE

5/7/88

Mr. President:

Finance

Committee considered

HJR 50

Requesting the Congress to remove the Highway Trust Fund and the Airport and Airway Trust Fund from the Unified Federal Budget

and recommended

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

[ ] attached amendment(s) and

[x] 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 [x] previous

[x] zero [ ] fiscal impact

DOT

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Handwritten signatures of committee members: Paul H. ...

Blank lines for other recommendations.

Chairman signature and recommendation: Rick Helford (do pass)

[ ] Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: DOT/PF  
 Title: Remove Highway Trust Fund  
from Unified Federal Budget BRU: \_\_\_\_\_  
 Sponsor: Davis Components: \_\_\_\_\_  
 Requestor: Cato

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
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						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The Department supports the concept of removing the Highway Trust Fund and the Airway Trust from the Unified Federal Budget. There is no fiscal impact to the Department of Transportation and Public Facilities.

Prepared by: Ron Lind, Director Phone: 465-2171  
 Division: Plans, Programs and Budget Date: 2-5-88  
 Approved by Commissioner: Mark S. Hickey Date: 2/8/88  
 Agency: DOT&PF

Distribution (by preparer):

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

1 IN THE HOUSE

BY DAVIS, KOPONEN, BOYER,  
FRANK, MILLER, SUND, PEARCE  
AND DAVIDSON

2

HOUSE JOINT RESOLUTION NO. 50

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

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Requesting the Congress to remove the

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13 WHEREAS the highway and airport trust funds are funded by user fees  
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16 WHEREAS, at the national level, the Highway Trust Fund can support an  
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18 Trust Fund can support an annual spending level of \$5,000,000,000; and

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21 and appropriations from the Airport and Airway Trust Fund to approximately  
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23 WHEREAS the inclusion of appropriations from the highway and airport  
24 trust funds in the Unified Federal Budget prevents Alaska from receiving  
25 \$20,000,000 each year in highway funds and \$6,000,000 each year in airport  
26 funds to which the state is entitled; and

27 WHEREAS reductions in highway and airport transportation trust fund  
28 appropriations hamper Alaska's, as well as the other states', ability to  
29 address identified, critical transportation needs; and

1           WHEREAS the money in the highway and airport trust funds cannot be  
2 transferred to other programs included in the Unified Federal Budget; and

3           WHEREAS limitations on highway and airport trust fund expenditures  
4 reduce only the total federal budget but do not result in a real reduction  
5 in the federal deficit;

6           BE IT RESOLVED that the Alaska State Legislature respectfully requests  
7 the Congress to remove the Highway Trust Fund and the Airport and Airway  
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9           COPIES of this resolution shall be sent to the Honorable Ronald  
10 Reagan, President of the United States; to the Honorable George Bush,  
11 Vice-President of the United States and President of the U.S. Senate; the  
12 Honorable James H. Burnley IV, Secretary of Transportation; the Honorable  
13 Jim Wright, Speaker of the U.S. House of Representatives; and to the  
14 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
15 the Honorable Don Young, U.S. Representative, members of the Alaska  
16 delegation in Congress.

17

SENATE COMMITTEE REPORT

FURTHER Finance

DATE TURNED INTO OFFICE 3-3-88

2/22/88

Mr. President:

Transportation Committee considered HJR 50

Requesting the Congress to remove the Highway Trust Fund and the Airport and Airway Trust Fund from the Unified Federal Budget

and recommended

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

attached amendment(s) and

*recommends*

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

*Tim Keefe*  
*[Signature]*  
*[Signature]*  
*[Signature]*

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

*[Signature]*  
Chairman signature (and recommendation)

Committee Backup attached

HJK

52

SENATE COMMITTEE REPORT

FURTHER

3/4/88

DATE TURNED INTO OFFICE 3/28/88

Mr. President:

Finance Committee considered HJR 52  
Opposioing reductions in the budget of the United States Coast Guard

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

*[Handwritten signatures: Frank Rosten, W. ...]*

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

*[Handwritten signature: Rick Halford]*  
Chairman signature and recommendation

Committee Backup attached

A/B

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HJR 52  
PUBLISH DATE: HOUSE 2/19/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Opposing reductions in the  
budget of the United States Coast Guard  
Sponsor: Rep. Davidson  
Requestor: \_\_\_\_\_

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						
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						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There will be no fiscal impact to the state of Alaska as a result of this resolution.

Prepared by: Rep. Bette Cato, Chairman  
Division: House Transportation Committee

Phone: 465-4858  
Date: 02/15/88

Approved by Commissioner: Bette Cato  
Agency: Chairman, House Transportation Committee

Date: 02/15/88

Distribution (by preparer):

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

BY DAVIDSON, HUDSON, HOFFMAN,  
GRUENBERG, MENARD, GOLL, LARSON  
ULMER, SUND, DAVIS, AND  
GRUSSENDORF

1 IN THE HOUSE

2

HOUSE JOINT RESOLUTION NO. 52

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Opposing reductions in the budget of the

6

United States Coast Guard.

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

8

WHEREAS the budget of the United States Coast Guard for fiscal year

9

1988 has been reduced by \$100,000,000; and

10

WHEREAS this budget reduction does not permit the Coast Guard to

11

perform its mission, maintain its physical plant and equipment, and pay its

12

personnel; and

13

WHEREAS the budget reductions will drastically and adversely affect

14

the quality and quantity of services that the Coast Guard provides in the

15

waters of and off Alaska; and

16

WHEREAS the Coast Guard in Alaska has performed 5,597 search and

17

rescue missions in the last five years, saving 1,314 lives; and

18

WHEREAS the budget reductions will be felt in Alaska as

19

(1) an absence of law enforcement to prevent fishing violations

20

in the Gulf of Alaska and the waters of Southeast Alaska;

21

(2) a reduction in the number and duration of fishery patrols in

22

the Bering Sea due to the reduction in the operations of the high endurance

23

and medium endurance cutters and long range aircraft necessary to conduct

24

these patrols;

25

(3) elimination of six VHF-FM coastal distress radio sites;

26

(4) reduction of staffing at the Marine Safety Office at Valdez,

27

the southern terminus of the Trans-Alaska Pipeline;

28

(5) an increased possibility that lighted aids to navigation

29

will become extinguished before they can be serviced; and

1 (6) numerous other reductions in services provided to mariners  
2 and the public; and

3 WHEREAS there is evidence of extensive illegal fishing in the 200-mile  
4 fishing zone in the Bering Sea by foreign fishing vessels; and

5 WHEREAS 129 different foreign vessels were sighted in the inter-  
6 national waters of the Bering Sea during 1987; and

7 WHEREAS inadequate enforcement of foreign fishing results in over  
8 exploitation of the fish stocks and deprives American fishermen and pro-  
9 cessing workers of their jobs and the United States of a market for its  
10 fishery products, thus eliminating an opportunity to correct the imbalance  
11 of trade with Japan and other countries; and

12 WHEREAS fishermen, sailors, and boaters on the waters of and off  
13 Alaska rely on the vital service the Coast Guard provides by being on call  
14 24 hours of each day to assist in the protection of property and the lives  
15 of those who are in peril at sea; and

16 WHEREAS the reductions in the budget of the Coast Guard for meeting  
17 its operational responsibilities puts the lives of our friends and neigh-  
18 bors at risk;

19 BE IT RESOLVED that the Alaska State Legislature respectfully ex-  
20 presses its strongest possible objection to the reductions that have been  
21 made to the United States Coast Guard budget for fiscal year 1988; and be  
22 it

23 FURTHER RESOLVED that the Alaska State Legislature respectfully re-  
24 quests that the budget for the Coast Guard be restored to that level neces-  
25 sary to allow the Coast Guard to fully perform its mission, maintain its  
26 physical plant and equipment, and pay its active and retired personnel.

27 COPIES of this resolution shall be sent to the Honorable Ronald  
28 Reagan, President of the United States; to the Honorable George Bush,  
29 Vice-President of the United States and President of the U.S. Senate; to

1 the Honorable James H. Burnley IV, Secretary of Transportation; to Admiral  
2 Paul A. Yost, Jr., Coast Guard Commandant; to Rear Admiral Edward Nelson,  
3 Jr., Commander 17th Coast Guard District; to the Honorable Jim Wright,  
4 Speaker of the U.S. House of Representatives; the Honorable John C.  
5 Stennis, Chairman of the U.S. Senate Committee on Appropriations; the  
6 Honorable Jamie L. Whitten, Chairman of the U.S. House of Representatives  
7 Committee on Appropriations; and to the Honorable Ted Stevens and the  
8 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.  
9 Representative, members of the Alaska delegation in Congress.



STATE OF ALASKA  
HOUSE OF REPRESENTATIVES  
Box V, Juneau, Alaska 99811  
(907) 465-2487 • 465-2498

REPRESENTATIVE CLIFF DAVIDSON

District 27

Box 746, Kodiak, Alaska 99615

M E M O R A N D U M

TO: Senate Finance Committee Members  
FROM: Representative Cliff Davidson  
DATE: March 25, 1988  
RE: HJR 52

The Coast Guard throughout the nation is suffering severe budget cuts as a result of the Gramm, Rudman, Hollings Act. Consequently, the Coast Guard in Alaska is having to trim an already bear bones budget.

The people in coastal Alaska rely heavily on the Coast Guard for navigational aids, monitoring radio distress calls, safety training, and most importantly, search and rescue missions, as well as fisheries enforcement patrols.

HJR 52 sends a message to the budget decision makers in Washington, D. C. that these proposed cuts are totally unacceptable. I ask for your positive and expeditious consideration to this matter so vital to all Alaskans.

Thank you.

ALASKA CONFERENCE OF MAYORS

RESOLUTION NO. 88-15

WHEREAS, the United States Coast Guard is suffering severe budget cuts; and

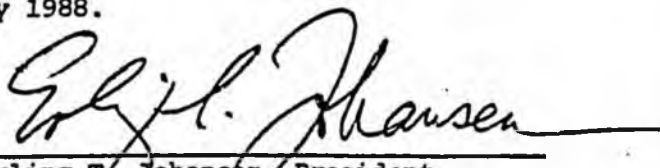
WHEREAS, adequate Coast Guard service levels are potentially jeopardized; and

WHEREAS, the United States Coast Guard is an important contribution to the safety, security and economy of Alaskan communities.


NOW THEREFORE, BE IT RESOLVED that the Alaska Conference of Mayors expresses its support for adequate Coast Guard budget funding, to provide the levels of Coast Guard service necessary to perform their assigned duties.

AND FURTHER BE IT RESOLVED, the Alaska Conference of Mayors endorses the House Joint Resolution opposing reduction in the budget of the United States Coast Guard.

Adopted this 10th day of February 1988.

  
Erling T. Johansen, President  
Alaska Conference of Mayors

ATTEST:

  
Scott A. Burgess, Executive Director  
Alaska Municipal League

US Department  
of Transportation

United States  
Coast Guard



Commandant  
United States Coast Guard

Washington, D.C. 20593-0001  
Staff Symbol: (G-CPE)  
Phone: (202) 267-2355

5730

The Honorable Cliff Davidson  
Alaska House of Representatives  
Box V  
Juneau, Alaska 99811

FEB  
RECEIVED FEB 8 1988

Dear Mr. Davidson:

Thank you for your letter of January 20, 1988. Be assured that I completely understand your concern regarding cuts to Coast Guard facilities in Kodiak, Alaska.

The President's budget in FY 1988 asked for sufficient funds to allow me to operate my current facilities. However, the enacted appropriation resulted in a \$100M shortfall. I will be forced to close many units and slow down my pace of operations significantly service wide. I am attempting to continue operating all present facilities in Kodiak and will continue to do so as the FY88 funding picture becomes final.

I appreciate your interest and I assure you that I am actively seeking Congressional support for the Coast Guard to avoid future cutbacks in the level of services we are providing.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. J. [unclear]", written over a horizontal line.

# Factory ships caught with nets down in Bering Sea

SEATTLE (AP) - Tough penalties and increased Coast Guard surveillance are being sought after seven Japanese factory ships reportedly were seen fishing illegally in U.S. waters.

Ted Evans, director of the Alaska Factory Trawlers Association, and Sam Hjelte, president of Glacier Fish Co., said they made videotapes of the ships they saw Wednesday from a privately chartered jet about 38 miles inside the 200-mile fishery zone and northwest of Adak in the Aleutian Islands.

"This simply confirms what we have suspected all along," Evans said, "that there is massive, calculated foreign fishing within the U.S. zone."

Hjelte, whose Seattle company operates a factory trawler,

said overall Japanese fleet sizes in the area and shipments of processed seafood lead him to believe as much as five million metric tons of unreported fish worth as much as \$2 billion may have been caught in the north Pacific Ocean last year - more than twice what U.S. scientists say would be a biologically acceptable harvest.

The Seattle-based trawlers group will report the findings at a meeting of the North Pacific Fisheries Management Council this week in Anchorage, Alaska, along with requests for tough penalties and increased Coast Guard surveillance, Evans said.

A State Department official in Washington D.C. told The Seattle Times that Japanese diplomats were asked for an explanation Friday, with further

action unlikely until the unofficial report is confirmed.

Last year Japanese, Korean and other foreign fishing representatives reported catching more than a million metric tons, or 2.2 billion pounds, of bottomfish in the "doughnut hole," an expanse of international waters covering 4,500 square miles in the Bering Sea where the water is more than two miles deep.

"No way they're catching all that fish in the doughnut hole," Hjelte said. "Fish don't like the deep water. They school up on the edge (of the continental shelf, inside the zone) where there's lots of upwelling."

He and others say it is far more likely those fish were taken by boats that slipped inside the fishery zone under cover

of darkness or low clouds.

A Coast Guard official in Washington D.C. said the agency has similar suspicions and has often heard unconfirmed reports of illegal fishing, but despite air and sea patrols the foreign fleets have never been caught with their nets down.

Last year the Coast Guard report spotted as many as 200 foreign fishing vessels in the Bering Sea.

Evans said he, Hjelte and the charter pilots had been flying for several hours when they saw some radar blips and dipped beneath the 200-foot cloud cover in an area the plane's Loran gear indicated was 38 miles inside the zone.

In three passes they said they videotaped seven factory trawlers, each more than 200

feet long, fishing on Ulmi Plateau, an area of shallow water known as a productive fish trap area. Moments later, just outside the U.S. zone, the spotted about 20 scatterers. Japanese vessels that appeared to have just pulled in their nets seemed to be processing, Evans said.

The Times described the tapes as grainy in quality but clearly showing nets in the water. Evans said he recorded the identification numbers of at least three ships, but the hull numbers of two others were covered by canvas tarpaulins.

Hjelte said the size of the boats indicated they were fishing for halibut, turbot or black cod also known as sablefish, rather than pollock or other less lucrative fish.

Occasional snow tonight with northwest winds at 20 mph and a low near 30. Snow showers tomorrow with a high near 34. Record high for this date is 46, set in 1962; record low is -3, set in 1947. Sunset tonight at 5:04; sunrise tomorrow at 9:36. Daylight: 7 hours, 26 minutes.

the  
**Kodiak**  
daily mirror

VOL. 48 NO. 011 MONDAY, JANUARY 18, 1988 KODIAK, ALASKA 12 PAGES 35 CENTS

## Admiral says fish patrol cuts likely

By KAREN DURR  
Staff Writer

Depending on decisions being made in Washington D.C. soon the Coast Guard is facing some drastic changes. Nationwide the service may sustain a \$100 million cut - about 10 percent of last year's total - in this year's budget, and that cut must be worked into a fiscal year that's already more than a quarter past.

In Alaska's 17th Coast Guard District those changes could be felt immediately: a 30 percent cut in cutter operations, 10-15 percent cuts in flight time, moving the buoy tender Sweetbriar from its homeport in Cordova to Ketchikan and decommissioning another buoy tender, the Planetree.

The Commander of the 17th Coast Guard District, Rear Adm. Edward Nelson Jr., discussed some of those impending changes during an interview with *The Kodiak Daily Mirror*.

**Mirror:** We understand you were given some direction on cuts to be made to the Coast Guard in Alaska.

**Nelson:** That's something that was imposed last week, to make up the shortfall between what we need and what we don't have.

**Mirror:** But we also understand the Coast Guard has been authorized \$100 million to come from the Department of Defense. Won't that offset this year's cut?

**Nelson:** We always do get some support from the Navy - what we would need in the event of a mobilization. But all I know is that additional DOD \$100 million is in kind, not in dollars. Two examples would be C-130 parts or fuel. Specifically what kind other kinds of support I could not tell you. We're still in the process of working out what kind of support that could be.

If it wasn't for that \$100 million, it would be a \$200 million deficit.

**Mirror:** What restrictions would be placed on that DOD funding?

**Nelson:** It would be restricted in the same sense as using coupons in a company store. You can get fuel or parts, but it isn't dollars coming across the counter.

**Mirror:** It seems that every year the Coast Guard goes through a similar process of being cut drastically and at the last minute things work out.

**Nelson:** It's different this year with the Gramm-Rudman cuts. I don't know where the help is going to come from since it's gotten past the Congressional stage here. But you're right, every year we spend a lot of time finding relief and we have had some help before. It's very frustrating to face this every year. But we belong to Department of Transportation. If they take something out of the Department's budget that is high priority, like mass transit, it had to come out of that same piece of pie and we have a small piece.

**Mirror:** So what losses does Alaska face?

**Nelson:** We were asked what we were going to do to deal with this kind of reduction. We knew we're going to lose a buoy tender for some time. The Planetree hasn't gone through the extensive rehabilitation the others have. The need hasn't changed, but we were asked where would you make that up.

Another target might have been the Firebush. You can't get into personalities, but operations only. We feel like we can cover the needs of Aids to Navigation with the Homer-based Sedge or the Firebush out of Kodiak. If we have to take a loss somewhere it'll have to be the Sweetbriar.

We're basing this decision on operational needs, not on the way it's received in the community or who has what facilities.

**Mirror:** How are you going to handle other cuts?

**Nelson:** We'll probably close the MSDs (Marine Safety Detachments) in Kodiak and Sitka - that's two men in Kodiak, one in Sitka - and phase down the one in Valdez. We might make that a MSD and not a MSO (Marine Safety Office).

Kenai and Ketchikan both have a much heavier load. It would be

(See "Admiral," Page 13)

## 6 men overboard off crabber

By KAREN DURR  
Staff Writer

Six crewmen abandoned the sinking FV Wayward Wind early this morning as a Coast Guard cutter, aircraft, and commercial fishing vessels raced to the rescue.

Two survivors and four bodies have been picked up and returned to Kodiak. Officials were not releasing any identities at press time.

The men were reportedly in 10-foot seas south of Tugidak Island.

The Coast Guard received the Wayward Wind's mayday call at

1:15 a.m. Moody, according to a Kodiak Air Station spokesman. She was taking on water and the crew were punting on survival suits.

The Coast Guard launched a C-130 which pinpointed the vessel's Emergency Locator Transmitter signal and guided an H-3 helicopter to the area, 10 miles south of Tugidak off Kodiak's southernmost tip.

Two other fishing vessels were on scene this morning and others were on the way. The Coast Guard cutter Boatwell also was to join the search. The steel-hulled 86-foot

Wayward Wind is homeported in Kodiak and is owned by Irish Lady Inc. of Port Williams on Shuyak Island. Her operator, is William "Red" Nietzpski, according to City Harbormaster records. A multi-use vessel, she was geared for Tanner crabbing.

The search was being conducted in 25 knot winds and 10-foot seas with blowing snow, the AirSta spokesman said.

In an unrelated case, the Coast Guard also medevaced a crewman off the FV Yardarm Knox Friday afternoon.

Craig Davies, 19, was taken off the vessel.

## Boat hull, 2 bodies found from FV Cape Karluk

By NELL WAAGE  
Staff Writer

Two bodies from the FV Cape Karluk and the wrecked hull of the boat were found by searchers over the weekend.

Authorities have discontinued the search for a third crewman said to be aboard when the boat disappeared between Jan. 12 and 13.

The body of Merle P. Ashouwak, 24, was spotted by the Coast Guard search helicopter Saturday in Geese Channel and later recovered by crewmen aboard the Alaska Fish and Wildlife Patrol Vessel Vigilant. Ashouwak's body was clad in a Mustang "skiff suit" or "deck suit," according to Lt. Tom Schwantes of the FWP. Later in the day the body of Jerry D. Christiansen, 30, was located and recovered. Schwantes said

that to his knowledge Christiansen was not wearing a survival or deck suit.

Still missing is Eugene Naumoff, 34.

The Coast Guard initially located the wreckage of the 32-foot Cape Karluk Friday in Geese Channel and was able to relocate it Saturday and direct the Vigilant to it. The entire cabin and wheel house were gone, Lt. Schwantes said, and the port side from the fish hold forward was torn away, making it possible to verify that no bodies were in the wreckage.

The search was discontinued late Saturday.

Jeff Peterson, Village Public Safety Officer of Old Harbor, said the men, all Old Harbor residents, had set off from the village for Moser Bay to pick up some crab pots. The boat left Moser Bay around noon on Jan.

12, according to information furnished to the FWP. Tuesday evening those aboard the boat radioed Old Harbor they were seeking shelter from severe weather in Russian Harbor at the southernmost tip of Kodiak Island and expected to reach the village the next morning. The YPSO reported the Cape Karluk overdue at around noon the next day.

The Vigilant happened to be in Geese Channel at 1 p.m. that day when they heard the missing boat report and began searching. Schwantes said, continuing on into Aliak and Moser Bay. The Coast guard also began a search. Seas were rough in the area, Schwantes said. A steady wind had buffeted the area at 40 miles per hour with gusts to 60 the two previous days.

Christiansen was owner of the Cape Karluk.

## Admiral discusses cuts

(Continued from Page 1).

more expensive to cover them with transportation costs than, say, Kodiak or Sitka.

**Mirror:** How about the reported 10-15 percent reduction in aircraft operations?

**Nelson:** We knew we were going to have some reduction. Kodiak was supposed to be getting another C-130, but there was no place to hangar it so it's just as well we won't now.

Other than that, augmentation of airframe support on patrols is to be reduced. Already a bunch of the folks out of the (fishing) associations in Seattle — the larger catcher processors, the factory rawlers — have written Sen. Stevens and the North Pacific Fishery Management Council because they've been concerned we don't have enough information on fishing in the doughnut hole.

We weren't doing enough before and we'll be doing even less with less flight time. Beyond that, we didn't get any mandated cuts.

**Mirror:** What vessel operations may be affected by these 30 percent cuts?

**Nelson:** High-endurance cutters out of Seattle, Hawaii or San Francisco and enforcement of laws and treaties, readiness exercises, fisheries patrols, the Alaska Patrol, special operations, refresher training with the Navy.

**Mirror:** Specifically the Alaska Fisheries Patrol?

**Nelson:** We like to have two (patrol vessels) on the (fishing) grounds all the time. We'll flat not be able to do that. We'll have to compensate with the Storis out of Kodiak when we don't have the high-endurance cutters up here. The Storis does a fine job, but it isn't a high-endurance cutter.

We usually try to get the Boutwell on the grounds for 60 days, but with search and rescue cases and so on, they'll have less time on patrol.

**Mirror:** And your other training cutbacks?

**Nelson:** We canceled the Sedge out of Homer going on spring refresher training. But we rescheduled her for the fall and that turned out better anyways with the extensive turnover of officers due this summer. It'll be better in the fall with the new command.

Two other training exercises are coming up and the plan is to send them. It's pretty important. It's not just fighting war, but damage control training—how to handle a hole in the side. It's pretty important for the survival of a ship.

Training supposedly sticks, but with new people coming along all the time it has to be a constant thing.

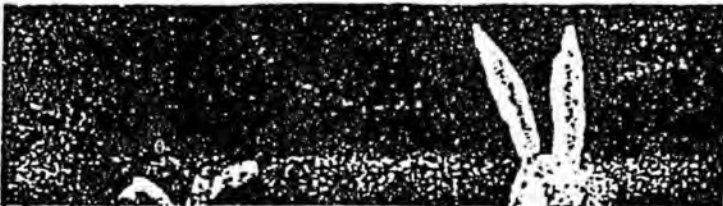
We're looking across all expenses, down to the cost of having a phone sitting on a desk in someone's office and to a large part we can stall off some things we can do without. But in the last few years, we've learned we can't do without training too long or it's going to turn around and bite you. So we're doing the best we can to maintain that training.

**Mirror:** What's the next step in the decision making process?

**Nelson:** The Department of Transportation is trying to work with the White House and we're getting pretty good support from the Department.

**Mirror:** When's the final decision due?

**Nelson:** Last week we thought Friday would have the answer. But we still haven't heard the word.



## Weekend spo

By The Associated Press

### PRO FOOTBALL

**NEW YORK** — The Denver Broncos will face the Washington Redskins in Super Bowl XXII on Jan. 31 in San Diego as both teams won Conference Championships Sunday. Denver stopped Cleveland, 38-33, in the AFC title game for the second straight season as quarterback John Elway threw three touchdown passes. Washington ended the impressive playoff run of the Minnesota Vikings, 17-10, behind two touchdown passes by quarterback Doug Williams.

**NEW YORK** — Jimmy "The Greek" Snyder, a self-styled oddsmaker and expert on sports, was fired as a CBS Sports commentator Saturday, a day after making controversial remarks about blacks.

Snyder, 70, who had been with CBS for 12 years, said in a television interview that black athletes were superior to whites because during the Civil War "the slave owner would breed his big black with his big woman so that

he would have a kid. That's what started."

### GOLF

**CARLSBAD** — Steve Pate was the winner of golf's of Champions Series of rain squashed out the fourth round. The play was reduced to 54 holes.

Dave Hill, through three rounds, won the seniors' competition that brings only the winner of the PGA Tour title named the winner of the 50 section of the

Play had been times, once by Mike Shea of Utah. Allard Roen, chairman for the canceled the final

Only 12 men field of 50 had come when the round out. All Sunday erased.

### SKIING

**DOBBIAIC** — Swedish team women's 20-kilometer Cup cross-country Saturday.

The team of stadt, Annale Magdalena Wal Elena Westin had time of 53 minutes and 53 seconds.

An East German second in 53:54. Norwegian squad 54:05.5.

### SKATING

**PRAGUE**, Slovakia — Ka emerged from

## Basketball

### EASTERN CONFERENCE

Atlantic Division		W	L	Pct	GB
Boston	25	10	.714		
Philadelphia	18	17	.514	7	
Washington	12	20	.375	11 1/2	
New York	12	23	.343	13	
New Jersey	7	27	.206	17 1/2	

### Central Division

Atlanta	26	9	.743		
Detroit	20	11	.645	4	
Chicago	20	14	.588	5 1/2	
Milwaukee	19	14	.576	6	
Indiana	17	17	.500	8 1/2	
Cleveland	17	19	.472	9 1/2	

### WESTERN CONFERENCE

Midwest Division		W	L	Pct	GB
Dallas	21	11	.656		
Houston	20	14	.588	2	

## Top 20

How the A teams fared in 1. Arizona: 70-54.  
2. North Carolina: 87-62.

SENATE COMMITTEE REPORT

FURTHER Finance

DATE TURNED INTO OFFICE 3-3-88

2/22/88  
Mr. President:

Transportation Committee considered HJR 52

Opposing reductions in the budget of the United States Coast Guard

and recommended

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

attached amendment(s) and

*recommends*

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

*Timothy Kelly*  
*Alfred ...*  
*[Signature]*  
*[Signature]*

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

*[Signature]*  
Chairman signature and recommendation

Committee Backup attached

HCR

52

# HOUSE COMMITTEE REPORT

(11)

Date referred: 4/8/88

FURTHER REFERRALS:

DATE: 4-22-88

The Finance Committee has considered HCR 52

Relating to state economic indices and reports.

**RECOMMENDS:**

- replace with \_\_\_\_\_  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 4-8-88
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

Adams [Signature]

Pourchat [Signature]

Larson [Signature]

SWACK [Signature]

Boyer [Signature]

Rieger [Signature]

Frank [Signature]

Brown [Signature]

Davis [Signature]

Wallis [Signature]

**SIGNING OTHER RECOMMENDATIONS:**

Goll [Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
Chairman's signature

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Regarding economic indices and BRAU: Division of Business Development  
reports  
Sponsor: House Joint Comm. on Econ. Recovery Components: \_\_\_\_\_  
Requester: House Labor and Comm. Committee

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

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		150	150	150	150	150
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

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

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

**FUNDING: (Thousands of dollars)**

GENERAL FUND		150	150	150	150	150
FEDERAL FUNDS						
OTHER						
TOTAL						

**POSITIONS:**

FULLTIME		0	0	0	0	0
PARTTIME						
TEMPORARY						

**ANALYSIS: (Attach a separate page if necessary.)**

Funds would go to ISER to provide the economic information outlined in the resolution.

Prepared by: Larry Mercurieff, Director Phone: 465-2017  
Division: Business Development Date: 4/5/88  
Approved by Commissioner: J. Anthony Smith, Commissioner Date: 4/5/88  
Agency: Department of Commerce & Economic Development

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

page \_\_\_\_ of \_\_\_\_

13280/040588a

## ALASKA ECONOMIC INDEX BUDGET

	*TOTAL*	**TASK I.	**TASK II.	**TASK III*	*TASK IV.
	*****	HOUSEHOLD	QUARTERLY	PERFORM	ANNUAL
		SURVEY	REPORT	REPORT	PROJECTION
Goldsmith	\$30,816	\$5,603	\$11,206	\$5,603	\$8,404
Kruse	\$11,206	\$11,206	\$0	\$0	\$0
Foster	\$12,910	\$12,910	\$0	\$0	\$0
Hull	\$18,918	\$0	\$10,810	\$2,703	\$5,405
Field Asst.	\$10,859	\$10,859	\$0	\$0	\$0
Leask	\$16,403	\$0	\$6,561	\$6,561	\$3,281
Interviewers	\$54,902	\$54,902	\$0	\$0	\$0
Crowe	\$1,088	\$0	\$0	\$1,088	\$0
Siver	\$10,762	\$8,371	\$1,196	\$1,196	\$0
SUM PERSONNEL	\$167,864	\$103,851	\$29,773	\$17,151	\$17,090
Travel	\$10,000	\$10,000	\$0	\$0	\$0
Telephone	\$16,000	\$16,000	\$0	\$0	\$0
Reproduction	\$5,000	\$5,000	\$0	\$0	\$0
Computer	\$1,000	\$1,000	\$0	\$0	\$0
SUM OTHER	\$32,000	\$32,000	\$0	\$0	\$0
GRAND TOTAL	\$199,864	\$135,851	\$29,773	\$17,151	\$17,090

=====

NOTE: The sources of funds for this project include \$150,000 in state appropriations augmented by \$50,000 in private sector contributions.

BY THE RULES COMMITTEE BY  
REQUEST OF THE HOUSE MEMBERS  
OF THE JOINT COMMITTEE ON  
ECONOMIC RECOVERY

1 IN THE HOUSE

2

HOUSE CONCURRENT RESOLUTION NO. 52

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Relating to state economic indices and

6

reports.

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

8 WHEREAS promoting the economic well-being of Alaska citizens is a  
9 responsibility of the Alaska State Legislature; and

10 WHEREAS the state's economy is subject to periodic cycles of economic  
11 growth and contraction; and

12 WHEREAS the current economic contraction has continued for a long time  
13 and is harming the economic well-being of many Alaskans; and

14 WHEREAS state spending and saving decisions have a major effect on  
15 both the short-term and long-term growth or contraction of the state's  
16 economy; and

17 WHEREAS accurate and complete information on the condition of and  
18 outlook for the state's economy is critical to legislative spending and  
19 saving decisions; and

20 WHEREAS needed economic information and analysis are not now available  
21 on a timely basis;

22 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
23 the Governor to direct the Department of Commerce and Economic Development  
24 to arrange for the University of Alaska's Institute of Social and Economic  
25 Research to

26 (1) prepare quarterly economic indices for the state and an  
27 annual report on the condition of and outlook for the state's economy; and

28 (2) gather and analyze on a continuing basis the data needed to  
29 produce the indices and reports; and be it

1        FURTHER RESOLVED that the Alaska State Legislature respectfully re-  
2        quests the Governor to direct the Department of Commerce and Economic  
3        Development to distribute to the Alaska State Legislature and to the public  
4        the state economic indices and reports prepared by the University of  
5        Alaska's Institute of Social and Economic Research under the first resolve  
6        of this resolution.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HCR 52  
PUBLISH DATE: 3/24/88

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Regarding economic indices and BRU: Division of Business Development  
reports  
Sponsor: House Joint Comm. on Econ. Recovery Components: \_\_\_\_\_  
Requester: House Labor and Comm. Committee

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

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		150	150	150	150	150
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

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

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

**FUNDING: (Thousands of dollars)**

GENERAL FUND		150	150	150	150	150
FEDERAL FUNDS						
OTHER						
TOTAL						

**POSITIONS:**

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

**ANALYSIS: (Attach a separate page if necessary.)**

Funds would go to ISER to provide the economic information outlined in the resolution.

Prepared by: Larry Mercurieff, Director  
Division: Business Development

Phone: 465-2017  
Date: 4/5/88

Approved by Commissioner: J. Anthony Smith, Commissioner  
Agency: Department of Commerce & Economic Development

Date: 4/5/88

**Distribution (by preparer):**

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

page \_\_\_\_ of \_\_\_\_

1328D/040588a

## ALASKA ECONOMIC INDEX BUDGET

	*TOTAL* *****	**TASK I. HOUSEHOLD SURVEY	**TASK II. QUARTERLY REPORT	**TASK III PERFORM REPORT	*TASK IV. ANNUAL PROJECTION
Goldsmith	\$30,816	\$5,603	\$11,206	\$5,603	\$8,404
Kruse	\$11,206	\$11,206	\$0	\$0	\$0
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SUM OTHER	\$32,000	\$32,000	\$0	\$0	\$0
GRAND TOTAL	\$199,864	\$135,851	\$29,773	\$17,151	\$17,090

=====

NOTE: The sources of funds for this project include \$150,000 in state appropriations augmented by \$50,000 in private sector contributions.



# UNIVERSITY OF ALASKA, ANCHORAGE

3211 Providence Drive  
Anchorage, Alaska 99508  
(907) 786-7710

INSTITUTE OF SOCIAL AND  
ECONOMIC RESEARCH

MEMORANDUM

TO: Representative Al Adams, Chairman  
House Finance Committee

FROM: Lee Gorsuch, Director  
Institute of Social and Economic Research (ISER)

DATE: April 19, 1988

RE: Description of Products Generated by the Alaska  
Economic Index Project Referenced in House Concurrent  
Resolution 52 (HCR 52) and the Corresponding Fiscal  
Note Originally in the Department of Commerce Budget

## Questions

A number of questions have been raised concerning the work to be performed under the Alaska Economic Index Resolution (HCR 52) and the subsequent fiscal note originally attached to the Department of Commerce budget. The purpose of this memo is to address these following questions:

What will the products of this project be, and what will be their value?

How will these activities differ from activities and reports that are currently produced by state and federal government agencies?

What is the rationale for the Department of Commerce's coordination of the project while utilizing the Institute of Social and Economic Research (ISER) to conduct the analyses?

## Introduction

Most Alaskans are keeping an anxious eye on the state's economy these days. We all wonder what's going on, if things will get worse, and when they will get better. Experience has taught us that change can happen fast in Alaska's economy, and we know our personal and business futures are directly affected by economic changes.



# UNIVERSITY OF ALASKA, ANCHORAGE

Representative Al Adams  
April 19, 1988  
Page 3

in the production of useful products and in the identification of additional meaningful economic information regularly collected by state government which is not currently used in economic evaluations. It will also be responsible for the distribution of reports.

ISER will conduct the household surveys and prepare the quarterly indices, the Annual Performance Report, and the Economic Projection. ISER is the most appropriate entity to carry out these functions for a number of reasons. First, it can be done for less cost by ISER because much of the information is already collected, many of the computer programs have been written, staff have been trained, and procedures have been set up and tested. Prototypes of all of the products have been produced within the last 2 years. Public funds will be augmented by private business contributions to the household survey. Second, project continuity will be enhanced by locating it outside of the regular departments of government. Past efforts to develop this capability "in house" at the Department or in other state agencies have not been successful for a variety of reasons. In contrast, the models and databases maintained at ISER have been in continuous use for nearly 15 years. Third, locating the project outside the regular departments of government enhances the perception of impartiality of the information contained in the reports.

Attachment A is a budget for the portion of the work which ISER will do as indicated in the Department of Commerce fiscal note. The fiscal note is \$150,000 and the budget is \$200,000, because of the contribution of \$50,000 from business sources in support of the household survey.

## Product Description

1. Semi-annual statewide household survey. This panel survey, to be conducted in the spring and fall of the year, will gather information on the current status and expectations of Alaska households. It will include their household composition, buying habits, plans to move, recent changes in income and other measures of well-being, and perceptions and attitudes about the future of the household and the general economy. (A panel survey means that the same group of households will be followed over time--a technique that offers the most reliable results in a survey of this nature.) A core set of questions will be asked of the panel each time, thus establishing a time series database of information on the status of the household.



# UNIVERSITY OF ALASKA, ANCHORAGE

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Page 2

Unfortunately, much of the available information on our economy is published, at best, a few times a year, and most often it reports what happened last year or even the year before. Some commonly used federal statistics on Alaska can be inaccurate or misleading because they fail to take into account conditions specific to the state. In the case of income data compiled from federal tax records, years may pass between the time the information is collected and when it is used.

Another problem is that cutbacks in spending in recent years have reduced the amount and frequency of state and federal statistics. And for some aspects of the economy, few statistics have ever been collected.

When information is reported, it is often hard to tell what it means for the coming months and how it fits into the overall economic picture. A few agencies and private organizations do some economic analysis and forecasting, but such work is limited and infrequent.

The objective of this project is to develop vital current economic information not available elsewhere; to provide a professional, objective interpretation of this information; and to monitor, interpret, analyze, and disseminate secondary economic information. The project can be divided into 4 activities, as follows, each of which is discussed in turn below:

1. Semi-Annual Statewide Household Survey
2. Quarterly Report of Economic Indicators
3. Annual Performance Report
4. Annual Economic Projection

## Organizational Structure

The Department of Commerce will have the lead state agency role in the coordination with ISER in this project. Commerce will oversee and direct state participation in the activities of ISER in designing the household survey and the quarterly indices and in the preparation of the Annual Performance Report and Projection. Commerce will have the lead role in the collection, analysis, and interpretation of the business data which is gathered as a part of its business development function. Commerce will coordinate the interests of other state agencies



# UNIVERSITY OF ALASKA, ANCHORAGE

Representative Al Adams  
April 19, 1988  
Page 3

in the production of useful products and in the identification of additional meaningful economic information regularly collected by state government which is not currently used in economic evaluations. It will also be responsible for the distribution of reports.

ISER will conduct the household surveys and prepare the quarterly indices, the Annual Performance Report, and the Economic Projection. ISER is the most appropriate entity to carry out these functions for a number of reasons. First, it can be done for less cost by ISER because much of the information is already collected, many of the computer programs have been written, staff have been trained, and procedures have been set up and tested. Prototypes of all of the products have been produced within the last 2 years. Public funds will be augmented by private business contributions to the household survey. Second, project continuity will be enhanced by locating it outside of the regular departments of government. Past efforts to develop this capability "in house" at the Department or in other state agencies have not been successful for a variety of reasons. In contrast, the models and databases maintained at ISER have been in continuous use for nearly 15 years. Third, locating the project outside the regular departments of government enhances the perception of impartiality of the information contained in the reports.

Attachment A is a budget for the portion of the work which ISER will do as indicated in the Department of Commerce fiscal note. The fiscal note is \$150,000 and the budget is \$200,000, because of the contribution of \$50,000 from business sources in support of the household survey.

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# UNIVERSITY OF ALASKA, ANCHORAGE

Representative Al Adams  
April 19, 1988  
Page 4

Additional questions will be chosen for each survey based upon current and anticipated economic and demographic concerns and issues. For example the most widely used measure of price inflation in Alaska--and one that is frequently incorporated in labor agreements, lease contracts, and other documents--is the Anchorage Consumer Price Index.

The BLS has said repeatedly that the sample size for the Anchorage index is so small that it can be subject to considerable error. ISER has, in the past, shown substantial inaccuracies and shortcomings in the Anchorage index. And from now on, the Anchorage CPI will be issued only twice a year, rather than every other month.

Over the years, businesses, agencies, and individuals have repeatedly asked us for better, more complete, and more current information on living costs. On the basis of the Alaska Consumer Survey, ISER will generate useful and current information on price inflation in Anchorage.

All of the information collected in the survey will become part of the Economic Information Database of ISER and available to public and private analysts. This information does not duplicate any other data collected by survey or other means. In particular, it differs from the Current Population Survey of the U.S. Department of Labor in its coverage of the state, its depth of questions, its response time, and the fact that its content is determined by the needs of Alaska rather than of the federal government.

The survey results will be reported in the January and July quarterly reports of Economic Indicators. They are timed to coincide with the start of the new year and the middle of the high "season" for the economy.

The cost of conducting the surveys is estimated to be approximately \$136,000 annually, of which \$86,000 would come from the state grant. The remaining \$50,000 would come from private Alaska business contributions.

ISER has conducted two household surveys for state agencies in the past year similar to this survey. As a result of these surveys we have identified and refined the most productive questions to ask, have trained staff in the administration of surveys and analysis of results, and have developed computer programs for efficient analysis of the results. In addition,



# UNIVERSITY OF ALASKA, ANCHORAGE

Representative Al Adams  
April 19, 1988  
Page 5

these surveys have already resulted in a baseline of useful information about households for identifying changes and trends over time.

2. Quarterly report of economic indicators. Four times during the year, ISER will prepare a short report on the economy for dissemination by the Department of Commerce. In this report ISER will integrate the survey information with other quarterly and monthly data to produce an overall picture of the current status and trends in Alaska's economy and key industries.

Each report will contain a standard core of statistical information and a supporting interpretive discussion of the current state of health of the economy, trends in the direction of economic change, and leading indicators of future changes in the economy. Some of this information will be presented in the form of INDEXES to facilitate identification of trends and highlight the most important components of change. For example, the Employment Index (see Attachment B) would be adjusted for seasonal and random fluctuations by industry, thereby providing a clear, concise picture of the direction and pattern of economic change in Alaska. Each report will also contain a section reporting and interpreting either the results of the most recent household survey (January, July), information on prospects for the year in the state basic industries (April), or information on important components of support industries (September). A partial prototype of this index and report is included as Attachment B to this memo.

The raw material for these quarterly indices will come from four sources--the household survey; data currently collected and distributed by federal, state, and local government agencies; data collected by the Department of Commerce as part of its business development activities; and data collected by ISER as part of its ongoing project-specific economic analyses. The primary emphasis in the Alaska indices report will be on the presentation and interpretation of information in a useful and consistent fashion. Thus, although some of the raw data is available from other sources, this report will bring together in one short, concise document an interpretation and evaluation of the salient data necessary for an understanding of the current state and future growth of the economy. The secondary emphasis in the report will be to present and interpret information which is not available elsewhere which shows where the economy is headed.



# UNIVERSITY OF ALASKA, ANCHORAGE

Representative Al Adams

April 19, 1988

Page 6

ISER currently maintains on computer and regularly updates and revises an extensive database of monthly and quarterly economic and demographic information collected from public and private sources. In addition, we have developed a large number of computer programs to facilitate the presentation and interpretation of this information. This database and analytic capability have proved to be extremely valuable in monitoring and understanding the current Alaska recession. We will build on this existing capability in the development of the quarterly report.

3. The Annual Performance Report. At the beginning of the calendar year, we will produce the Annual Performance Report for publication by the Department of Commerce. This document will be similar in scope to the Annual Performance Report published intermittently during the past 10 years either by the Office of Management and Budget or the Department of Commerce. It will provide a description of each sector of the economy, analyze the performance of each sector over the past year and longer where appropriate, and provide a detailed statistical abstract consisting of tables of annual economic and demographic information covering the state since the time of statehood. This is designed to be a reference document for private and public analysts alike which will put the current status of the economy into historical perspective.

The data for this report will come primarily from the existing annual economic database maintained on computer by ISER. It will be augmented by data collected by the Department of Commerce in conjunction with their basic industry economic development activities. The ISER database and its supporting computer software has been used to produce a prototype Report periodically in the past in the form of an extensive tabular description of the structure of the economy. This will form the basis for the Annual Performance Report.

4. Annual Economic Projection. At the beginning of the calendar year, ISER will produce a set of projections for the economy for the next 5 years, with special emphasis on the next 2 years. These projections will be contingent upon different sets of assumptions for variables identified to be most indeterminate. The primary focus of the projections will be those sectors of the economy most likely to be of interest to public policy makers during the following year.



# UNIVERSITY OF ALASKA, ANCHORAGE

Representative Al Adams

April 19, 1988

Page 7

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The projections will use the analytical tools currently available at ISER in conjunction with industry specific micro information collected by the Department of Commerce. ISER has produced economic projections for many years for various purposes and will continue to do so. However, these projections are always contingent upon assumptions specific to a particular client's needs or are designed for a special purpose. In general, they are not appropriate for the purpose of setting the stage for deliberations concerning economic recovery, economic development, and fiscal policy. The Department of Labor has begun to publish an annual projection of the economy and also publishes a population projection. Currently there is no connection between the two, and the economic projection is limited to a one-year forecast of employment. These forecasts are valuable but do not fill the need for a comprehensive forecast of the economy to serve as a resource and tool for public policy analysis.

Attachment A: Budget

Attachment B: Prototype Index

Attachment C: Indicators Used to Monitor Short-term Fluctuations

## ALASKA ECONOMIC INDEX BUDGET

	*TOTAL*	**TASK I.	**TASK II.	**TASK III*	*TASK IV.
	*****	HOUSEHOLD	QUARTERLY	PERFORM	ANNUAL
		SURVEY	REPORT	REPORT	PROJECTION
Goldsmith	\$30,816	\$5,603	\$11,206	\$5,603	\$8,404
Kruse	\$11,206	\$11,206	\$0	\$0	\$0
Foster	\$12,910	\$12,910	\$0	\$0	\$0
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GRAND TOTAL	\$199,864	\$135,851	\$29,773	\$17,151	\$17,090

=====

NOTE: The sources of funds for this project include \$150,000 in state appropriations augmented by \$50,000 in private sector contributions.

ALASKA ECONOMIC INDEX REPORT

The following is a prototype of a brief monthly newsletter we tentatively plan to issue, summarizing information from our various economic indicators. Figures 1 and 2 show information that will be included and updated monthly.

Employment figures are probably the best single measure of economic health in Alaska. Figure 1 (in two parts) is our employment index, showing month-to-month changes in wage and salary employment in Alaska by industry, with the number of jobs in January 1980 as a base. The numbers are indexed through February 1987, the most recent month for which information is now available. The index figures are seasonally adjusted and smoothed. Every month we will index the most recent employment figures by industry. Readers will thus be able to see the most current information, and compare recent employment with growth and decline over the past seven years.

Figure 2 shows another important measure of economic strength and well-being in Alaska: personal income. Using quarterly personal income figures from the federal Bureau of Economic Analysis, we have developed an Alaska real personal income index. This index is based on personal income as of the first quarter of 1980 and is adjusted for inflation. The components of personal income—wages, resident earnings, transfers, and others—are also indexed individually.

Other measures of economic change will also be included in the newsletter at various times. The basic figures we've described above and any others included in the newsletter will be analyzed and briefly discussed to let readers know what the numbers say about the current state of the economy and what they portend for the coming months.

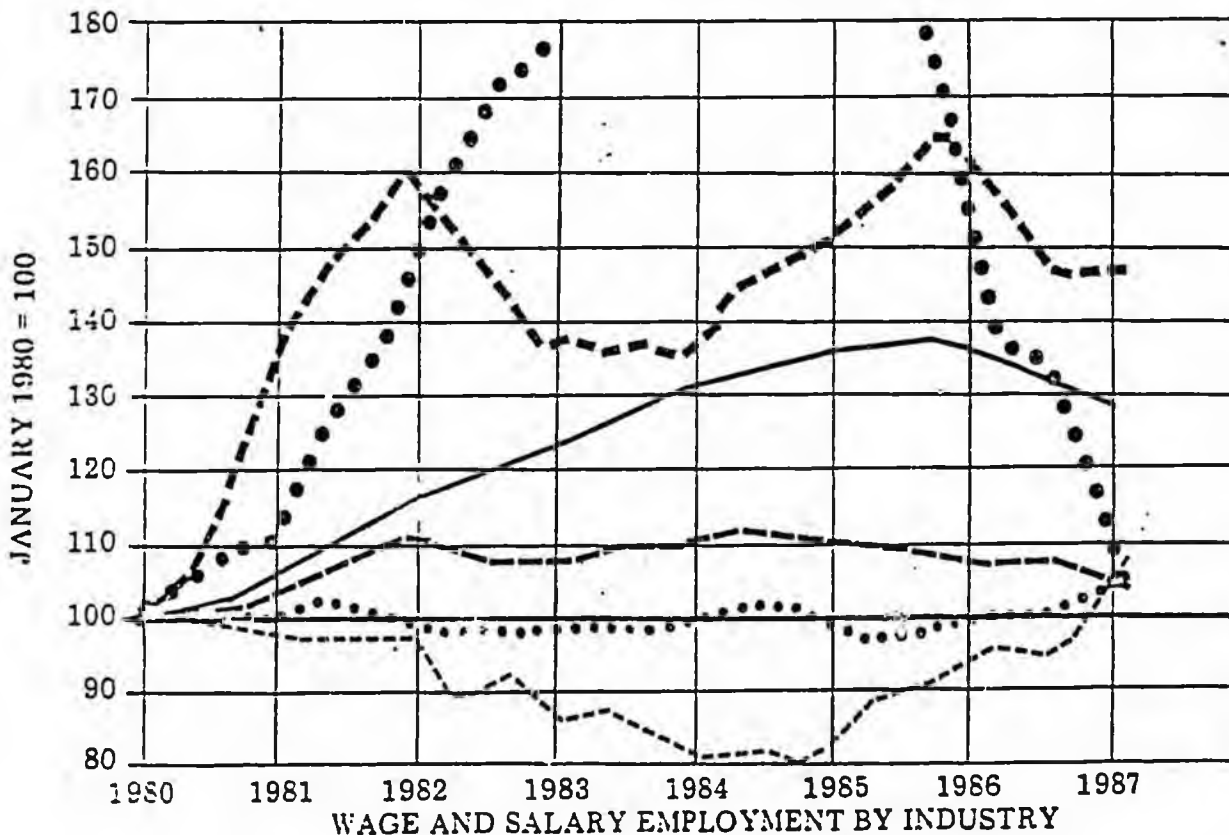
State of the Economy—April 1987

As the economy enters the second quarter of 1987, the contraction that began in the last quarter of 1985 continues but there is some evidence that the rate of decline is beginning to moderate. Employment is falling at a 5 percent annual

rate—down slightly from previous months. Since the peak of the current cycle in September 1985, the economy has lost 15,000 jobs and now has about the same number of jobs as it had in mid-1983 (seasonally adjusted). (Figure 1.) Measured by real income, the wage economy has contracted

Figure 1

ALASKA EMPLOYMENT INDEX—PART I.  
SEASONALLY ADJUSTED AND SMOOTHED



Summary

Construction

Petroleum

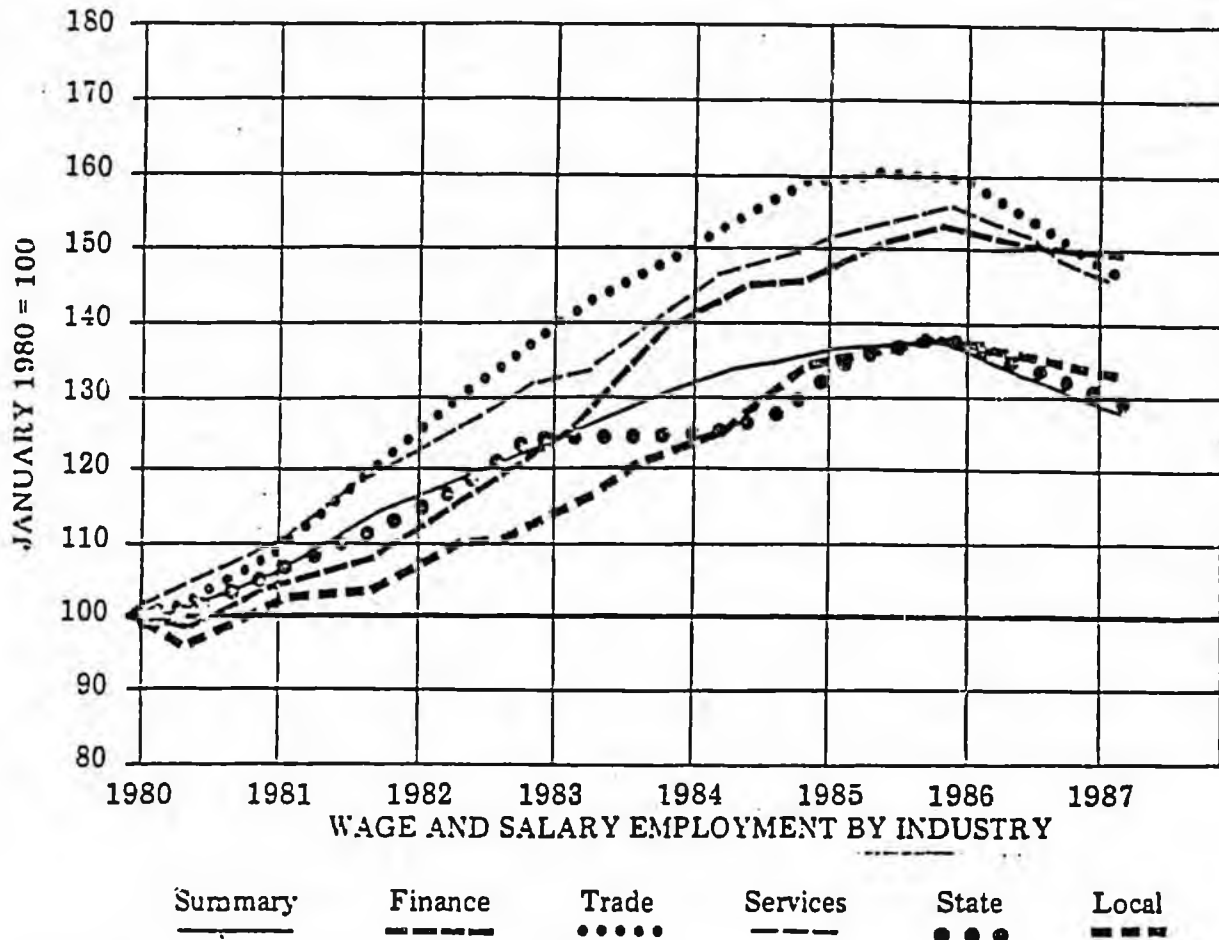
Manufacturing

Federal

Trans., Comm., Util.

Figure 1

ALASKA EMPLOYMENT INDEX—PART II.  
SEASONALLY ADJUSTED AND SMOOTHED



somewhat more—back to the mid-1982 level.<sup>1,2</sup> (Figure 2.)

Collapse of the construction industry is the most important factor in explaining the present contraction of the economy. Employment in construction has been falling since the winter of 1983 when it peaked at almost 22,000. The contraction accelerated two years later at the end of 1985, and through 1986 continued at a reduced rate of decline. Employment today in the industry stands at about 12,000—down 10,000 from the peak.

Because construction employment is still above its level (about 10,000 annual average jobs) at the start of the current business cycle in 1980,

<sup>1</sup>All data reported in this document are adjusted to remove both seasonal and random fluctuations. This procedure isolates and allows us to analyze those changes over time which are attributable to the business cycle and long-term growth factors.

<sup>2</sup>Employment is defined as the average annual number of jobs per month.

we can expect further contraction in this sector to continue to be a drag on the support sectors during the months ahead.

The bright spot for the economy is the strength in employment in the basic industries—manufacturing (which includes timber and fish processing), federal government, and petroleum/mining.<sup>3</sup> Employment in all these sectors is growing—reflecting the fact that the current contraction is largely the consequence of the overstimulation the economy received in the early 1980s, when state and local government spending expanded too rapidly.

Job loss in state and local government has been about 2,500 so far. Further losses can be expected in the next 18 months, and this loss of

<sup>3</sup>Basic industries not identified in this aggregate wage and salary employment data include fish harvesting, tourism, and military. Strength in these industries has also helped to cushion the contraction of the economy in the last 18 months.

income will also hurt the support sector for the next two years.

The support sectors—trade, services, and finance—continue to contract in response to the decline in construction and government. We have lost about 6,000 jobs in these sectors, and further contraction is expected in the coming months as they adjust to the flattening of personal income. Contraction in the finance sector appears to have ended.

Real personal income, the best single measure of consumer purchasing power and economic well-being for a region, continues to contract in step with falling employment, but at a slower rate due to the growing importance of non-wage income in the total. Personal income, adjusted for inflation, has fallen just 1 percent from its peak in the third quarter of 1985.

### The Outlook for the Balance of 1987

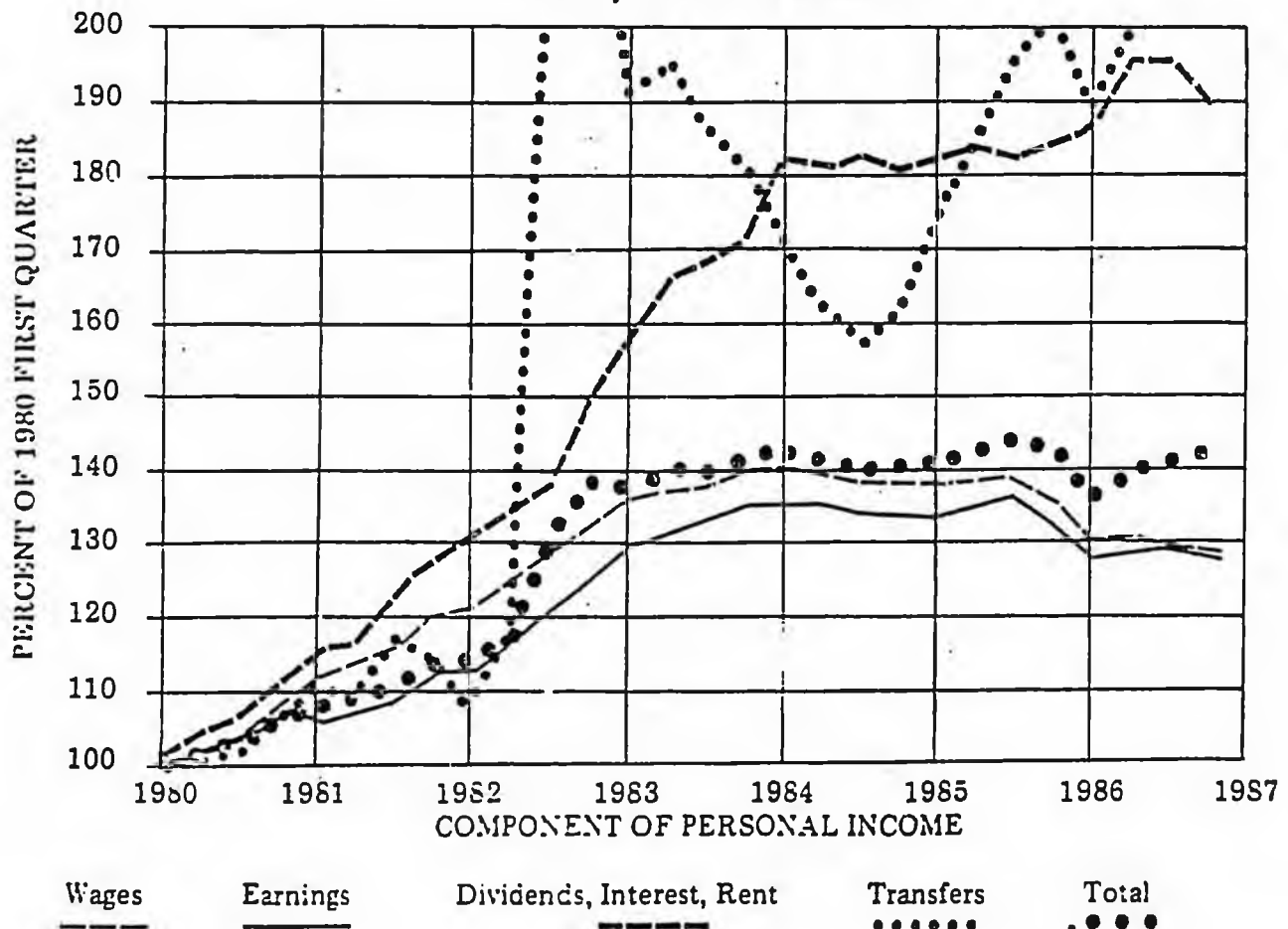
Both employment and personal income will continue to decline through the rest of this year. The decline will slow down in the first half of the year because the decline in the construction industry—which precipitated the current recession—will slow. Further contraction will occur as both state and local government and the petroleum industry reduce capital expenditures this year and next, but these reductions will be spaced out over time.

In the second half of the year, the impacts of the FY1988 state budget will produce a contractionary effect on the economy. Although it is too early to outline specific effects, it is clear that construction, state and local government, and professional services will be directly impacted. This will in turn produce a further contraction in support industries—primarily trade and personal services.

Figure 2

### ALASKA REAL PERSONAL INCOME INDEX

FIRST QUARTER 1980 = 100



### Indicators Used to Monitor Short-term Fluctuations

ISER maintains and regularly updates a database of more than 300 indicators of short-term changes in the economy of Alaska as a whole and of Anchorage in particular. This database draws together in one location most of the publicly available economic and demographic data collected by public agencies and private groups in Alaska. In addition, based on recent research, we construct our own special data series to help us interpret the data and fill gaps in the flow of information. We expand the database as we identify new information and incorporate it into our system. Below we briefly characterize the short-term indicators; a complete list is available to clients.

- **Employment and Labor Force:** We individually track each employment category in the state and in Anchorage. We monitor average hours worked, size of the labor force, unemployment, and new unemployment insurance claims. We estimate total employment from its components.
- **Income:** We track the components of wage income, including earnings by industry, and other sources of Alaska income in nominal and real (inflation-adjusted) dollars.
- **General Support Business Trends:** We keep track of numbers of new business licenses issued in Alaska, numbers of new telephones connected in Anchorage, and numbers of personal and business bankruptcies. We get this information monthly from the Alaska court system and the Anchorage Telephone Utility.
- **Basic Industry Trends:** ISER tracks production of and prices for oil and gas from the North Slope and Cook Inlet; passenger arrivals and departures at Anchorage International Airport; volumes of domestic and international freight coming into and leaving Anchorage; and level of tourism in Anchorage as reflected by the amount collected under Anchorage's hotel tax. Sources of this information include the Municipality of Anchorage and Anchorage International Airport.
- **Construction:** Our list includes about 35 indicators of construction activity. We monitor numbers of building permits issued in Anchorage for single-family houses, duplexes, multi-family units, and commercial buildings, as well as permits for remodeling. We keep track of contract construction on highways, airports, harbors, public buildings, petroleum-related facilities, military sites, and others throughout Alaska. We collect most of this information monthly from the Municipality of Anchorage and *Alaska Construction* magazine.
- **Real Estate:** We watch nearly 40 indicators of trends in the real estate market, primarily in Anchorage but in some instances in broader areas of the state. These include numbers and value of houses, mobile homes, condominiums, and other units sold under various programs of the Alaska Housing Finance Corporation (AHFC); average sales prices for homes and condominiums listed through the Anchorage Multiple Listing Service; and numbers and value of deeds of trust issued by Anchorage financial institutions. Sources of information include AHFC, the Multiple Listing Service, and Security Title and Trust Company.

- **Interest Rates:** ISER monitors the important indicators of interest rate movements, including the rate for home mortgages in the U.S. as a whole and in Alaska, the prime rate, and interest rates on U.S. treasury bills and bonds. We collect this information monthly from AHFC, *Mortgage Banking* magazine, and the *Survey of Current Business*.
- **Population Changes:** In addition to the annual population estimates made by the Alaska Department of Labor and the Municipality of Anchorage, we monitor population changes by looking at school enrollments and residential telephone hook-ups in Anchorage and at statewide consumption of various commodities. We obtain such information from the Alaska Department of Revenue, the Department of Labor, the Municipality of Anchorage, and the Anchorage Telephone Utility.
- **Consumer Prices:** We keep track of changing prices of consumer goods in Anchorage through the Anchorage consumer price index. The U.S. Bureau of Labor Statistics issued that index six times a year between 1978 and 1987; from now on it will be issued just twice a year.

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

P. O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2500

April 19, 1988

Honorable Kay Brown  
Alaska House of Representatives  
P.O. Box V  
Juneau, AK 99811

Dear Representative Brown:

Re: AIDEA Economic Data and  
Analysis/ISER Research

You have asked for information on the proposed \$175.0 addition to the AIDEA budget for business and economic data and analysis, as well as a comparison of this component to the proposed \$150.0 ISER research increment in the department's budget.

The proposed \$150.0 for ISER research will be used for collection and analysis of data for use in publication of macroeconomic indicators and to make economic projections. Such information will provide a broad overview of Alaska's economic performance on a quarterly basis through the use of key economic indicators. On an annual basis, projections on the performance of the Alaskan economy will be developed for each succeeding year. ISER anticipates that it will be able to secure approximately \$50.0 of private sector contributions to supplement the \$150.0. The private sector contributions will be used primarily to fund research in areas considered priority by the sponsors; for example, Anchorage retail activity for the quarter or housing starts in Wasilla, etc.

The proposed \$175.0 business and economic data component in AIDEA's budget will focus on development of industry specific indicators, assessment of market trends in key resource and manufacturing sectors of the Alaskan economy, and development of specific industry profiles. This information will be used by AIDEA: 1) as the agency evaluates loan guarantee proposals and applications for pre and post export financing, and 2) to provide a base of information which can assist in the development of plans and priorities which target business sectors with the greatest opportunity for expansion.

The business and economic data component will maintain data series for use in developing profiles of Alaska's basic industries. The profiles will assist AIDEA in assessing growth and investment patterns in the basic industries which, in turn, will aid in the assessment of the general business viability of specific proposals submitted to the agency.

April 19, 1988

All of the information, data and analyses generated by the business and economic data component will be useful to many local and state agencies involved in developing policies, plans and programs for trade and development. The market trend and industry indicator information and analyses (to be published on a quarterly basis) will assist the local and state agencies to target their limited resources in areas which show the greatest promise for development or which will result in the greatest return for their investment.

Coordination of the ISER research effort and the business and economic data component is essential. By allowing the department to administer the ISER research funds, it can ensure that such coordination does, in fact, occur. The department intends to utilize its administrative oversight authority over ISER research funds to make certain that state funds are matched with private sector dollars. We envision that the market trend information, industry specific indicators and industry profiles will be used by ISER as a component in a year-end economic performance report. ISER will coordinate with the department to ensure that this year-end report is structured in a manner useful to the goals set by the state. The department will use ISER's macroeconomic data and analyses in its efforts to keep "Wall Street" and the national banking community informed on the Alaskan economy and its outlook. In addition, the department can package the ISER information to respond to inquiries from businesses and investors engaged in evaluation of Alaska as a place to do business.

I cannot stress enough the critical and fundamental need for the services to be provided by the proposed business and economic data component. It is essential for the state and the business community to receive regular and reliable information in order to make intelligent investment decisions.

I hope this letter is responsive to your need for additional information.

Thank you for your consideration.

Sincerely,



J. Anthony Smith  
Commissioner

JAS/sh5432M  
41988a

Business Analysis and Economic Data Component

\$175.0

Every state Department of Commerce as well as the U.S. government provides primary economic data. That capability is not funded and currently does not exist in DCED. As a result, the department is unable to provide the most rudimentary reporting of economic and business indicators, except as such data is made available through other sources. This project will undertake as its primary function the development and periodic reporting of an ongoing, time series of fundamental business and economic activity indicators. Key indications of a community's economic strength include income levels, population trends and prospects, employment statistics, and industry or employer composition. The reports will provide the primary information required by such users as credit rating agencies (Moody's and Standard & Poor's), financial institutions, business marketing efforts, other state agencies, and regional and local economic development organizations.

The staff of this component will be capable of formatting and analyzing the data it maintains on an as-needed basis to support the efforts of the department and other users. Further, it is anticipated that this component will possess the capabilities to undertake special projects to provide analytical support to business marketing and business development initiatives of the department.

Personal Services

Economist II - Provides economic analysis functions and report preparation	\$ 60.2
Research Analyst III - Provides research assistance	46.8
Statistical Clerk - Provides statistical support for economist and research analyst positions	28.3

Travel 3.5

Contractual

Communications (phone, postage, etc.)	8.4
Layout and printing of publications	<u>28.0</u>

TOTAL \$175.0

# State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION  
AND SOCIAL SERVICES  
HOUSE JUDICIARY  
HOUSE RULES



**Representative Max F. Gruenberg, Jr.**  
District 11  
Spenard, Upper Midtown Anchorage

*Matter*

P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3718  
465-4968/4986

914 CLAY COURT  
ANCHORAGE, ALASKA 99503  
(907) 276-6844

## MEMORANDUM

TO: REPRESENTATIVE ALBERT ADAMS, CHAIR  
HOUSE FINANCE COMMITTEE

FROM: MAX F. GRUENBERG, JR., HOUSE CHAIR  
JOINT COMMITTEE ON ECONOMIC RECOVERY *MG*

DATE: APRIL 12, 1988

### RE: JOINT COMMITTEE LEGISLATION

I would appreciate your consideration of the attached legislation at your earliest convenience. HJR 72, relating to the residential real estate market, and HCR 52, relating to state economic indices and reports, were developed and considered by the subcommittees and members of the House side of the Joint Committee on Economic Recovery and introduced at the House members' request by the House Rules Committee.

These resolutions were also heard and passed by the House Labor and Commerce Committee.

For each resolution I have also indicated the committee member who is most knowledgeable.

HJR 72 is a resolution which encourages flexibility and cooperation among various state and federal lending agencies with regard to the stabilization of the residential housing market. This resolution also recommends that state agencies hold foreclosed-upon residential properties off the market when such action makes economic sense. (Representative Kay Brown or Representative Steve Rieger)

HCR 52 would seek to establish and publish quarterly an Alaskan Economic Index. This would provide a consistent index for use in the development of economic assumptions and policy for Alaska. (Representative H. A. "Red" Boucher)

I have also attached for your consideration the recommendations of the Senate members of the Joint Committee regarding these resolutions.

I hope you can speedily schedule these bills before your committee to enhance their chances of passing this session.

If you have any questions please give Tom Begich of my staff a call at 465-3718 or 465-4968 or contact the designated members directly.

Thanks.

attachments



Official Business

# Alaska State Legislature

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

## MEMORANDUM

### Senate Joint Committee on Economic Recovery

TO: Representative Max Gruenberg, Chairman  
House Joint Committee on Economic Recovery

FROM: Senator Arliss Sturgulewski, Co-Chair *AS*  
Senator Lloyd Jones, Co-Chair *LJ*  
Senate Joint Committee on Economic Recovery

RE: Legislation Endorsement Statement

DATE: March 30, 1988

The Senate Joint Committee on Economic Recovery has endorsed the following legislation and recommends that it proceed through the normal standing committee hearing process.

SCR32 - Senator Fischer - "Urging the state's financial institutions to adopt more flexible lending and collection policies."

Status: House Labor & Commerce Committee

SB333 - Senator Halford - "An Act relating to wage, salary and benefit claims having priority in certain bank liquidations and to certain bank reports required by the Department of Commerce and Economic Development; and providing for an effective date."

Status: House Labor & Commerce Committee

SB392 - Senator Halford - "An Act relating to delinquent loans of the Alaska Industrial development Authority; and providing for an effective date."

Status: House Labor & Commerce Committee

CSSB408 - Senators Kelly and Sturgulewski - "An Act relating to the Alaska Stabilization Assistance Program; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The concept of a "Bridge Bank" is contained in CSSB408. This legislation offers a potential for relieving the pressure of property management for private financial institutions and some state agencies. However it should be structured to encourage private sector management, limited state contributions and provisions for eventual repayment of these contributions back to the state. This conceptual document should be referred to standing committees for further study and processing.

SSSB471 - Senator Halford - "An Act establishing a program in the Alaska Industrial Development and Export Authority to guarantee business loans and to refinance debt; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee endorsed this legislation at the March 16, 1988 and adopted the following intent at its meeting on March 22, 1988. "The bill needs further refinement in the Senate Finance Committee and the SJ CER recommends that the Finance Committee review setting a cap or maximum limit on the total amount of loan funds that can be guaranteed by AIDEA. This will prevent uncontrollable liability at some future date. The committee also recommends that AIDEA develop guidelines for allowing private financial institutions to offer refinanced debt packages as well as guidelines for new business loans that will stimulate economic growth. Finally, in order to evaluate its progress, the committee suggests a sunset date on the AIDEA loan guarantee program."

SSSB474 - Senator Halford - "An Act increasing property exemptions; and providing for an effective date."

Status: Senate Finance

SB476(CRA) - Senator Halford - "An Act creating the Supplemental Municipal Assistance Fund for Railbelt communities; and providing for an effective date."

Status: Senate Finance

SB477 - CRA Committee - "An Act making a special appropriation to the Department of Community and Regional Affairs for supplemental municipal assistance to Railbelt communities; and providing for an effective date."

Status: Senate Finance

Endorsement qualifications:

The committee adopted an amendment that reduces the appropriation amount to \$25,000,000.

Proposed - Senator Josephson - "An Act relating to judicial and nonjudicial foreclosures."

Status: draft

Endorsement qualifications:

The committee adopted the concepts contained in the 5-2103A/Bradley/3-28-88 draft of the subject legislation and forwarded it to the Senate Rules Committee for introduction. The committee additionally recommended that the bill be referred to the Senate Judiciary Committee and that the committee incorporate the concept contained in HB549 "An Act relating to notice requirements on the use of a deed of trust."

The committee also endorsed the following House bills and recommends that they proceed through the normal Senate standing committee process when they are transmitted to the Senate.

HJR 72 - Rules Committee at the request of the HJCER - "Relating to the residential real estate market."

Status: House Labor & Commerce

HB 550 - Rules Committee at the request of the HJCER - "An Act authorizing the Department of Community and Regional Affairs to modify the terms of its mortgage loans; and providing for an effective date."

Status: House Community & Regional Affairs

cc: Representative Ben Grussendorf  
Speaker of the House

Representative Dave Donley, Chairman  
House Labor & Commerce Committee

Representative Heinrich Springer  
House Community & Regional Affairs Committee

HOUSE LABOR AND COMMERCE COMMITTEE

April 7, 1988

2:00 p.m.

MEMBERS PRESENT

Rep. Dave Donley, Chairman  
Rep. Niilo Koponen, Vice Chair  
Rep. H. A. "Red" Boucher, arrived late  
Rep. Cliff Davidson  
Rep. Johnny Ellis  
Rep. Walt Furnace  
Rep. Curt Menard

MEMBERS ABSENT

None

COMMITTEE CALENDAR

HCR 54 "Relating to the management of mobile homes owned by the Alaska Housing Finance Corporation."

SCR 54 "Recognizing the importance of secretaries, certified professional secretaries, and professional legal secretaries; and requesting the Governor to designate April 25-29, 1988, as State Secretaries' Week and April 27, 1988, as State Secretaries' Day."

HCR 52 "Relating to state economic indices and reports."

Board confirmation hearings for:

Thomas E. Bartlett, CPA - Board of Public Accountancy  
Deborah R. Marshall - Board of Public Accountancy  
Robert B. Boswell - Board of Registration for Architects, Engineers, and Land Surveyors  
Ellen M. Hall - Board of Barbers and Hairdressers  
Marse A. Kueber - Board of Barbers and Hairdressers  
James B. Leach III, DVM - Board of Veterinary Examiners  
Stephen A. Mersch, DVM - Board of Veterinary Examiners

WITNESS REGISTER

Mr. Larry Bussone, Assistant  
Rep. Ron Larson  
P.O. Box V  
Juneau, Alaska 99811  
465-3727

Position Statement: Answered questions regarding HCR 54.

Rep. Henry Springer  
District 23  
P.O. Box V  
Juneau, Alaska 99811  
465-3789

Position Statement: Supported HCR 54.

Commissioner Tony Smith  
Chairman of the Board of Alaska Housing Finance Corporation  
P.O. Box D  
Juneau, Alaska 99811  
465-2500

Position Statement: Supported HCR 54.

Mr. Ben Marsh, Executive Secretary  
Alaska Trailer Court Association  
278-3615

Position Statement: Opposed to HCR 54.

Dr. Ron Lehr, Executive Director  
Alaska Housing Finance Corporation  
P.O. Box 101020  
Anchorage, Alaska 99510  
561-1900

Position Statement: Supported HCR 54.

#### PREVIOUS ACTION

##### HCR 54:

JRN-DATE		JRN-PG	ACTION
03/28/88	(H)	2724	READ THE FIRST TIME - REFERRAL(S)
03/28/88	(H)	2724	LABOR & COMMERCE THEN FINANCE

##### SCR 54:

JRN-DATE		JRN-PG	ACTION
02/23/88	(S)	2379	READ THE FIRST TIME - REFERRAL(S)
02/23/88	(S)	2379	LABOR AND COMMERCE
03/09/88	(S)	2568	L&C RPT CS SDP W/NEW TITLE
03/09/88	(S)	2569	ZERO FISCAL NOTE PUBLISHED
03/14/88	(S)	2616	RULES TO CALENDAR
03/14/88	(S)	2618	READ THE SECOND TIME
03/14/88	(S)	2619	L&C CS ADOPTED UNAN CONSENT
03/14/88	(S)	2619	PASSED Y19 N- X1 CSSCR 54(L&C)
03/14/88	(S)	2622	TRANSMITTED TO (H)

03/15/88 (H) 2568 READ THE FIRST TIME -  
REFERRAL(S)  
03/15/88 (H) 2568 LABOR & COMMERCE

HCR 52:

JRN-DATE		JRN-PG	ACTION
03/24/88	(H)	2694	READ THE FIRST TIME - REFERRAL(S)
03/24/88	(H)	2694	LABOR & COMMERCE THEN FINANCE

ACTION NARRATIVE

TAPE ONE, SIDE ONE  
Number 000

The House Labor and Commerce Committee meeting was called to order by Chairman Donley at 2:12 p.m. Members present were Representatives Donley, Ellis, Koponen, Boucher, Davidson, Furnace and Menard.

Chairman Donley announced that the first order of business was HCR 54, relating to the management of mobile homes owned by Alaska Housing Finance Corporation (AHFC). He stated that the meeting was being teleconferenced to Anchorage and called for the first witness.

Number 041

Mr. Larry Bussone, assistant to Rep. Larson, explained that the state was spending \$375,000 a month to keep mobile homes in trailer parks and that HCR 54 suggested AHFC to do something about that. He stated that the resolution suggested that excess mobile homes be demolished, sold out of the market within and outside of the state, or stored in storage lots or mobile home parks. He explained that the Joint Committee on Economic Recovery and the Subcommittee on Housing and Banking members looked at all the different alternatives to deal with the problem.

Rep. Koponen asked why sell mobile homes outside of Alaska. He felt in the down turned economy that people who couldn't afford a mobile home at market value might want to buy one at a lesser price.

Mr. Bussone stated that the testimony he heard indicated there was a tremendous excess of supply in all facets of the housing market. He explained that people moving into excess mobile homes would result in an oversupply of condos or other dwellings and would not take care of the general problem of oversupply.

Number 094

Commissioner Smith of the Dept. of Commerce and Economic Development and Chairman of the Board of AHFC, stated that there were 1200 mobile homes owned by AHFC.

Rep. Furnace asked what was happening to the value of the mobile home portfolio and was AHFC writing them off at a loss.

Commissioner Smith stated that the value of the mobile home portfolio was really taking a hit and there was concern about the increasing amount of defaults. He noted that he reviewed HCR 54 and did not find anything in it that created a problem because it stated that AHFC should manage it's mobile homes and other properties in concert with other institutional investors to deal with the supply and demand problem. He continued that the board and management of AHFC felt that the biggest difficulty with the mobile home situation was the question of what to do about the mobile home parks charging rent space for empty trailers. He did not think it was AHFC's job to put the parks out of business. He reiterated that HCR 54 was consistent with what the board was trying to do.

Number 163

Rep. Menard asked Commissioner Smith what he saw in the future regarding the number of units that AHFC would eventually own.

Commissioner Smith stated that at the next board meeting scheduled for April 14, 1988, the board hoped to approve HOPE II which would be a program for people who were current in their monthly payments but needed help to stay in their homes. He continued that they were working on HOPE III which would be a program aimed at people who's interest rate was over ten percent and would provide relief for those people. He stated that AHFC was hopeful that these programs would stabilize the delinquency rates and stop the flow of homes back to AHFC.

Number 192

Rep. Henry Springer, representing the subcommittee that drafted HCR 54, stated that the subcommittee addressed the areas they thought needed assistance from the state legislature or at least needed some form of a directive from the legislature to the industry, primarily in the Anchorage area. He continued that the reason for drafting HCR 54 was because the committee uniformly felt the state's interest was not being safeguarded and that there was a lot of imprudent business judgement exercised in regard to AHFC's holding of mobile homes. He explained that the

state was paying approximately \$373,000 per month to mobile home park owners for foreclosed units sitting vacant. He continued that attempts were made by AHFC to negotiate with the mobile home park owners for lowering space rent and that was met with little if any success. He stated that AHFC entered into an agreement with a lot owner in which the proposal was to pull the units out of the parks and put them into the lot where they could be displayed for sale. After 20 units were moved, there was a stop order given prohibiting any further removal of units out of parks. He stated that there was a strong response from mobile home park owners and that was when the subcommittee got involved. He continued that there were 1200 units currently affected and possibly another 1200 units would be affected, some of which cannot be moved and probably should be destroyed. Some units were substandard, built before 1972 and not marketable. He pointed out that some of them could be absorbed by the market and that was verified by Alaskan's testimony indicating interest in buying mobile homes for recreational purposes. He concluded that the committee felt they should give some indication to AHFC that the legislature was not pleased with the present management system.

Number 268

Rep. Menard asked if all the 1200 units were in trailer parks. The answer was "No."

Commissioner Smith stated that he would like to respond to Rep. Springer's testimony. He explained that at the last board meeting these issues were discussed and that the lot question had been under consideration by management for as long as he had been on the board. He continued that there were ongoing negotiations with lot owners and that a storage lot was contracted and units were being moved. He asked AHFC staff if they were moving units if the trailer park owner was willing to charge space rent commensurate with the approximate cost of moving trailers to storage. He was told that AHFC was not moving units in those instances. Unbeknownst to him as Chairman, that was represented as a stop order to some legislators. He stated that at the last board meeting it was clarified that no order from the board should be construed as a stop order. He admitted that there had been some management problems that were presently being addressed. He reiterated that HCR 54 was a good statement of what should be done and what the board had been advocating.

Number 311

Chairman Donley explained that he would like to hold HCR 54 until next week because he had a couple of requests for a teleconference to hear additional testimony and he also had

a proposed committee substitute he would like the committee to consider.

Rep. Springer stated that he had the March 9, 1988 memorandum that contained the details of the so called stop order as well as tabulations of the responses from the different trailer park owners to the request for negotiations to lower the space rent.

Chairman Donley asked for a copy of that memo and data to include in the members files.

Number 344

Mr. Ben Marsh, Executive Secretary of the Alaska Trailer Court Association, testified from Anchorage via a teleconference connection. He stated that the association had appointed a committee to meet with the representatives from AHFC and they had a meeting on March 30, 1988. He continued that there were two proposals submitted to AHFC which were intended to be discussed at the AHFC board meeting scheduled for next week. The proposals called for negotiating reduced rates for space rents to induce AHFC to leave the units in the parks because units in parks were more salable. The second proposal the association asked AHFC to consider was to conduct bulk sales in parks so that the park owners would have an opportunity to bid on those units. He asked the committee to hold HCR 54 until after the AHFC board meeting next week.

Number 381

Mr. Ron Lehr, Executive Director of AHFC, stated that he would address Rep. Koponen's concern about the selling of mobile homes outside the state. He stated that the board had never recommended bulk sales outside the state but had recommended bulk sales outside the areas of Anchorage, Fairbanks and Juneau to help reduce the supply. He continued that any program dealing with mobile homes would have a combination of approaches including bulk sales within an area as well as outside an area. He stated that the board meeting would be held April 14, 1988 at 10:00 a.m. and would be teleconferenced to both Anchorage and Juneau.

Number 404

Rep. Koponen pointed out that he was satisfied with the answer to his question.

Chairman Donley stated that the committee would hold HCR 54 over until next week after the AHFC board meeting.

Number 415

Chairman Donley announced that the next order of business was SCR 54, recognizing the importance of secretaries, certified professional secretaries, and professional legal secretaries; and requesting the Governor to designate April 25-29, 1988, as State Secretaries' Week and April 27, 1988, as State Secretaries' Day." He asked if anyone from the Senate Labor and Commerce Committee was present to answer questions or offer testimony on the resolution. There was no one present from the sponsors.

Rep. Boucher stated that the people working as secretaries were the backbone of the business community and were invaluable to the operation of businesses. He cited as an example the staff of legislators to illustrate how important it was for secretaries to be recognized. He strongly supported SCR 54.

Number 454

Rep. Koponen pointed out for the record that his professional secretary and aide was male.

Rep. Menard stated that he agreed with Rep. Boucher and moved CSSCR 54 out of committee and asked for unanimous consent. There being no objections, the motion carried.

Number 463

Rep. Boucher pointed out that time was running short and asked that Chairman Donley indicate the time restraint to the Rules Chairman so they did not pass CSSCR 54 out after the fact.

Number 471

Chairman Donley stated that the next order of business was confirmation hearings on the board appointees submitted by the Governor. He noted the list the committee members had in their file and asked if anyone had questions or problems with the appointees.

Rep. Menard asked if Dr. Leach was available in Anchorage to answer a few questions. He was not present.

Chairman Donley offered to hold on to Dr. Leach's confirmation until he could answer the questions that Rep. Menard had. He pointed out that the committee had more confirmations scheduled for next Thursday.

Rep. Menard asked Chairman Donley to please hold Dr. Leach's confirmation until next week.

Number 487

Rep. Koponen moved that the committee not object to the confirmation of appointees with the exception of Dr. Leach's appointment. There being no objections, the motion passed.

Number 500

Chairman Donley stated that the last matter on the agenda was HCR 52, relating to state economic indices and reports, which was sponsored by the Rules Committee at the request of the Joint Committee on Economic Recovery.

Rep. Boucher stated that he had been Chairing the Joint Economic Recovery Subcommittee on Small Business which introduced HCR 52. He mentioned the \$150,000 fiscal note prepared by the Dept. of Commerce and Economic Development (DCED) for HCR 52 and hoped Commissioner Smith would address it. He cited the Dept. of Labor as an example of how a department could not expand because the information received was outdated by six to eight months. He noted that the state needed a more accurate barometer to gage where the economy would be heading and that HCR 52 would be the vehicle to accomplish that. He pointed out that an important aspect of HCR 52 was giving the legislature the most accurate economic indicator that was possible. The information would act as a catalyst for the legislature to make the right decisions concerning the economy. He felt that consumer savings accounts were a clear indication of the consumer's confidence in the economy. If consumer confidence goes down, savings accounts go up and vice versa.

Number 594

Chairman Donley stated that he was willing to move the HCR 52 on to the Finance Committee and let them work out the particulars on the fiscal note attached.

Rep. Boucher pointed out that the \$150,000 fiscal note would be challenged. He felt that the expertise needed to compile the information would probably result in a figure close to the fiscal note amount and he wanted the DCED to coordinate the preparation for the resolution.

Number 607

Rep. Koponen moved HCR 52 to the next committee of referral with individual recommendations. There being no objections, the motion carried.

Number 612

Since there was no further business to come before the House Labor and Commerce Committee, Chairman Donley adjourned the meeting at 3:00 p.m.

HOUSE LABOR & COMMERCE COMMITTEE

DATE 4/7/88

TAPE NO. 90

BILL NUMBERS: HER 54, HER 52, SCR 54, Confirmation Hearings

MEMBERS PRESENT: ~~Walt~~, Koponen, Walt Furnace, Menard,  
Dave, Ellis, Davidson, Brucher 2:20

MEMBERS ABSENT:

MEETING CALLED TO ORDER: 2:12

TAPE #	BILL #	
000	HER 54	Mobile homes resolution
024		Larry from Larry's office - resolution
041		to take care of mobile homes - Koponen - ?
		Larry - excess of supply - have to take care of over supply -
		Koponen -
089		Furnace - Comm. Smith -
094		Comm. Smith <del>Chair</del>
		1200 mobile homes
		Furnace - write off mobile homes as a loss -
	Comm.	Value of mobile home portfolio taking a hit - reviewed the Res 54 - should manage their property - Didn't have a problem with.
145		consistent with what the board's staff

HCR 54 are trying to do - roughly 4,000 units - condos & mobile homes - 1,200 are M.H.

163 ~~8~~ Menard - what's in the future - Smith - To approve Hope 2 - <sup>program</sup> ~~program~~ in payments

192 Rep Henry Springer - helped draft Res.

208 Reason - committee felt the State's interest was not being protected - State paying 373,000 a month for M.H. for rent & upkeep - gather up the M.H. & put on a lot to try to sell -

268 ~~Menard~~ Menard - are the 1200 units all in a trailer park - NO

Orson Smith - The lot question under consideration for a long time storage lot was contracted, units being moved -

306 good statement of what should be done

311 Menard - asked if it was to be held - ~~David~~ Dave

Springer - Dave

338 Ben Marsh from AHTH - or see Trailer Rental Assoc - ~~is~~ appoint a committee to meet with AHFC staff 3/30 - 2 proposals

negot reduced rates for space rent - write  
in parks are more saleable

Bulk sales in parks (2nd proposal)  
wants it held until after board meeting

370 Furnace - Thanks for the info -

380 Dave

381 Rod Lehr - answer questions -  
suggested we shouldn't sell outside -  
never wanted to sell all units outside  
area -

April 14 - 10:00 AM Board meeting

Dave

404 Koponen - satisfied with answer  
Chair will hold HCR 54 -

415 SCR 54 Dave -

418 Rod - Sec - girls & park board to  
make things work strongly supports  
can't say enough for staff persons

444 Furnace - 41st Rep Bain ~~at~~ scratch  
from record

Dave -

454 Koponen -

457 Menard - agrees with - move  
CS SCR 54 + ask unanimous consent  
so moved -

463 Rod - incl into to Rules Chairman

TAPE #

BILL #

HOUSE LABOR &amp; COMMERCE

DATE:

4/7

PAGE

OF

(4)

471

Confirmation Hearing -  
Turner -

477

Monard - Dir Search available -  
Concerns - wanted to clarify  
hold on Dr. Search

487

Koponen - mutual no objection  
to the other appointees / -

500

HCR 52

Dove - next order of business -

502

Dove -

Turner -

513

Red - testifying on it was research  
small business inter this resolution -  
DCEI -

522

The issue - the function of DOL -  
prepares info - for emp or unemp. Point  
expand -

544

\*300,000 to the DOL Budget - accurate  
as info as can be - technic - as the state  
slides down economically - we need a  
more accurate barometer -  
Mr. Erickson - admitted we are 6-8 mo.  
behind - accurate economic indicators  
as possible -

580

Consumer Savings - are clear indication  
of confidence -

594

Dave - willing to move Resolution to Finance -

600

Red - #150 a big item - changeable  
 & question

607

Kaponen move HOR 52 with ind rec.

612

Meeting adjourned at 3:00 pm