

62

HLG:

STATUS

REPORT

-

HB 58

1971-1972

HOUSE LOCAL GOVERNMENT

LIST OF FILES (PAGE 1)

STATUS REPORT (LIST OF BILLS REFERRED
TO COMMITTEE)

HB 32

HB 43

HB 52

HB 58

HB 81

HB 86

HB 94

HB 96

HB 112

HB 119

HB 130

HB 135

HB 158

HB 161

HB 175

HB 182

HB 187

HB 191

HB 204

HB 207

HB 224

HB 229

HB 241

HB 264

1971-1972

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HB 241

HB 264

HSE

LOCAL

Gov't

STATUS

RPT.

BILL NO.	DATE	Journal		TITLE	SPONSOR	Committee	
		PAGE				FURTHER REFERRALS	
HB 6	1/12/71	10		Local service roads	Colletta	Finance	
HB 20	1/12/71	12		Business License Act	Orbeck	Finance	
HB 31	1/12/71	14		Business License Act repeal	Harris,2D	Finance	
HB 41	1/12/71	16		Tidelands acquisition	Banfield,2D	Res. Jud.	
HB 43	1/13/71	21		Tax exemption/pollution	Colletta	Finance	
HB 46	1/13/71	21		Business Lic. Act amending	Colletta	Finance	
HB 81	1/19/71	58		Dept. Regional Com. Aff.	Whittaker	St.Aff. Fin.	
HB 85	1/20/71	66		Business Lic. Act, amending	McVeigh,1D	Finance	
HB 89	1/20/71	66		Flood control, Chena	Huber,7D,2R	St.Aff. Fin.	
HB 92	1/22/71	81		Local service roads,trails	Kerttula	St.Aff. Fin.	
HB 93	1/22/71	81		DeptHwys.local roads,appro	Kerttula	St.Aff. Fin.	
HB 95	1/22/71	81		Municipal Bond Auth. appro.	Whittaker	St.Aff. Fin.	
HB 96	1/22/71	81		Rents, excluding sales tax	Whittaker	Finance	
HB 112	1/28/71	113		Dept. Community Aff.estab.	Rules/LC	St.Aff. Fin.	
HB 135'	2/3/71	159		Senior citizens/tax exempt	Whittaker	Finance	
HB 175	2/12/71	228		Local taxation,classifica.	Haugen/Req.	St.Aff. Jud.	
HB 195	2/18/71	263		Fire fighting/outside tax a.	Bowman	--	
HB 207	2/22/71	283		Pub.Utilities Comm Act.	Rose,7D	Commerce	
HB 214	4/14/71	841		Powers/2nd,3rd boroughs	Huber	--	
HB 257	3/4/71	368		Borough assemblees	Tillion/Req.	Judiciary	
HB 261	3/4/71	368		Local Gov't.bonded debt	Randolph,4R,1D	Finance	
HB 280	3/5/71	387		Property tax, limiting	Holm	Judiciary	
HB 285	4/5/72	669		Tax exempting/certain foods	Whittaker	---	
HB 286	4/3/72	652		Tax exempting/Low-income housing	Whittaker	---	
HB 332	3/19/71	518		Municipal tax	Guess,1D	Judiciary	
HB 401	4/7/71	725		Business license tax	Commerce Com.	--	
HB 450	4/24/71	1007		Alcohol, hours sale	Harris	St.Aff.	
HB 456	4/30/71	1099		Borough/planning, zoning	Specking/Req.	--	

BILL NO.	DATE	PAGE	TITLE	SPONSOR	FURTHER REFERRALS
HB 460	5/4/71	1134	Tax oil & gas properties	Fink	Res. Fin.
HB 470	5/11/71	1248	Bonded indebt. payment	Huber	Finance
HB 474	1/10/72	10	Taxing real property	Kerttula,3D	Judiciary
HB 520	1/14/72	39	Local Aff. Anchorage, appro.	Rules/Gov.	Finance
HB 597	2/7/72	197	Property tax assessment etc.	Rules/Gov.	Finance
HB 615	2/10/72	244	Business License Tax	L.G.Comm.	Finance
HB 616	2/10/72	245	Annexing to cities	Rose	Judiciary
HB 641	2/14/72	276	Rural Dev/construction,repair and maint. of buildings	Moore,2D	Finance
HB 656	2/14/72	279	bond/multipurpose complexes	Moore,2D	Finance
HB 660	2/14/72	280	governance/unorganized boro	Fischer,1D	StateAffs.
HB 672	2/14/72	289	urban rehabilitation proj.	Bradner,2D	Finance
HB 673	2/14/72	289	Housing renewal etc.	Bradner,2D	Finance
HB 720	3/3/72	448	Boroughs/incorporation	State Aff.	St.Aff. Jud.
HB 746	3/20/72	541	Business lic fee/credit	Commerce	Finance
HB 752	3/22/72	559	Public Defender	Judiciary	Judiciary
HB 761	3/27/72	600	Tidelands/occupies	L.G.Comm.	---
HB 785	4/7/72	692	Lost River City	L.G.Comm./Req.	---
HB 786	4/7/72	692	Cities,development	Rules/Req.	---
HB 790	4/11/72	716	Boundaries/loc governments	Rules/Gov.	---
HB 791	4/11/72	717	Public ed. powers	Rules/Gov.	HWE

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HJR 97	1/28/72	126	Boundary/"Chena"	L.G.Comm.	--
HJR 98	1/28/72	126	Boundary/Barrow	L.G.Comm.	--
HJR 99	1/28/72	127	Boundary/Ambler	L.G.Comm.	--
HJR 110	2/10/72	244	Constitution/annexation	Rose	Judiciary
HJR 116	2/14/72	274	amend/state constitution	Fischer	State Affs.

HOUSE CONCURRENT RESOLUTIONS

HCR 3	1/12/72	15	Business Licens Tax, wholeslrs. Colletta,LD St.Aff.
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<u>SENATE BILLS</u>					
SB 159	4/12/72	772	Municipal tax assessment review	Croft,1D,1R	---
SB 431am	5/12/72	1185	Tax exemption for prevention air and water pollution	S. L.G. Comm.	Fin.
SB 23	5/17/72	1249	Rural Development Agency	Hammond	---

SENATE JOINT RESOLUTIONSSENATE CONCURRENT RESOLUTIONS

SCR 6	2/17/72	312	Re. state aid to local governments	Merdes	---
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HB

32



JUNEAU ALASKA

Alaska State Legislature
House

June 9, 1972

Mr. Keith Stell
Route 2, Box 777
Juneau, Alaska 99801

Dear Keith:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Miller".

Mike Miller, Representative
District Four (Juneau)



JUNEAU ALASKA

Alaska State Legislature
House

June 9, 1972

Mrs. Margaret Speer
Douglas, Alaska

Dear Mrs. Speer:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Miller".

Mike Miller, Representative
District Four (Juneau)



JUNEAU ALASKA

Alaska State Legislature
House

June 9, 1972

Mr. Boyd A. Karrer
209 N. Franklin Street
Apt. #2
Juneau, Alaska 99801

Dear Boyd:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 30 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Miller".

Mike Miller, Representative
District Four (Juneau)



JUNEAU ALASKA

Alaska State Legislature
House

June 9, 1972

Ms. Ruth M. Cryan
R.R. 4, Box 4545-15
Juneau, Alaska 99801

Dear Ms. Cryan:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

A handwritten signature in cursive script that reads "Mike Miller".

Mike Miller, Representative
District Four (Juneau)



JUNEAU ALASKA

Alaska State Legislature
House

June 9, 1972

Mr. Ward Lamb
331 Gastineau #1
Juneau, Alaska 99801

Dear Mr. Lamb:

Sometime ago you were good enough to write to me relative to House Bill 32, which I sponsored in conjunction with a number of other representatives. I am delighted to tell you that this bill -- which authorizes much-deserved longevity pay increases to long-time state employees stuck in Step F -- passed the House Wednesday by a very comfortable margin of 36 to 3. The bill is now in the Senate and I am optimistic for passage.

Again, many thanks for your concern and support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Miller".

Mike Miller, Representative
District Four (Juneau)

FORM 02-002
Formerly SA-2 **STATE OF ALASKA**
Inter-Department Route Slip

TO:
DEPT.: Legislature
ATTN.: Supervisor Mike Miller

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

From:
Dept.: Administration **Date:** 1-25-73
By: W.D. [Signature]

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB-32
 Title: State Employee Pay Increments
 Requested by: Legislative Finance Date: 1/11/72
 Return Date Requested: 1/21/72
 Agency: Budget and Management Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES	423.2	486.7	559.7	643.7	740.2	851.2
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	423.2	486.7	559.7	643.7	740.2	851.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND	338.6	389.4	447.8	515.0	592.2	651.0
FEDERAL FUNDS	84.6	97.3	111.9	128.7	148.0	200.2
OTHER						

C. POSITIONS: -0-

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

IV. ATTACHMENTS

Memorandum - R. W. Freer from M. R. Charney - January 22, 1971

V. DATE: January 25, 1972 PREPARED BY: M. R. Charney

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

TO: Richard W. Freer, Deputy Commissioner
Department of Administration

DATE: January 22, 1971

FROM: M. R. Charney, Director
Division of Budget & Management
Department of Administration

SUBJECT: House Bill 32.
Pay Increments for Longevity
in State Service

ESTIMATED COSTS

The cost implications of HB 32 (Section 30.27.050. PAY INCREMENTS FOR LONGEVITY IN STATE SERVICE) are as follows:

TOTAL ESTIMATED COSTS

CURRENT SCHEDULE 71-74

<u>Fiscal Year</u>	<u>Current Salary Schedule</u>	<u>Proposed Salary Schedule (Annual Salary Survey)</u>
FY 1971-72.	\$395,500	\$423,200
FY 1972-73	454,800	486,700
FY 1973-74	523,000	559,700
FY 1974-75	601,500	643,700
FY 1975-76	691,700	740,200
		\$51,200

GENERAL FUND REQUIREMENTS 0.20%

FY 1971-72	\$316,400	\$338,600
FY 1972-73	363,800	389,400
FY 1973-74	418,400	447,800
FY 1974-75	481,200	515,000
FY 1975-76	553,400	592,200
		651,000

ANALYTICAL PROCEDURES

1. The total number of state employees at Step "F" in December 1970 was determined based upon information received from the Division of Personnel.
2. The total number of "F" step employees in each salary schedule was determined. This was accomplished by prorating the number of "F" positions to each salary schedule based upon the actual FY 1970 distribution of total positions in each salary schedule. This procedure was necessary since the actual data is not presently available.
3. The total current cost for "F" step employees was computed.
4. The annual rate of increase in the number of employees at "F" step was determined. The information source drawn upon has only been available since July 1970, so a conservative estimate of 15% annual increase was used rather than the 19.2% increase indicated by the past six months.
5. The FY 1971-72 projected total cost for "F" step employees was computed (Current cost plus 15% annual increase).

6. The total estimated cost of the 3.75% longevity increment was computed based upon the present salary schedule. It was estimated by the Division of Personnel that 50% of "F" step employees would qualify for the increment in FY 1971-72.
7. The total estimated cost of the increment was also computed based upon the salary schedule proposed by the Annual Salary Survey.
8. General Fund requirements were computed at 80% of the total estimated cost.

It should be noted that this analysis is limited to cost implications only. There are personnel and salary schedule implications that should be considered. Among these are:

1. What are the implications in regards to the integrated salary schedule concept?
2. What are the implications for employees who began service in an advanced step?
3. What are the implications in relation to promotional policy, procedure, and cost?

For these and other reasons, it is suggested that an analysis of the personnel and salary schedule implications be conducted by the Division of Personnel.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

APPENDIX - A-2

STEP 4: Annual rate of increase for "F" step employees.

<u>DATE</u>	<u>"F" STEP TOTAL</u>
July 1970	1,001
December 1970	1,113
Six Month Increase	11.2% - 9.6%

Projected twelve month increase - 19.2%

Conservative estimate - 15%

(Reason: Relatively short period of time upon which calculations were based)

<u>STEP 5:</u>	Projected costs "F" step FY 1971-72	<u>Present Salary Schedule</u>	<u>Proposed Salary Schedule</u>
Present cost at Step "F"	\$16,377,072		
12% benefits	1,965,228		
Total present cost	\$18,342,300		
Projected 15% increase in "F" step employees FY 1971-72	\$ 2,751,300		
TOTAL COST "F" STEP FY 1971-72		<u>\$21,093,600</u>	<u>\$22,570,200</u>

STEPS 6 & 7: Total Estimated costs of 3.75% longevity increment

	<u>Present Salary Schedule</u>	<u>Proposed Salary Schedule</u>
Cost of 3.75% increment for all "F" step employees 1971-72	\$ 791,000	\$ 846,400
Less estimated 50% ineligible 1971-72	(395,500)	(423,200)
TOTAL ESTIMATED COST 3.75% increment 1971-72	<u>\$ 395,500</u>	<u>\$ 423,200</u>
PROJECTED INCREASED COSTS FOR FUTURE YEARS		
(0 15% annual increase in number of employees eligible for 3.75% increment)		
FY 1972-73	\$454,800	\$486,700
FY 1973-74	523,000	559,700
FY 1974-75	601,500	643,700
FY 1975-76	691,700	740,200

" STP 7: Percent of General Fund classified positions that are federally funded.

DEPT.	CONTACT	FEDERAL FUNDS	
		%	AMOUNT
✓ Education	Nat Cole	35%	1,710,000
✓ State Operated Schools	Nat Cole	45%	10,470,000
✓ Health & Welfare	Roger Lange	15%	2,270,000
✓ Labor	Al Gordon	80%	\$1,500,000
✓ Fish & Game	Vern Roberts	5%	430,000
✓ Military Affairs	Lois Richardson	60%	640,000
TOTAL GENERAL FUND PERSONAL SERVICES		16.8%	20,590,000

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 11, 1971

Mr. Keith Stell
Route 2, Box 777
Juneau, Alaska 99801

Dear Keith:

Thanks so very much for your letter of March 9th and especially thank you for your support of House Bill 32.

Both the quality and quantity of your letters of February 23rd are superb and I am hopeful they will have a positive effect relative to the passage of this bill.

Again, many, many thanks and best personal regards.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

March 9, 1971

Mike Miller
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Mike,

Thank you for your introduction of House Bill No. 32. I appreciate the effort and thought and consideration you have given this bill.

I have sent personal letters to several Senators and Representatives with carbons to you concerning the bill for whatever good it will do. At any rate, I took the opportunity to put in my two cents as a State employee and I again thank you for your interest.

Sincerely,



Keith Stell

February 23, 1971

Senator Butrovich
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Butrovich:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

I am certain that we have some so called "dead wood" employees who have reached the F Step but I feel that by large the employees who are with us after six years are the dedicated, knowledgeable and experienced employees and they should be given recognition at least every two years for that fact. As for the "dead wood", if the bill becomes law we can say to them, "Say mister, how about getting to work and earning that two year increment that the State Legislature has thoughtfully provided you."

I believe that the psychology of this bill is sound and I believe that the State of Alaska should provide it's dedicated employees with goals and recognition to strive for in the remaining fourteen or fifteen years of service that they have with the State. To do otherwise is to almost forget about these employees and say to them that "you may go ahead and work but we are going to take it for granted that you will be here the remaining fourteen years."

Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Koslosky
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Koslosky:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Lewis
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Lewis:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Palmer
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Palmer:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the form of the pay increment as set forth by Representative Miller would provide a positive impetus for their continued growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Rettig
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Rettig:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

It is my personal feeling that recognition should be given to long term faithful employees of the State of Alaska. I believe that the employees receipt of this recognition in the forms of the pay increment as set forth by Representative Miller would provide a positive impetus for their continue growth and development as State employees in Alaska.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Hensley
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Hensley:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

February 23, 1971

Senator Ray
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Ray:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Senator Thomas
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Thomas:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Senator Groh
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Groh:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Senator Merdes
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Senator Merdes:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 8, 1971

Representative Holeman
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Holeman:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Degnan
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Dagnan:

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Detman
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Detman:

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Sincerely,

Keith Stall

cc: Representative Mike Miller

March 9, 1971

Representative Warwick
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Warwick:

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Wright
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Wright:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Fink
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Fink:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

March 9, 1971

Representative Haugen
Pouch Y
State Capitol Building
Juneau, Alaska 99801

Dear Representative Haugen:

This letter to you is for the express purpose of encouraging you to place your legislative support in favor of House Bill No. 32 which is "An act relating to pay increments for State employees and providing for an effective date", introduced by Representative Mike Miller.

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Sincerely,

Keith Stell

cc: Representative Mike Miller

Pouch V,
State Capitol
Juneau, Alaska

3/11/71

Mrs. Margaret Speer
Douglas, Alaska

Dear Mrs. Speer:

Your letter of March 1st is much appreciated as is your support for House Bill 32.

As I am sure you know, I am really anxious to see passage of this legislation and it will continue to receive my wholehearted support.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Douglas, Alaska
March 1, 1971

The Honorable Mike Miller
Alaska State Representative
State Affairs Committeeman
Pouch "Y"
State Capitol Building
Juneau, Alaska 99801

Dear Sir:

I refer to House Bill No. 32 which proposes a 3.75% increase in pay for those state employees who are in Step F. This increase to be effective every two years.

This plan represents an increase of but 1.87½% a year!

The adopted slogan of the Alaska State Employees is, "Merit must be the only Measure".

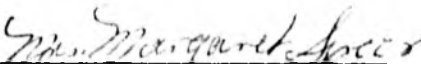
There cannot be any doubt that those employees "frozen" in Step F are in Step F due to the fact that they actually practiced this slogan, "Merit". Their daily performance is constantly "Measured" with integrity and diligence.

Recognition of MERIT please!

I cannot interpret Mr. Henri's statement. Quote -- "We do not -- until it's necessary to get on with the people's business". Is he asking for unrest - discontent - disinterest - the reverse of that of loyalty and dedication?

I do hope you will continue to support House Bill No. 32 on behalf of the state employees in spite of all opposition. I am filled with remorse, that according to Mr. Henri, I must reverse my policy of dedication. In order to receive fair and honest regard, I must show unworthy characteristics that I may prove to Mr. Henri that a financial remuneration is necessary before I "get on with the people's business."

Sincerely,


Mrs. Margaret Speer

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Mr. Boyd A. Karrer
209 N. Franklin St.
Apt. #2
Juneau, Alaska, 99801

Dear Mr. Karrer:

This is just a short note to acknowledge your letter of March 19th in which you present several thoughtful suggestions primarily in the area of state employee relations. As you are probably aware, I strongly support legislation which will give employees at least an 8% increase this year (and would have supported a higher amount if it had been possible to "sell" a higher percent in the House State Affairs committee).

In addition, I have sponsored House Bill 32, a copy of which is enclosed for your information. Again, many thanks for taking the trouble to acquaint me with your views.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

Enclosure:

1 copy of HB 32

March 19, 1971

State Representative Michael Miller
Attn Senator Bill Ray

This morning on the news report, I heard some recommendations regarding State Employees pay raise, and I believe much of the recommendation was from the House Finance Committee.

One of the greatest pains many of us have in State employment is that experience level will move in to take the place of the ASHA. How can the merit of the implications of this? There would not be any cost to cover all State employees. The classifications should be advanced for pay. This means that in budget problems within the State when negotiations were in progress, based to the point of some classifications being on strike pending better negotiations. This would seriously hinder operations of the department of education. If you think this is not being discussed, whether I don't know. The State employees are no different than any other group, its pay is a problem.

I think a more effective method would be to eliminate the time and one half, which has created many problems. If the agencies were permitted to staff to a

reasonably functional level, overtime abuse would be minimized again. The odd shift differential is a necessity.

The thought of going to a 40 hour week isn't too likeable, but it may be practical.

Has any thought, serious thought, been given to raising the state income tax? I haven't seen any serious thought about it. This means everyone in the labor force would help pay the bills, not just the 9000 state employees who apparently are being used as political pawns.

In summary, if you want some serious labor problems in state government, let organized labor take over the state employees. They have done close in the past. Only the state of Alaska it was to save them, not the legislators who control the budget and economics of the 9000 state employees.

Ray A. Kerner
209 N. Franklin, Apt 2
Juneau, 99801

March 31, 1972

Ms. Ruth M. Cryan
P.R. 4, Box 4545-15
Juneau, Alaska 99801

Dear Ms. Cryan:

I appreciate your letter of March 27 relative to HB 32. As sponsor of this bill, I certainly join you in feeling that this bill is not only the best interest of long-term employees but in the best interest of the state as well.

At present this bill is under consideration by the House Finance Committee and we hope it will be available for consideration of the floor in the not-too-distance future.

Sincerely,

Mike Miller, Representative
District Four (Juneau)

May 27, 1972

RR 4 Box 4545-15

Juneau, Alaska 99801

Representative Mike Miller -

Dear Sir -

Please use your influence to move
bill HB 32 from the Finance Committee.
Those of us interested in longevity pay are
dedicated employees of the State of Alaska.
Many of us are experts in his or her line
of work. Passage of this bill would certainly
be an incentive to us all.

Thank you.

Sincerely yours,
Gret M. Ryan, Dir. of Finance
Department of Administration

April 10, 1972

Mr. Ward Lamb
331 Gastineau #1
Juneau, Alaska 99801

Dear Mr. Lamb:

Thanks so much for your recent letter and your thoughts on HB 32. I was particularly interested in your statement that if there is a longevity pay bill passed, it should authorize longevity increases only for those employees whose work quality would ordinarily entitle them to merit increases. This provision is definitely a part of the bill that the House Finance Committee is considering.

You might be interested to know that about 20 per cent of all state employees are in Step F. The majority of these, because of educational and/or experience requirements, will not qualify for reclassification to higher graded jobs. Even under the terms of HB 32, they will not qualify for frequent longevity increases, but at least they will do so occasionally, which I believe should act as a continuing stimulus for meritorious work standards.

Incidentally, the Dental Insurance Bill has been passed out of State Affairs Committee and is under consideration by the Finance Committee. Increased retirement benefits have also passed through State Affairs and are awaiting consideration by the Finance Committee. I am hopeful for passage of all of these bills.

Again, thank you for taking the time to advise me of your thoughts.

Sincerely,

Miko Miller, Representative
District Four (Juneau)

3-28-72

Representative Mike Miller
Pouch V, Juneau

Dear Mr. Miller:

This is in response to your report on HB 32, longevity, in the ASEA legislative report.

Probably because I am a relative newcomer to Alaska State Service, level 20, step B, I cannot invest myself into the need for longevity pay & your concern for it. However, I will not proffer my dissent to the legislators that you suggest we write to encourage this bill. So, you can "cash can" this letter & be assured that I will be no damper to this initiative.

Only 2 of my staff of 15 (including me) are at the step F level, and I have gotten no indication from these two that they feel underpaid in relation to other, more recent hires in their class.

I was glad last year when the minimum state salary was raised, as I think those in lower salary ranges are the ones who need increases - - more increases. Though, I'll admit that I made no effort to help them gain this.

And I encourage efforts to increase re -

Retirement benefits. This, to me, is a better way to recognize long & faithful service.

Another way to put it is that one on my level in the first step of \$1466 probably doesn't have any less expenses than one in the top step of that level. And I do not think that one in his sixth or seventh year is necessarily more valuable than one in his 4th or fifth.

In essence I believe that if there is any longevity pay that it should be directly connected with merit -- unusual or superb performance.

At the same time I believe that one on the level 8 beginning step is more in need of financial upgrading than one on the top level of that step. Because that's a subsistence level salary.

Dental insurance is fine, especially for those on lower levels, who can ill-afford this expense from their own pockets. But I don't personally feel any need for it.

Sincerely yours,
Ward Famb
331 Gastineau #1

H B

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TELEGRAM

1972 APR 27 PM 6 26

BCA ALASKA COMMUNICATIONS, INC.

PHONE 585-5140

JUNEAU, ALASKA 99801

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HONORABLE MIKE MILLER, CHAIRMAN, LOCAL GOVERNMENT COMMITTEE

JUN 2606

I WOULD APPRECIATE VERY MUCH THE SETTING UP OF HEARINGS
REGARDING HB43. THIS BILL IS OF GREAT INTEREST TO US.

THANK YOU.

BIX BONNEY, PRESIDENT, B AND B FISHERIES

HB43.

File

Producers of D SOLVING PULP

KETCHIKAN PULP COMPANY

P.O. BOX 1619

KETCHIKAN, ALASKA 99901

U.S.A.



EDWARD W. BORGEN, Sr.
Legislative Representative

April 12, 1972

The Honorable Mike Miller
Chairman
Local Government Committee
Alaska State House of Representatives
Pouch V - State Capitol
Juneau, Alaska 99801

re: HB 43

Dear Representative Miller:

With increased activity in environmental control, both at the State and Federal levels, most of the extractive industries in Alaska are faced with the task of purchasing and installing expensive equipment in order to comply with anti-pollution regulations.

House Bill 43, "An Act relating to tax exemptions for the prevention of air and water pollution," may offer a means of some financial relief in those cases where a council or assembly may choose to allow such exemption, and we trust that you, and your committee, will find merit in our suggestion.

We have discussed HB 43 with people acquainted with both the forestry and fisheries industries in Petersburg, Wrangell, Sitka and Kodiak, and the opinions expressed lead us to believe that others share our views on the matter. It would be sincerely appreciated if you could find time to schedule hearings on HB 43 so these views may be aired.

Respectfully yours,

KETCHIKAN PULP COMPANY

Edward W. Borgen, Sr.
Legislative Representative

EWB/kd

cc: Local Government Committee Members
Honorable Mike Colletta (Bill Sponsor)

FUD

March 9, 1971

Mr. Mike Colletta
House of Representatives
Senate Office Building
Juneau, Alaska.

copy
to
Mike
C.

Dear Representative Colletta,

I am very much in favor of your bill, H.B. No. 43, which relates to tax exemptions for the prevention of air and water pollution. I would also favor the passage of your bill over the one proposed by Senator Josephson because your bill would challenge in court cases and solution seeking on the part of possible large or small pollution offenders. It would help others to devise ways to solve their pollution problems. Senator Josephson's bill on the other hand is ready to wield a big stick over environmental offenders before we have even given everyone the option of at least making a choice to pollute or not to pollute.

If often offering tax exemptions, we find the environment is still being polluted. -
Perhaps Sen Josephson's bill to punish - would

be appropriate!

Thank you
Mrs E. B. Catterden (Kee)
1575 7 at
Exchange
Alma.

Tax Incentives Don't Stop Pollution

by Arnold W. Reitze and Glenn Reitze

Federal and state tax incentives designed to help in the fight against pollution are fiscal carrots that don't work. They are expensive, and they are soft on pollution. Tax incentives fail because they do not give industry an incentive to invest in nonproductive facilities, they apply only to physical devices, they provide the public no gain to offset the revenue loss, they are of advantage only to wealthy firms, and they shift the burden of reducing pollution to the general public.

THE STICK is more effective than the carrot: No man will spend \$10 to bring himself a benefit simply because the government promises to return \$5. Tax incentives are fiscal carrots. They are extremely expensive, but soft on pollution.

Until now the state and federal pollution control programs have been a disappointment to those who seek some improvement in our air and water.¹ Nevertheless, several thousand bills pertaining to pollution control have been introduced in Congress and state legislatures during the past several years.² Many of them offer little to control pollution; rather they extend tax incentives as rewards to polluters.³

In theory, these rewards eliminate pollution. In practice, they are ineffective and in many cases even discourage pollution control by promoting expenditures for the wrong things at a substantial cost to the public. In addition, government agencies that should be enforcing current pollution control regulations must devote their energies to processing increasing quantities of tax incentive applications.⁴

The federal law containing the major specific tax incentive for pollution control was passed in 1969, when

the Tax Reform Act added Section 169 to the Internal Revenue Code. That section permits rapid (sixty-month) depreciation allowances for pollution-control hardware.

The bill's predecessor, no longer in effect for new investments, was Section 38 of the Internal Revenue Code, added in 1962. This section permitted a deduction directly from a firm's taxes of 7 per cent of the expenditure for pollution-control equipment, subject to certain varying restrictions.⁵

According to one authority, by March, 1970, at least thirty-one states had placed antipollution incentive provisions in one or more of their principal revenue-producing laws.⁶

All these incentive provisions, state and federal, provide rapid depreciation or forgiveness from property, income, sales and use, or franchise taxes. Their one key effect is to shift the cost of compliance with government pollution limitations from individual polluters to the taxpayer.

In addition, there apparently is widespread misuse (permitted by lax or overworked government officials) of tax incentive laws to purchase equipment that does not serve to improve the environment. A substantial part of the

1. The federal air pollution program has been criticized in Reitze, *The Role of the Region in Air Pollution Control*, 20 CASE W. RES. L. REV. 809 (1969), and the federal water pollution program in *Wastes, Water, and Wishful Thinking: The Battle of Lake Erie*, 20 CASE W. RES. L. REV. 5 (1968). See also, Reitze, *Environmental Pollution Control, Why Has It Failed?* 55 A.B.A.J. 923 (1969).

2. Thirty-nine bills directly related to the environment were introduced in the House during the period January 23-30, 1969. Fifteen months later, during "Earth Week", forty-two bills were introduced between April 23 and 30, 1970.

3. Bills have been proposed and many have become law to give relief from sales and use taxes, property taxes (real and tangible personal), fuel taxes, franchise taxes

and income taxes. Benefits include fast write-offs, tax credits, and exemption from taxation.

4. In Ohio, a typical industrial state, the number and monetary value of pollution control exemptions granted have been increasing substantially each year. In the three years between January, 1966, and the end of 1969, Ohio received 148 exemption applications for purchases listed at \$64.7 million. In the first half of 1970, there were thirty-eight applications for purchases totalling \$31.98 million.

5. This section was temporarily suspended from October 10, 1966, to March 9, 1967. Certain water and air pollution facilities were exempted. INT. REV. CODE OF 1954, § 48(h) (12).

6. McNulty, *State Tax Incentives To Fight Pollution*, 56 A.B.A.J. 747, 748 (1970).

Tax Incentives Don't Stop Pollution

pollution control equipment being sold today and receiving tax credit reportedly is used to clean water coming into a plant for use in manufacturing rather than for controlling waste discharges.⁷

Tax incentives of this sort—which reward rather than punish those receiving the incentive (the latter may be referred to as negative tax incentives or tax penalties)—obviously cut government revenue. The key to determining the value of positive tax incentives, therefore, lies in evaluating the benefits to be gained by the government (public) in return for revenue lost.

Benefits that would be gained regardless of the tax incentive clearly must be excluded from the list of benefits gained in exchange for the loss. Thus, pollution expenditures made to comply with federal, state and local health or pollution laws cannot be considered public benefits gained by granting tax incentives, although businesses received that aid. This clarification will permit many a tax incentive to be seen for what it is—a subsidy rather than an exchange of tax forgiveness for desired behavior.⁸

The potential cost of even the present federal tax incentive programs for pollution control, if maintained, is immense, but it is virtually impossible to estimate with precision. Government officials predict expenditures by industry in the next five years of \$3.3 billion for water pollution control, another \$2 billion for thermal pollution prevention and \$2.6 billion for control of four major air pollutants in one hundred metropolitan areas.⁹ Additional solid waste disposal expenditures can bring the total to \$10 billion.

These estimates are comparatively conservative. Yet, even without additional federal tax incentive legislation of this sort, the Federal Government's revenue loss with those expenditures could be a billion dollars per year.¹⁰ The loss to state governments, with their many similar laws, is not included. For example, the loss of revenue to Ohio from air pollution exemptions alone in 1970 is estimated to be \$6.3 million, according to the Research and Statistics Section of the Ohio Department of Taxation.

Other estimates of industry expenditures for pollution control equipment during the next five years center around \$32 billion.¹¹ Bank of America Senior Vice President Alan K. Brown recently put the figure at \$80 billion to \$95 billion.¹²

The public sector loss, even under the low (\$1 billion annual) federal tax loss estimate, is about eleven times what the Department of Health, Education and Welfare spends on all its air pollution control programs (\$94.2 million).¹³

Even if we accept the projected federal revenue loss of \$115 million in 1974, as estimated by the Senate Finance Committee in its report to accompany the Tax Reform Act of 1969, we still have a considerable loss when compared with federal antipollution expenditures.¹⁴ But this estimate is based on a level of expenditure that would never control pollution.

Despite their cost, tax incentives fail to control pollution. The most basic reasons are five:

1. **Unprofitability.** They fail to give an incentive to invest in nonproductive facilities regardless of the lessened cost of those facilities.

2. **Badly Aimed.** As used today, they give credit for physical devices that often are only a small part of pollution control (switching fuel can often be far more significant) and give credit for facilities regardless of their effectiveness in controlling pollution.

3. **No Public Gain.** They pay for pollution control facilities required by other laws, bringing no gain to the public in exchange for the tax loss and

leasing funds for governmental pollution control, among other things.

4. **Reverse Robin Hood.** They increase general taxes through tax burden distribution and provide substantial tax write-offs to wealthy corporations having the least need of public assistance to eliminate their pollution. Yet they fail to aid small and medium-sized companies unable to purchase required pollution control equipment.

5. **Pricing Quackery.** Because pollution costs are shifted to the general public, sales prices do not reflect a product's true cost to society. The sales price does not reflect the propensity for environmental harm during a product's manufacture, use or disposal. The true costs to society are masked.

The categories, of course, overlap considerably.

The existence of the philosophy of pollution control through rewards to polluters, moreover, gives rise to a convenient analogy, which may or may not be a key factor, for making additional rewards. An example is the charge in John Esposito's study on air pollution that, when Los Angeles sought more low-sulphur fuel oil, the political price was a change in federal oil import regulations to allow refiners who produce low-sulphur residual fuel oil to import an additional barrel of foreign crude oil for each barrel of low-sulphur residual oil produced. To the oil firms, this reportedly is worth about 90¢ a barrel, and the companies involved thereby gain between \$20,000 and \$50,000 a day in return for producing the low-sulphur residual fuel for the West Coast states. Slightly less than half this sum, the report added,

7. BUSINESS WEEK, October 4, 1969, at 118.

8. For a criticism of tax exemptions in general, see Reitze, *Real Property Tax Exemptions in Ohio—Fiscal Absurdity*, 18 W. RES. L. REV. 64 (1966).

9. ENVIRONMENTAL QUALITY, FIRST ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY 43, 72 (1970).

10. By contrast, the estimated federal funding for pollution control and abatement was \$1,290,900,000 in fiscal year 1970 obligations. *Id.* at 320.

11. The Wall Street Journal, August 10, 1970, page 1.

12. B.N.A. Env. REPR., August 28, 1970, at 467.

13. *Supra* note 9, at 320.

14. S. REP. No. 91-552, to accompany H.R. 13270, 91st Cong., 1st Sess. 646 (1969). Naturally those in favor of tax incentive legislation give lower estimates of tax losses. Section 169 has been estimated to have a maximum annual cost of only \$120 million, an amount which could be reached by expenditures of one tenth of the amount needed for pollution control. See remarks of Senator Russell B. Long, 115 CONG. REC. S16206 (December 9, 1970).

goes to Union Oil of California and to Atlantic Richfield for doing precisely what they had been doing all along.¹⁵

Unprofitability of Pollution Control Affects Incentives

It is the inherent unprofitability of most pollution control that makes tax incentives meaningless as a method of stimulating investments in it. Labor relations, government regulatory actions, marketing considerations, antitrust problems and a host of other variables play their parts in investment decisions. But these variables should not obscure the fact that tax incentives give no incentive to invest in nonproductive facilities or operations.

For an investment with a productive potential, a tax incentive could reduce the cost so that the potential profit is realized. But very few pollution control investments have any profit potential, and therefore that possibility is remote.

The few profitable pollution control investments have received much publicity. Yet even this category of pollution-control investment often fails to be made. Company managers by and large seek the highest return on investment, and profitable pollution control investments are rarely the most profitable investment a firm can make.

While few pollution abatement controls will produce any profitable commodity, most tax incentive plans are drafted so that profitable abatement techniques will not qualify. For example, Section 169 (e) states that the federal certifying authority shall not certify any property under Section 169 (d) (1) (B) to the extent it appears that by reason of profits derived through recovery of wastes or otherwise in the operation of the property, its costs will be recovered over its actual useful life. In most states the statutory guideline for a tax benefit requires that the facility meet the test that its primary purpose be for pollution control or that it is used exclusively for pollution control purposes.

These tests have virtually nothing to do with developing a good pollution abatement program, for a good program is normally so closely related to



Arnold W. Reitze (left) is professor of law and Director of the Environmental Law Program at the George Washington University National Law Center. He is a graduate of Fairleigh Dickinson University (B.A. 1960) and Rutgers University (J.D. 1962). His coauthor and brother, Glenn Reitze (right), is the managing editor of *The Environmental Law Reporter*. He obtained his B.A. degree at the University of Wisconsin in 1965.

the production process that very few expenditures will meet either the primary purpose or the exclusive use test.

It has been pointed out, moreover, that some of the largest companies—especially those in automobiles and oil—behave at times like independent political states rather than simple profit makers. Hence, there is all the more reason to attempt control through regulating behavior rather than by appeals to a profit-making sense through tax burden redistribution.¹⁶

Devices to protect the health and safety of workers also are usually unprofitable, but government, union and insurance company regulations force their purchase and use, to the general benefit. Devices for the health and safety of the public may be considered in the same category and be imposed by regulation.

The furor over mine safety demonstrates again that some businessmen will not protect their workers' safety and health voluntarily and adequately. Yet few governmental rewards are given for corporate health and safety expenditures. We recognize that inherently unprofitable investments will not be made merely because the government absorbs part of the cost.

If the desire is to encourage industry to use a specific abatement technique

or produce some other beneficial response in pollution control, we should utilize a more forthright approach—direct subsidies. We could, at least, more easily review whether the social benefit achieved is worth the public cost.

Businessmen in general respond to this approach less enthusiastically, for the grants must appear in budgets and the cost to the public is made obvious. And happily for some businessmen, tax incentives tend to continue long after the reason for the program has disappeared.¹⁷

Tax Incentives Off Target; Their Value Is Nil

The imprecision of tax incentives makes their use for any purpose of

15. ESPOSITO, VANISHING AIR 248 (1970).

16. For a study of the oil industry as a political state, see TUCENDHAT, OIL: THE BIGGEST BUSINESS (1969). Professor Kenneth Galbraith in *The New Industrial State* points to evidence that for the mature corporation, the profit motive is subordinate to the desire for reasonable growth and stability. Hence, it may be difficult to get even profit-making pollution abatement equipment installed.

17. Sometimes budgets become sacrosanct without a reason relating to public benefit. The federal gasoline tax enacted in 1932 was allocated to the highway trust fund in 1956 for highway construction. Now, with public mass transportation woefully underfinanced and highways proliferating everywhere, the highway lobby has convinced most legislators and much of the public that the gasoline tax is a sacred fund.

Tax Incentives Don't Stop Pollution

doubtful value; in the environmental area, their value appears to be nil. While they do not bring about pollution abatement, they do act to limit and hinder proper control programs for they encourage improper technical responses to pollution problems.

Pollution problems are usually an integral part of the production process. Their control requires a plan carefully integrated into the entire operation of the business. Nearly all industrial pollution can be controlled, and effective control is best managed if the production process is designed to minimize waste.

Some methods of control are to substitute fuels or power sources; substitute raw materials; use different production processes; change the design of the product; capture pollutants before they leave the plant; change disposal practices so as to encourage reclamation of waste products; and recycle either waste products or resources used in the productive process.¹⁸

The most drastic remedy for pollution would be to end production—a remedy that if applied to all pollution sources would have disastrous social and economic repercussions. However, a few products, when balanced against their capacity for environmental destruction, are so marginally useful to society that if they were priced to reflect these necessary pollution abatement costs, they would be priced out of the market. The use of products causing the release of heavy metals such as mercury might be limited by this approach.

Tax Incentives Have a Faulty Focus

The tax incentive program is harmful in its focus on capital costs of pollution control rather than the total cost, which includes, in many cases, substantial operating costs.

For example, an electric utility could substitute a cleaner-burning fuel at considerable expense and get no tax benefit except perhaps some small consideration for the costs of converting furnaces to burn a different fuel. However, a company that purchases a pre-

cipitator that has marginal total pollution control effectiveness can receive substantial tax benefits. To obtain a tax benefit, there is no legal requirement that an investment reduce pollution; the only requirement is that an investment be made.

Some common control equipment, such as electrostatic precipitators, are extraordinarily expensive. They can cost a million dollars, yet their operating costs are so high that many businesses would resist using them or turn them off in order to save on operating costs even if the Government paid the entire purchase price. This results in a situation in which companies that have spent the money for equipment required by law bypass the equipment at night, on holidays or between inspections in order to save on operating costs. In addition, a failure to make rapid repairs after a breakdown may result in an investment being inoperative much of the time.

The operating costs are such an important component of pollution control that any system of tax incentives must consider the total cost of abatement. By 1975, it is estimated, air pollution costs for operation, maintenance, depreciation and interest will run \$1.9 billion.¹⁹ These operating costs have always been tax deductible, yet this does not seem to have aided pollution control efforts.

A tax program that favors "hardware" expenditures encourages poor abatement responses from industry. By holding most of their expenditures not to be qualified for tax benefits, the program unfairly treats those industries that make a serious attempt at pollution control. In addition, there is the problem previously mentioned of possible widespread misuse of equipment purchased under tax exemptions to aid manufacturing, not to abate pollution.

The intimate relation of pollution control to the entire production process means that true pollution control cannot be separated from the total business operation. Here again the analogy to safety programs applies. Employee training, work layout, lighting, etc., is as important to safety as adding protective equipment to a machine.

Robin Hood Reversed; Rob the Poor To Help the Rich

The real financial problem in private sector pollution control is the inability of small or inefficient operations to obtain capital to pay for control. Tax incentives do not solve this problem; they benefit only those with capital to invest and income to be sheltered. The companies that can afford pollution controls will benefit.

For example, a \$1 million expenditure for an electrostatic precipitator, even if subject to depreciation in sixty months, benefits fully only those businesses with \$200,000 of spare income to shelter from taxes. Marginal enterprises get little benefit.

Thus, tax benefits aid the owners of large, successful businesses disproportionately, and their result will be to promote the elimination of small businesses as the cost of required pollution controls rise. A further obvious effect is the promotion of yet more control of our system by those who control the largest industries.

It is questionable whether large polluters need public financial assistance to meet their legal obligations to refrain from imposing pollution on others. But it is clear that the large polluters alone do account for a very large share of total pollution.

The Council on Environmental Quality reported this year:

The more than 300,000 water-using factories in the United States discharge three to four times as much oxygen-demanding wastes as the sewered population of the United States. Moreover, many of the wastes discharged by industry are toxic.

The output of industrial waste is growing several times faster than the volume of sanitary sewage. Although there is as yet no detailed inventory of industrial wastes, indications are that over half the volume discharged to water comes from four major industry

18. See NATIONAL RESEARCH COUNCIL COMMITTEE, NATIONAL ACADEMY OF SCIENCES, WASTE MANAGEMENT AND CONTROL, No. 1400 (1966). Techniques and costs of air pollution equipment are discussed in 3 STERN, AIR POLLUTION (2d ed. 1969). Water pollution costs can be found in THE COST OF CLEAN WATER, a Federal Water Quality Administration publication which comes in multiple volumes, each devoted to a different industry.

19. *Supra* note 9, at 72.

groups—paper, organic chemicals, petroleum, and steel.²⁰

In spite of the flood of publicity, little is spent by industry for pollution control when considered as a function of gross sales or profit.

Esposito, in *Vanishing Air*, explains:

A February 1970 report by the National Industrial Conference Board indicates that the industry's 1969 capital appropriations for air and water pollution control dropped 56.9 percent below the 1968 appropriation. This reduction from 38 million in 1969, represents a drop in pollution control investments from less than four-tenths of 1 percent of 1968 gross revenues to something less than two-tenths of 1 percent for 1969.²¹

Republic Steel Corporation, the second largest industrial polluter of Lake Erie, according to the Federal Water Quality Administration,²² in 1969 invested \$28 million in pollution control from sales income of more than \$1.5 billion created by property, plant and equipment valued at more than \$2.25 billion.²³

General Motors Corporation omitted its research budget for pollution control from its 1969 annual report, but the Esposito book on air pollution relates that G.M.'s official figure is \$40 million annually since 1967, or about .17 of 1 per cent of gross sales. This figure is one sixth of G.M.'s annual advertising budget. It is just \$13 million more than the \$27 million G.M. is spending each year in a ten-year program to change signs at company dealerships.²⁴

The justice of rewarding these large firms through tax incentives is at least questionable; nevertheless, it is of only peripheral interest. Rather than argue which tax benefit is "just" or proper, which is an approach that encourages the outpourings of public relations releases from corporations and trade associations, we should focus on the question of whether tax incentives create behavior that results in a reduction in pollution at a cost to the public that has a favorable cost to benefit ratio, judging, as William James taught, not by "first things, principles" but by the

"last things, fruits, consequences, facts".²⁵

Pricing Quackery Shifts Financial Burden to the Public

A basic reason for continued pollution is that the polluter shifts to the public, in terms of environmental destruction, the basic production costs that he avoids by not preventing pollution. Tax incentives augment that shift by placing the pollution control burden of business on the general public through tax burden redistribution.

To allow the general public (rather than the individual purchaser of a high pollution propensity product) to absorb pollution control costs is to thwart the function of the marketplace as a place of value exchange. To the extent a polluter can shift costs of control equipment to the general public, his products continue to avoid having their price reflect their pollution effect. Environmentally destructive products are enabled to compete with less harmful products without the market price reflecting their social costs. Because no incentive is provided in the marketplace to minimize pollution at the lowest cost per unit sold, the natural market competitiveness is not utilized to reward the producer who shifts the fewest negative social costs to the public.

Tax incentives such as those discussed also have the capacity to destroy state and local abatement programs. Most states require that the state pollution control board or its tax commission or revenue department, acting on the recommendation of the pollution control board, approve or certify the pollution control facility so as to qualify for the tax benefit,²⁶ as does the Federal Government.²⁷

State agencies have been burdened with the obligation to process not only

Tax Incentives Don't Stop Pollution

thousands of applications for exemptions to a variety of state taxes, but also by law they must provide businessmen with certification to meet exemption allowance requirements of Section 169 of the Internal Revenue Code. This results in either a reduction of the agency's other enforcement, monitoring and planning efforts or in cursory examinations of the exemption applications. Abuses of the exemption allowances, therefore, are no surprise. And the failure of state inspection programs allows federal as well as state benefits to flow to the businessman because of the Section 169 requirements.

Only a few cities in the United States have meaningful air pollution programs with adequate staff. Most state programs are smaller than that of their larger cities.²⁸ Fifty per cent of the state agencies have fewer than ten positions budgeted.²⁹ With an estimated 8,000 additional personnel needed to implement the Clean Air Act properly, one wonders whether industry is unaware that enforcement can be effectively prevented by imposing onerous time-consuming responsibilities for processing tax exemptions on the pollution planning and enforcement agencies. While the cost of tax incentive legislation can be calculated in terms of revenue losses to the public treasury, it is much more difficult to evaluate the financial and social costs of having state pollution control agencies bogged down in the relentless pushing of paper to get industry their tax benefits.

The point about all of these laws, and the many similar bills proposed, is that they reward a limited number of taxpayers for "pollution control" expenditures. Not, we must note, pollution control effectiveness or the simple elimination of pollution.

20. *Supra* note 9, at 32.

21. *Supra* note 5, at 84.

22. LAKE ERIE REPORT, August, 1968, at 7.

23. 1969 Annual Report, at 3, 10, 12 and 28.

24. *Supra* note 17, at 29.

25. *What Pragmatism Means*, in *ESSAYS IN PRAGMATISM* 148 (1948).

26. The tax practitioner must not only be

familiar with tax law but also must search pollution law for applicable tax authority. For an illustration see, OHIO REV. CODE §§ 6111.31 and 6111.03(M).

27. INT. REV. CODE OF 1954, § 169 (D).

28. O'Fallon, *Deficiencies in the Air Quality Act of 1967*, 33 *LAW & CONTEMP. PROB.* 275, 293, (1963).

29. *Supra* note 9, at 85.

Introduced: 1/13/71
Referred: Local Government
and Finance

1 IN THE HOUSE

BY COLLETTA

2 HOUSE BILL NO. 43

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tax exemptions for the prevention
7 of air and water pollution."

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

9 * Section 1. AS 29.10 is amended by adding a new section to read:

10 Sec. 29.10.344. EXEMPTION OF PROPERTY USED IN THE PREVENTION OF
11 AIR OR WATER POLLUTION. In levying, assessing and collecting taxes
12 for school and municipal purposes, the council or assembly may by
13 ordinance classify and exempt from taxation for a period of seven years
14 that property of a business used in the prevention of air or water
15 pollution which is installed after the effective date of this section.

16
17 *Hold for work session*
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HB

52

Pouch V,
State Capitol Bldg.
Juneau, Alaska 99801
March 29, 1971

Mrs. Joan Jackson
8012 E. 4th Ave.,
Apt. #B
Anchorage, Alaska 99504

Dear Mrs. Jackson:

Thanks so much for your letter relative to House Bill 52.
I certainly concur with you in the desirability of this
legislation and it has had and will continue to have my
support.

Sincerely,

Mike Miller, Representative
District Four, (Juneau)

8012 E. 4th Ave. Apt. #B
Anchorage, Alaska 99504

Mr. Mike Miller
Pouch V
Juneau, Alaska 99801

Dear Mr. Miller:

My family moved from Juneau to Anchorage in October of the last year. You had my earnest support throughout your campaign and I congratulate you on your success. As one of your recent constituents and an Alaska Methodist University senior I am writing to urge you to vote favorably for HB52. This bill has to do with tuition equalization for students at A.M.U. and Sheldon Jackson College. Provision for such was made by the previous legislature but no funds were appropriated.

With the law passed A.M.U. had every reasonable right to expect funds to follow and so to speak "went out on a limb". As you no doubt are aware the financial condition at A.M.U. is serious and passage of this bill would help immensely both now and in the future.

If A.M.U. were to close the University of Alaska would have a monopoly on higher education in Alaska. God forbid that Alaskan students be allowed no choice unless they wanted to go Outside.

I believe there is a question raised as to the function of the Government in relation to providing aid to private educational institutions. There is no precedent in Alaska for this. Alaska has made history before-- if she'd based herself on precedent all these years where would we be today? Alaska has shown herself to be a progressive and modern state in many ways. I believe this is another time to quit dragging our feet.

I have attended Alaska Methodist University since 1963; because of finances I could not go continually. My husband is a State employee at the Grade 17 level and his salary makes it difficult to pay out approximately \$1800 a year for tuition and books. Yet, I would not go to the University of Alaska--Anchorage Branch, for my experience shows that A.M.U. offers a superior education. Not only because it is impossible for me, but also because I hate to leave my beloved Alaska; would I go to a University Outside.

I reiterate my belief in Alaska Methodist University and the State of Alaska and ask you to favorably support HB52. It is an investment in the future of the keenest type.

Thank you for your consideration.

Yours truly,

Joan Jackson
(Mrs.) Joan Jackson

HB

58

Original sponsor: Rules Committee by request
of the Governor

Offered: 4/20/71
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 58

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating for the operating and capital

7

expenses of all departments, offices and agencies of

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state government; and providing for an effective date."

9

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

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* Section 1. The sum of \$295,004,300 is hereby appropriated from the

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general fund and from the unreserved special accounts in the general fund

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for the period beginning July 1, 1971 to be apportioned according to the

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schedules in secs. 7, 8 and 9 of this Act.

14

General Fund

Senate
261,376,800 \$283,134,900

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Highway Fuel Tax Account

9,417,000 9,417,000

16

Aviation Fuel Tax Account

1,650,000 1,650,000

17

Watercraft Fuel Tax Account

7,485,000 802,400

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* Sec. 2. The sum of \$494,200 is appropriated from special fund reserve

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accounts in the general fund for the period beginning July 1, 1971, to be

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apportioned according to the schedules in secs. 7, 8 and 9 of this Act.

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FICA Administration Fund Reserve Account

19,300 \$ 19,700

22

Special Surplus Property Revolving Fund Reserve Account

139,500 139,400

23

Small Business Enterprise Revolving Fund Reserve Account

1,500 1,500

24

Second Injury Fund Reserve Account

120,000 120,000

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Sick and Disabled Fisherman's Fund Reserve Account

213,600 213,600

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* Sec. 3. The sum of \$17,190,600 is appropriated from special funds of

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the state for the period beginning July 1, 1971 to be apportioned according

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to the schedules in secs. 7, 8 and 9 of this Act.

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Public Employees' Retirement Fund

156,200 \$ 159,700

			<i>per state</i>
1	Rural Development	\$ 629,100	455,300
2	Public Defender	638,900	560,100
3	Criminal Justice	684,800	680,000
4	Center for Justice Administration	100,000	
5	Human Rights Commission	125,500	125,500
6	State Museum	230,300	230,000
7	Tokyo Office	68,000	68,000
8	Mansion	62,600	63,100
9	Boards & Commissions	372,500	571,800
10	Youth in Government	200,000	200,000
11	Contingency Fund	<u>250,000</u>	150,000
12	Total - Office of the Governor	<u>\$ 6,122,000</u>	5,639,300
13	Fund Source - General Fund	4,029,300	\$ 4,565,000
14	Federal Program Receipts	1,610,000	1,557,000
15	Department of Administration		
16	Office of Commissioner	\$ 329,100	306,100
17	Personnel	744,900	704,700
18	Budget and Management	513,800	403,100
19	Finance	495,200	464,800
20	Supply	738,300	697,800
21	Data Processing	1,824,700	1,735,600
22	Pioneer Homes		
23	Sitka	1,022,400	1,012,500
24	Fairbanks	542,200	531,000
25	Palmer	454,400	448,100
26	Retirement Benefits	345,300	342,300
27	Surplus Property	139,400	138,500
28	Municipal Services - Revenue Sharing	<u>6,500,000</u>	
29	Total - Department of Administration	<u>\$ 13,649,600</u>	13,284,500

Senate

1	Administration	\$ 791,900	749,600
2	All Judicial Districts	5,415,200	5,362,400
3	Commission on Judicial Qualifications	<u>7,600</u>	8,000
4	Total - Judicial Branch	<u>\$ 6,867,200</u>	6,899,500
5	Fund Source - General Fund		6,899,500 \$ 6,867,200
6	Legislative Branch		
7	Legislative Council		
8	Legislature	\$ 1,420,100	> 2,000,000
9	Legislative Affairs	493,500	
10	Pipeline Impact Committee	102,000	50,000
11	Legislative Budget & Audit Committee	<u>453,600</u>	450,000
12	Total - Legislative Branch	<u>\$ 2,469,200</u>	2,500,000
13	Fund Source - General Fund		2,500,000 \$ 2,469,200

EDUCATION

15	Department of Education		
16	Administration		
17	Board of Education	\$ 28,800	24,100
18	Office of Commissioner	152,600	142,200
19	Advisory Commissions	85,600	68,400
20	Scholarship Loans	2,500,000	250,000
21	Planning & Research	207,600	203,700
22	Staff Development	10,000	10,000
23	Publications	85,400	78,800
24	Educational Broadcast Commission	758,800	181,800
25	Administrative Services		
26	Director	104,400	104,300
27	Budget & Accounting	188,900	185,000
28	Support Services	88,100	86,900
29	School Lunch	971,400	967,000

			<u>Senate</u>
1	Small Business Program	\$ 1,500	1,500
2	Rehabilitation Facilities Innov.	27,800	25,000
3	Training Grants	3,800	3,400
4	Rural Rehabilitation	222,200	222,200
5	Social Security Disability Rehab.	25,000	25,000
6	Social Security Determination	88,900	88,900
7	State Libraries	<u>745,000</u>	576,000
8	Total - Department of Education	<u>\$101,312,500</u>	91,225,700
9	Fund Source - Federal Receipts	13,064,200	\$ 13,268,200
10	Program Receipts	275,000	275,000
11	Inter-Agency Receipts	944,800	944,800
12	Special Funds		
13	Small Business Revolving		1,500 1,500
14	General Fund		76,940,200 86,823,000
15	State-Operated Schools		
16	District Office	\$ 1,046,200	1,044,800
17	Area Schools	26,698,900	23,842,800
18	Non-Resident Tuition	1,000,000	1,340,000
19	Special Education	509,100	509,100
20	Teacher Corps/Career Opportunity	1,168,200	1,076,200
21	Bilingual Aides	238,800	238,800
22	Rural Schools Project	<u>150,000</u>	150,000
23	Total - State-Operated Schools	<u>\$ 30,811,200</u>	28,201,700
24	Fund Source - Federal Receipts	15,871,900	\$ 16,045,900
25	General Fund	12,329,800	14,765,300
26	University of Alaska	<u>\$ 18,900,000</u>	19,250,000
27	Fund Source - General Fund	19,250,000	\$ 18,900,000

HEALTH AND WELFARE

29 Department of Health and Welfare

Senate

1	Administration	\$ 508,400	446,200
2	Community Health	744,500	512,800
3	Laboratories	452,400	427,200
4	Office of Alcoholism	428,100	404,300
5	Child Health Service	914,300	969,300
6	Public Health Nursing	1,827,600	1,658,100
7	TB Control & Chest Diseases	402,900	439,400
8	Corrections		1,232,500
9	Administration	1,330,700	
10	Care of Prisoners		
11	Adult Camp	694,900	645,600
12	Anchorage-SCRCI	608,200	557,200
13	Juneau-SERCI	959,700	895,300
14	Fairbanks-NCRI	916,900	820,700
15	Ketchikan State Jail	339,200	305,500
16	Prisoner Admin.-Other	796,500	801,200
17	Care of Juveniles		
18	Alcantra Youth Camp	374,400	329,000
19	McLaughlin Youth Center	1,911,300	1,667,400
20	Juvenile Admin.-Other	670,000	682,900
21	Total - Department of Health and Welfare	\$ 49,568,700	47,439,500
22	Fund Source - Federal Receipts	8,428,800	\$ 8,628,800
23	Program Receipts	63,100	54,500
24	Inter-Agency Receipts	52,300	52,300
25	General Fund	38,895,300	40,833,100

REGULATION

27	Department of Labor		
28	Administration		
29	Office of Commissioner	\$ 290,100	284,100

			<u>Senate</u>
1	Banking, Securities, etc.	\$ 262,300	249,500
2	Insurance	199,800	172,600
3	Weights & Measures	422,700	400,100
4	Occupational Licensing	261,200	238,300
5	Regulation of Public Service		
6	Utilities	620,500	591,500
7	Transportation	475,600	462,200
8	Veterans Loan Administration	264,300	264,300
9	Veterans Service Council	34,500	34,500
10	Total - Department of Commerce	<u>\$ 2,731,900</u>	2,596,900
11	Fund Source - Special Funds		
12	Veterans Revolving Loan	264,300	\$ 264,300
13	General Fund	2,332,600	2,467,600
14			
			<u>PUBLIC PROTECTION</u>
15	Department of Military Affairs		
16	Alaska National Guard		
17	OTAG & State Armories	\$ 619,300	557,500
18	Air National Guard	289,400	243,900
19	Army National Guard	82,700	63,600
20	Federal Scout Armories	165,300	158,700
21	Camp Carroll	34,700	31,700
22	Alaska Disaster Office		
23	Administrative Program	279,200	254,400
24	ADO Participants	45,000	45,000
25	Community Shelter	34,600	34,600
26	Radiological	31,100	31,100
27	Dusting Program	38,000	38,000
28	Civil Air Patrol	92,600	82,100
29	Total - Department of Military Affairs	<u>\$ 1,711,900</u>	1,544,600

Senate

1	Geophysical Program	\$ 500,000	← DOT
2	Total - Department of Natural Resources	\$ 5,751,900	4,874,900
3	Fund Source - Federal Receipts	277,400	\$ 308,400
4	Inter-Agency Receipts	241,900	305,000
5	Special Fund		
6	Agricultural Revolving Loan	76,300	76,300
7	General Fund	4,257,300	5,062,200
8	Department of Fish and Game		
9	Administration		
10	Office of Commissioner	\$ 273,200	228,900
11	Board of Fish & Game	70,400	31,100
12	Administration	846,000	837,300
13	Information & Education	110,100	101,600
14	Hatchery Services	188,100	253,400
15	Habitat	201,600	213,900
16	Commercial Fisheries		
17	Management	2,440,400	2,095,400
18	Research	1,014,600	1,022,400
19	Research & Development	394,800	363,300
20	Anadromous Fish	491,700	500,000
21	Test Fish	80,000	71,900
22	Game		
23	Management	230,500	217,900
24	Federal Aid	2,481,000	2,576,700
25	Sport Fish		
26	Management	573,800	523,300
27	Federal Aid	874,400	893,400
28	Sport Fish Stocking	60,700	60,700
29	Protection	2,375,400	2,064,800

Senate

1	Custodial	\$ 472,800	410,400
2	Maintenance	3,747,900	3,091,000
3	Planning & Design	308,100	283,900
4	Construction	286,500	284,900
5	Communications	932,500	879,900
6	Marine Transportation		
7	Administration	1,520,500	1,322,500
8	Southeast Systems		
9	Operations	6,727,100	6,499,400
10	Steward	3,262,600	3,215,700
11	Southwest Systems		
12	Operations	1,962,800	1,899,800
13	Steward	<u>483,800</u>	458,000
14	Total - Department of Public Works	<u>\$ 31,504,000</u>	29,122,700
15	Fund Source - Program Receipts	210,000	\$ 210,000
16	Inter-Agency Receipts	3,163,400	3,139,900
17	Special Funds		
18	Int'l Airport Revenue	6,144,700	7,808,400
19	Aviation Fuel Tax	1,561,600	1,561,600
20	General Fund	18,643,000	18,784,100
21	Department of Highways		
22	Administration	\$ 5,132,200	4,885,700
23	Maintenance	<u>16,120,400</u>	14,461,000
24	Total - Department of Highways	<u>\$ 21,252,600</u>	19,346,700
25	Fund Source - Federal Receipts - Forest Highway		
26	Maintenance	200,000	\$ 200,000
27	Program Receipts	117,500	117,500
28	Inter-Agency Receipts	282,600	282,600
29	Special Funds		

Senate

1	Coverage Under Employment		
2	Security Benefits	350,000	350,000
3	Fund Source - General Fund		350,000 → out 350,000
4	TOTAL OPERATING BUDGET	\$ 356,782,900	333,127,600
5	Fund Source - General Fund	252,811,700	\$274,755,800
6	Aviation Fuel Tax Account	1,561,600	1,561,600
7	Highway Fuel Tax Account	9,417,000	9,417,000
8	Federal Program Receipts	49,602,200	50,159,900
9	Other Program Receipts	792,100	793,500
10	1970 Highway Construction Fund	750,000	750,000
11	Public Employees' Retirement Fund	156,200	159,700
12	Teachers' Retirement Fund	166,900	169,200
13	Veterans' Loan Fund	277,100	282,200
14	Agricultural Revolving Loan Fund	79,800	79,800
15	Fish and Game Fund	1,988,900	2,007,900
16	International Airport Revenue Fund	8,103,500	9,867,300
17	School Fund (Cigarette Tax)	387,000	387,000
18	FICA Administration Fund Reserve Account	19,300	19,700
19	Special Surplus Property Revolving Reserve		
20	Account	138,500	139,400
21	Small Business Enterprise Revolving Fund		
22	Reserve Account	1,500	1,500
23	Second Injury Fund Reserve Account	120,000	120,000
24	Sick and Disabled Fishermen's Fund		
25	Reserve Account	213,600	213,600
26	Inter-Agency Receipts	6,535,700	5,897,800

* Sec. 8. The following appropriations are made from taxes and revenues for the fiscal year beginning July 1, 1971 and ending June 30, 1972 to be distributed among the eligible political subdivisions of the state according

1	Total - Department of Administration	\$	320,000	
2	Fund Source - General Fund			\$ 320,000
3	Department of Education			
4	Nenana High School, Multipurpose			
5	Facility	\$	850,000	
6	Nome Elementary School, Addition		<u>1,553,000</u>	
7	Total - Department of Education	\$	2,403,000	
8	Fund Source - General Fund			\$ 2,403,000
9	Department of Health And Welfare			
10	Recreational Camp, Harborview			
11	Hospital, Valdez	\$	40,000	
12	Alaska Treatment Center for			
13	Crippled Children and Adults,			
14	Hospital Facility, Anchorage		<u>150,000</u>	
15	Total - Department of Health and Welfare	\$	190,000	
16	Fund Source - General Fund			\$ 190,000
17	Department of Natural Resources			
18	Haines State Fair Building	\$	50,000	
19	Fund Source - General Fund			\$ 50,000
20	Department of Public Works			
21	Municipal, Civic Convention and			
22	Community Recreation Center			
23	Planning (HOUSE BILL 119)		200,000	
24	International Trunk and Secondary			
25	Airport Projects		25,219,400	
26	State Building Projects:			
27	Site Improvements and Land			
28	Acquisition		600,000	
29	Renovation of Attorney General's			

OK

1	Federal Program Receipts		\$114,029,900
2	International Airport Revenue Fund		2,689,500
3	* Sec. 10. The sum of \$8,093,000 is appropriated from working capital		
4	funds for the period beginning July 1, 1971 and ending June 30, 1972.		
5	Department of Highways		
6	Equipment, Operation, and Main-		
7	tenance	\$ 6,514,500	
8	Equipment Purchase	<u>1,578,500</u>	
9	Total - Department of Highways	\$ 8,093,000	
10	Fund Source - Equipment Working Capital Fund		\$ 8,093,000

11 * Sec. 11. (a) Prior to the actual allocation of appropriations made by
 12 this Act, the Commissioner of Administration shall reduce the appropriated
 13 personal services category for agencies of the Executive Department accord-
 14 ing to the following schedule of vacant position reduction factors:

15		Vacant	Approximate
16		Positions	Budget Program
17		Reduction	Maintenance Level
18		<u>Factor</u>	<u>Personal Services</u>
			<u>All Funds</u>
19	Administration	2.49%	4,920,400
20	Law	8.05%	2,184,500
21	Revenue	1.98%	2,290,800
22	Education	6.79%	4,355,400
23	State Operated Schools -		
24	District Office	6.79%	701,700
25	Health & Welfare	7.73%	18,297,100
26	Labor	5.16%	5,131,000
27	Commerce	7.88%	2,077,500
28	Military Affairs	3.82%	1,029,200
29	Public Safety	2.89%	5,635,400