

ALASKA LEGISLATURE COMMITTEE FILES 1981 - 1982 8672

1357 HHESS HB 293 - HB 306 1357

It should be noted that these estimates are based on a projected decrease in the rate of probation for first offense class B and C felonies, from an estimated 50% and 80% under current practice, to 30% and 60% respectively under HB 293. If the rate of probation remains constant, the projected decrease in prison population will be even greater. The addition of two mitigating factors in sec. 17 of the proposed committee substitute, which are specifically applicable to first offense felonies, are expected to have the effect of maintaining existing probation rates.

B. Probation and Furlough Programs

Enactment of this legislation will have two distinct impacts on the Department's probation and furlough programs. While the need for field probation services will increase by approximately 8% as a result of the enactment of the one-for-two good conduct formula, sec. 17 of the bill provides that ordinarily only the first half of the probation period requires mandatory contact with a probation officer. These two provisions of the bill will have the combined effect of allowing supervision of probationers with current staffing and will require the department to place greater emphasis on the development of programs designed to assist a prisoner's reintegration into society after his period of formal probation supervision has ended.

This legislation does not mandate that a specific number of beds be created in furlough programs. Nevertheless, the Department's existing budget submission already includes funding for an additional 15 beds over current levels, which are required regardless of whether HB 293 is enacted. If the Department is successful in obtaining funding for additional furlough beds in subsequent years, it will be able to offer furloughs in appropriate cases within the guidelines specified in this legislation. It should be emphasized that the additional furlough beds that will be requested over the next several years do not represent fiscal impact caused by this legislation, as such programs are required regardless of whether this legislation is enacted.

The Department has requested funding for five additional field staff phased in over the period from FY 84 to FY 86 in order to coordinate and implement the furlough program and mandatory release aspects of this that will occur under this bill. These positions (four probation officers and one clerk typist) will be located in Anchorage and Fairbanks.

C. Cost Estimates

1. Reduced number of inmates. For purposes of this fiscal note the direct cost for food, clothing, medical, etc. for 46 persons are considered as cost reductions beginning in FY 1984. It is estimated that the FY 1984 savings will be \$115,700 in commodities and \$25,100 in contractual services. Since the Department is not planning to accelerate the movement of persons into the furlough program beyond the FY 1983 budget request, no savings are calculated for this period although some may accrue as a result of the change in the earning of good time.
2. Probation field services. To provide the field services related to the increased numbers of probationers/parolees identified above, five additional positions will be required. These staff would be placed in to coincide with caseload/workload increases, as follows:
 - a) FY 1983 - No new positions
 - b) FY 1984 - 2 Probation Officers II
1 Clerk Typist III
 - c) FY 1985 - 1 Probation Officer II
 - d) FY 1986 - 1 Probation Officer II

FY 1984 estimated costs for the 3 positions are:

Personal Services	\$108,800
Travel	8,600
Contractual Services	11,800
Commodities	2,100
Equipment	3,600
	<u>\$134,900</u>

3. Inflation of 9% was used for years subsequent to 1984 with the exception of salaries where a 7% inflation rate was estimated.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

CRIMINAL DIVISION

POUCH KC - STATE CAPITOL
JUNEAU, ALASKA 99811
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April 13, 1981

HOUSE BILL 293 IMPACT ON PRISON POPULATION

The Department of Law and the Department of Health and Social Services have projected the effect of House Bill 293 on prison population if that legislation is enacted as currently drafted. In arriving at these projections we have relied on the most recent available statistical data developed by the Alaska Judicial Council, the Court System and the Division of Corrections.

While the projections that follow are only estimates, we believe we have taken an extremely conservative approach to the major assumptions required to complete this analysis. That is, our assumptions tend to overestimate any increase in prison population caused by HB 293. Our estimates, for example, are based on a projected decrease in the rate of probation for first offense class B and C felonies, from an estimated 50% and 80% under current practice, to 30% and 60% respectively under HB 293. If the rate of probation remains constant, the projected increase in population is reduced by more than half.

If HB 293 is enacted as drafted it would result in approximately 66 additional years of imprisonment served by defendants, sentenced during any year, over the life of their prison terms. The attached chart entitled "Projected Effect of HB 293 on Prison Population" details how this figure has been estimated. The 66 additional years of imprisonment represents the total increase in prison population that can be expected in the future as a result of the bill. The prison population will rise, over a period of several years, and level off at a point which is about 66 prisoners higher than if the bill had not been enacted. The attached chart entitled "Yearly Effect of HB 293 on Prison Population - Effect of Proposed Amendments" demonstrates the effect of HB 293 on prison population over the next ten years.

We have identified four amendments to HB 293, any one of which would significantly decrease the projected increase in prisoner population. The effect of the four

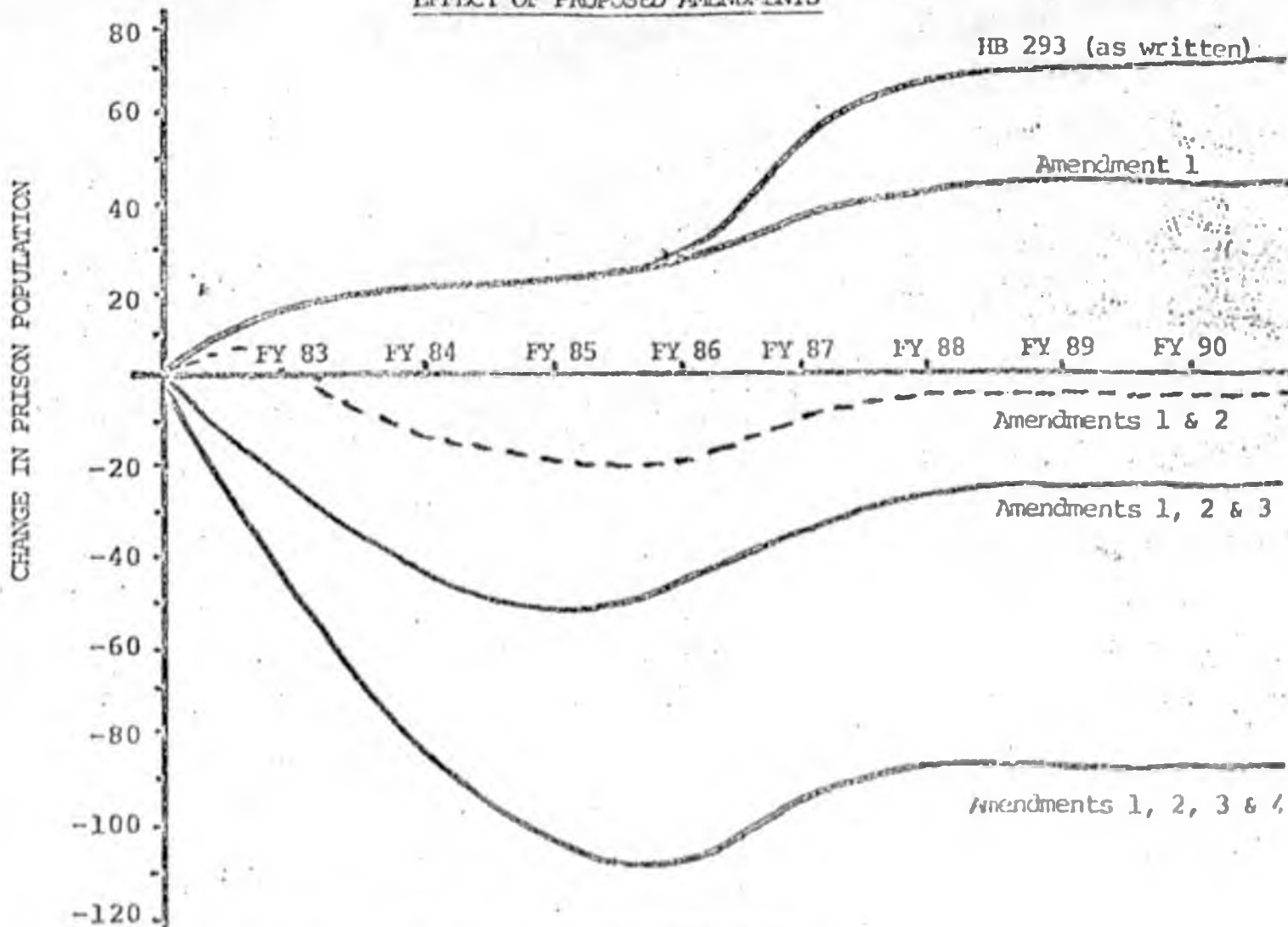
amendments on prison population, singly and in combination, is illustrated in the second chart. The four proposed amendments, which are listed in order of preference, are as follows:

1. Setting the presumptive sentence at seven years for first offense class A felonies where a firearm is possessed or a dangerous instrument used, results in a decrease of approximately 25 prisoners. (HB 293, p.26, line 16.)
2. Providing for a good conduct deduction of one-third for all offenses results in a decrease of approximately 45 prisoners. (HB 293, p.26, lines 12-24.)
3. Setting the presumptive sentence at six months for first offense class C felonies results in a decrease of approximately 25 prisoners. (HB 293, p.27, line 9.)
4. Providing for a good conduct deduction of one-half for prisoners on furlough results in a decrease of approximately 60 prisoners. (HB 293, p.6, lines 12-24.)

BJS:sl1

Attachments

YEARLY EFFECT OF HB 293
ON PRISON POPULATION-
EFFECT OF PROPOSED AMENDMENTS



Amendment 1: Presumptive Sentence for Class A felony with a Gun set at 7 years

Amendment 2: 1/3 Good Conduct Deduction for all offenders

Amendment 3: Presumptive Sentence for Class C felony set at 1/2 year

Amendment 4: 1/2 Good Conduct Deduction for Furloughed Prisoners

CLASS AND NUMBER OF FIRST OFFENDERS SAMPLED	NUMBER IMPRISONED	% IMPRISONED	AVERAGE SENTENCE (years)	FLAT TIME	OFFENDER YEARS	ESTIMATED SAVINGS IF PAROLED	NUMBER IMPRISONED	% IMPRISONED	AVERAGE SENTENCE (years)	YEARS SERVED	OFFENDER YEARS	NET CHANGE IN PRISON POPULATION ON FIRST OFFENSE
"A" FELONY With Deadly Weapon (32)	32	100%	6	4.5	144	0	32	100%	8	6	192	+48
"A" FELONY No Deadly Weapon (23)	18	80%	5.8	4.4	79	20	25	100%	5	3.33	77	-2
"B" FELONY (72)	39	50%	2.5	1.9	74	12	55	70%	2	1.33	73	-1
"C" FELONY (192)	38	20%	1.09	0.82	31	2	77	40%	1	0.67	51	+20

34
total

Increase attributable to presump-
tive sentencing for first offenders +65

Decrease attributable to increased
good time for misdemeanants -33

Increase attributable to
elimination of parole board +34

TOTAL INCREASE IN PRISON
POPULATION CAUSED BY HB 293 +66



Official Business

Alaska State Legislature

House of Representatives

Committee on

Health, Education & Social Services

Pouch V
State Capitol
Juneau, Alaska 99811

TO: All Members of House H.E.S.S.
FROM: Barbara Wilkins, Committee Assistant
DATE: February 22, 1982
RE: House Bills 225 & 261 on Parole

Subsequent to a meeting with the staff of the Senate H.E.S.S. Committee, the following issues were identified regarding possible amendment of HB 225. The Senate H.E.S.S. is using the counterpart to HB 261 for drafting, but are making substantial changes to incorporate certain portions of the counterpart to HB 225. Using HB 225 as a base, the following are areas of concern:

1. Good time computation for persons on parole. Because of due process considerations, the department feels that this would be too costly to implement. They also feel that it is only effective as a negative reinforcement measure, which is proven to be relatively ineffective in preventing behavior patterns.
2. Confidentiality of records release. The two bills differ in the pre-parole eligibility hearing materials made available to a prisoner upon request and their form. HB 225 would provide for release of the pre-parole report which is essentially the same summary the Parole Board receives. Mental health evaluations and evaluations from DOC personnel would be deleted. HB 261 would make all materials in the files available, including such evaluations.
3. Scope of statutory control of conditions of release. HB 261 seeks to set out specific conditions, with the addition of an escape clause to allow further expansion on the range of conditions set by the Board. HB 225 provides for the imposition of conditions which are to be determined by the Board. The 1980 Parole Regulations would be the guide under this legislation. An important point here is whether or not to invoke the Administrative Code (AS 44.62). If the Board were authorized, as is current law, to promulgate its own regulations, they would still have the authority of law but would not have to go through the lengthy and costly process set out in AS 44.62.
4. Notices of eligibility hearing and condition changes. HB 261 provides that prisoners will be given written notice of hearings and will be given a hearing on Board imposed changes in their conditions. Time periods differ between the two bills.

O V E R V I E W
OF EFFECT OF DECISIONS IN C. J. SYSTEM

1975: Ban on Plea Bargaining

Takes away informal bargaining outside of court for changes of plea to guilty in return for a specific sentence.

Makes District Attorney screen cases for trialability so that no frivolous cases are continued.

Gives judge almost total discretion in sentencing by banning recommendations from lawyers as a result of a bargain. Parole board retains power when not limited by judge's sentences.

1978/80: Presumptive Sentencing

Allows for more certainty as to what sentence defendants will get if they are convicted. Takes discretion away from judge except with respect to aggravating and mitigating circumstances that are introduced by lawyers. Gives the D.A.'s more power through their charging capacity. Takes away discretion from judges. Gives Corrections personnel power over the 1/4 of a sentence that is forgiven by good time provisions. They also have the power to furlough certain persons. Takes away power from parole board since the range of cases over which they have any discretion is limited.

Trends: Legislature has taken control of sentencing guidelines. Direction seems to be toward more certain sentencing and limitation of judges' power which was given back to them alone as a result of the 1975 policy decision.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Health, Education & Social Services

Pouch V
State Capitol
Juneau, Alaska 99811

TO: All Members
FROM: Barbara Wilkins, Committee Assistant
DATE: February 22, 1982
RE: Parole Issues — HB 293

There are three bills currently being considered by the House H.E.S.S. Committee. Two bills have identical Senate counterparts -- HB 261 and HB 225. They differ on certain points which are delineated under separate cover. They are both a re-write of AS 33.15 relating to the Parole Board and would essentially preserve the Board in its present state.

House Bill 293 was introduced by the Governor and attempts to replace the Parole Board by a system of presumptive sentencing and good time computations. This is also a re-write of AS 33.15, but would result in a full-time interim commission to take care of the people falling under the old system.

This re-write is only one part of this bill. It also includes a portion which is a re-write of AS 33.30 relating to Corrections. This portion carries no fiscal impact. The reforms basically reflect current policy and ambiguities in the present statutes. Furloughs, contracting and leasing with private sector are included in this part.

Another section of this bill changes AS 12.55 presumptive sentencing to include first felony offenders, along with other modifications. Presumptively sentenced persons are not eligible for parole and are referred to as Mandatory Releases. This section merely seeks to make the presumptive sentencing model more homogenous system-wide.

It appears that the Committee needs to make certain basic choices such as whether or not it wishes to retain the Parole Board. After this, whether or not to pass out one bill and perhaps incorporate needed statute reforms from HB 293, or to pass out two or three CS's, each aimed at a specific issue/portion of law and separated by fiscal impact. If we are to get a good piece of legislation out in time to make it through the Senate, we need to act relatively quickly. Current statistics on just the presumptive sentencing portion will be unavailable until the first week in March.

INTRODUCTION OF BILLS (House) (cont'd)

HB 223 (cont'd)

New provisions are added to AS 47.25 under new sections 103 & 108, "Contractual Agreements," and "Eligibility." Effective July 1, 1981.

Introduced February 25 and referred to Health, Education & Social Services, then to Finance.

Delta/Greely
REAA
(adjusting
FY 81 appro-
priations)

HOUSE BILL NO. 224, by Rep. Moss. Repeals and reappropriates certain appropriations made to the Delta/Greely Regional Educational Attendance Area for FY 81. Reappropriates \$2.1 million to the Dept. of Transportation & Public Facilities for construction projects for the Delta/Greely REAA including: (1) a vocational education facility; (2) library expansion at Fort Greely; (3) sprinkler system at Delta; (4) administrative offices at Delta; and (5) classrooms at Fort Greely. No amounts specified for each.

Repeals Sec. 286, Ch. 50, SLA 1980, lines 22-25, page 42 and lines 4-5, page 43. Included: (23) Delta sprinkler system-- (\$200,000); (24) Library expansion, Fort Greely (\$300,000); (25) Vocational Education Fac. (\$1,000,000); (4) Delta Admin. Offices (\$200,000); and (5) Fort Greely classrooms (\$400,000).

States that the amount reappropriated is for capital projects and is subject to AS 37.25.020 (does not lapse). Effective immediately.

Introduced February 25 and referred to Health, Education & Social Services, then to Finance.

Parole of
Offenders

HOUSE BILL NO. 225, by Rep. Martin. Extends the existence of the State Board of Parole (which expired on June 30, 1980) until June 30, 1984. Rewrites the Parole Administration Act (AS 33.15), adding new language to AS 33 under Chapter 16, "Parole Administration." Makes the following changes regarding the Board:

- Increases the term of board members from four to five years.
- Directs the Governor to designate the chairman, and stipulates that chairman must have a minimum two year's experience in the field.
- Adds prohibition that member of board may not seek or hold a statewide or national elective public office during his term.
- Requires the Governor to seek nominations for board members and outlines selection criteria for members.
- Add procedure for the removal of board members for "disability, nonfeasance, neglect of duty, malfeasance in office, or conviction of a crime."
- Allows board member to receive compensation of \$100 per day "for each day he is concerned with the business of the board."
- Requires board to meet at least four times a year (currently must meet at least twice a year).
- Requires a vote of at least three members on all decisions and orders.
- Deletes provision which currently allows board members to issue warrants to retake a parole violator.
- Expands on section which outlines the responsibilities of the board.

INTRODUCTION OF BILLS (House)(cont'd)

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- Requires the Governor to seek nominations for board members and outlines selection criteria for members.
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- Allows board member to receive compensation of \$100 per day "for each day he is concerned with the business of the board."
- Requires board to meet at least four times a year (currently must meet at least twice a year).
- Requires a quorum of at least three members on all decisions and orders.
- Deletes provision which currently allows board members to issue warrants to retake a parole violator.
- Expands on section which outlines the responsibilities of the board.

HB 225 (cont'd)

Changes regarding the board (cont'd):

--States that Exec. Director serves at the pleasure of the board (currently serves at the pleasure of the Governor) and directs Exec. Director to employ the staff of the board.

New Chapter includes the following provisions regarding the parole process:

--Makes a distinction between "discretionary parole" (granted by the board) and "mandatory parole" (release "by operation of law" such as for good conduct).

--States that a prisoner other than a juvenile delinquent who is serving a definite term of over 180 days and who is not imprisoned for a committing a felony may, in the discretion of the board, be released on discretionary parole. Convicted felon may not be released until he has served at least the prescribed minimum term. A convicted felon who is released under AS 33.20-.030 (early release for good conduct) "shall be placed on mandatory parole for the period specified in the certificate of deduction subject to written conditions imposed by the board."

--Allows sentencing court to designate in the sentence of imprisonment a term at the expiration of which the prisoner is eligible for parole. Term shall be at least one-third of the period of confinement or the minimum term prescribed in AS 12.55-.125 for felonies, whichever is greater.

--Outlines conditions for granting of discretionary parole. States that prisoner may not be released until he has served either one-third of sentence or the minimum term required by law for felony convictions (currently parole may not be granted until prisoner has served either one-third of sentence or 15 years of a life sentence).

--Outlines information to be taken into consideration by the board when determining the suitability of a prisoner for discretionary parole. Includes: the presentence report; recommendations made by sentencing court, by prosecuting attorney & defense attorney, and any statement made by the prisoner at sentencing; the prisoner's history at the jail to which he was sent; a recommendation made by an officer at the jail; official reports of earlier crimes and earlier probation and parole experiences; physical, mental, and psychiatric exams of the prisoner; and information submitted by the prisoner, the prisoner's attorney, a victim of the crime, or other persons.

--Grants a prisoner the right to an interview with a member of the board to review the suitability of the prisoner for discretionary parole. Prisoner may waive such right.

--Requires the board to furnish to each person released under its supervision an order for parole. The order shall contain the conditions of parole and the date parole supervision expires. Order does not take effect until it is accepted and signed by the parolee and his parole plan is approved.

HB 225 (cont'd)

--Outlines mandatory conditions of parole: prisoner must refrain from violating state or federal laws. Board may require as a condition of parole that parolee accept any condition established by board under regulations adopted by it. Allow parolee to request reconsideration by the board of a condition of parole at any time.

--States that pre-parole reports submitted to the board are confidential.

--Allows a prisoner or a parolee to appeal a decision or order of the board to the superior court on the ground of arbitrariness or capriciousness.

--Outlines the duties of the Commissioner of Health & Social Services with regard to granting of parole. Only change over existing section is that Commissioner must "provide the board in a timely manner with information requested on sentenced prisoners who may be eligible for parole release or parole supervision." Also allows Commissioner to assign the duties of probation officers to parole officers appointed by him (no change over existing law).

--States that board retains legal custody of a discretionary parolee until the expiration of the maximum term or terms to which the parolee is sentenced less good time allowance. Board retains custody of a mandatory parolee until the expiration of the maximum term or terms to which he was sentenced. States that disability imposed by AS 33.30.320 (person sentenced to life imprisonment is considered "civilly dead") applies to a parolee as long as he is in the legal custody of the board, but the disability "does not deny a parolee access to the courts to protect the rights he may have." Parolee who has been on parole for five years shall be discharged from parole and from custody of board "unless the board finds after a hearing that continued supervision is necessary for the protection of society."

--Section on discretionary discharge states that board may discharge a parolee from supervision and custody and from further liability under his sentence after parolee has completed two years of parole. Requires annual review of a parolee's record after he has completed two years of parole.

--Allows board to release prisoner to answer a warrant issued by another court in Alaska, another state, the U.S., or by another authority, charging the prisoner with a crime (no change from existing law).

--Board may revoke parole for violation of state or federal law. Grants parolee arrested on charge of violation of state or federal law the right to a preliminary hearing before a single member of the board or before an authorized hearing officer to determine whether probable cause exists to revoke parole.

--Section dealing with arrest of parole violators states that parolee may be arrested without a warrant "only under exigent conditions which require immediate arrest" (more stringent than existing law which allows arrest without warrants).

INTRODUCTION OF BILLS (House)(cont'd)

HB 225 (cont'd)

--States that chapter applies to all persons convicted and sentenced in the Superior Courts and the District Courts of Alaska (no change).

Bill repeals and re-enacts 33.20.040(a) which relates to the release of prisoners who are released earlier than their term of confinement because of deductions for good conduct. New subsection reads: "A prisoner released under AS 33.20.030 [Discharge for Good Conduct] who is not granted parole under AS 33.16.100 and 33.16.120 [Eligibility for and granting of discretionary parole, under new provisions of bill] shall be released on parole for the period specified in the period of deduction subject to conditions imposed by the board and subject to its supervision."

Bill repeals AS 33.15 (Parole Administration Act).

New provisions apply to persons on parole or being considered for parole on the effective date of bill. States that terms of the members of the Board of Parole terminate on effective date of bill. Outlines initial terms of new members to be appointed by the Governor. Provides at effective July 1, 1981.

Introduced February 25 and referred to Health, Education & Social Services, then to Judiciary.

Marijuana
(legalizing
use for can-
cer patients)

HOUSE BILL NO. 226, by Reps. Randolph, Beirne, Bettisworth, Brown and Rogers. Legalizes the use of marijuana by persons who have been diagnosed by a physician to be ill with cancer. (Bill adds new subsection to AS 17.12.020, authorized possession of depressant, hallucinogenic & stimulant drugs.) Does not provide for effective date.

Introduced February 26 and referred to Health, Education & Social Services, then to Judiciary.

Disputed Tax
Payments

HOUSE BILL NO. 227, by Reps. Randolph, Abood, Barnes, Beirne, Bettisworth, Bylsma, Fanning and Metcalfe. Adds new section to AS 43.05 (Administration of Revenue Laws) which allows a person who prevails on a question of tax liability to recover from the state the expenses of preparing and presenting arguments and evidence relative to the tax or penalty in dispute. Person must present a certified statement of expenses to Dept. of Revenue in order to be reimbursed. States that bill has the effect of changing Rule 79 of the Alaska Rules of Civil Procedure by altering the manner of recovery of costs by a plaintiff entitled to recovery of expenses in an appeal of a disputed tax or penalty. Also changes Rule 82 of the Rules of Civil Procedure by mandating recovery of the entire amount of a plaintiff's attorney fees in the successful appeal of a disputed tax or penalty. Does not provide for effective date.

Introduced February 26 and referred to Judiciary and Finance.

General Obligation Bonds
(retirement)

HOUSE BILL NO. 228, by Reps. Randolph, Abood, Anderson, Barnes, Beirne, Bettisworth, Bylsma, Fanning, Halford and Phillips. Amends AS 37.10.070 which outlines allowable investments for

INTRODUCTION OF BILLS (House)(cont'd)

HB 228 (cont'd)

state surplus funds, by adding primary requirement stating the surplus funds be used "in accordance with appropriations for that purpose, to purchase and retire state general obligation bonds issued under the provisions of the State Bonding Act." If Commissioner determines that there is a surplus in excess of the amount necessary to purchase and retire outstanding state g. o. bonds, that surplus may be invested in the other allowable investments currently contained in the section. Does not provide for effective date.

Introduced February 26 and referred to State Affairs and Finance.

Overtime
Compensation

HOUSE BILL NO. 229. By Reps. Randolph, Anderson, Beirne, Bettisworth, Fanning and Metcalfe. Exempts from statute governing the payment of overtime compensation "an employee who is in sole charge of an independent establishment or a physically separated branch establishment." (Adds new paragraph to list of those currently exempted in AS 23.10.060.) Provides Act effective immediately.

Introduced February 26 and referred to State Affairs and Finance.

Permit &
License
Holders

HOUSE BILL NO. 230. by Reps. Randolph, Beirne, Bettisworth, Bylsma, Fanning and Metcalfe. Entitles permit or license holder to be reimbursed for the cost of their permit or license if the requirement for the permit or license is eliminated by law while person owns it. Amount of reimbursement shall be the sum last paid for the purchase of the permit or license by the present owner. Does not provide for effective date.

Introduced February 26 and referred to Labor & Commerce, then to Finance.

Fish & Game
Violations
(seizure of
property)

HOUSE BILL NO. 231. by Reps. Randolph, Abood, Barnes, Beirne, Bettisworth, Bylsma, Fanning, Metcalfe and Montgomery. Amends section of the Fish and Game Code (AS 16.05) which relates to the seizure and confiscation by the court of items used in or in aid of a violation of AS 16.05. Allows seizure of guns, traps, nets, fishing tackle, boats, aircraft, automobiles or other vehicles, sleds, and other paraphernalia used in or in aid of a violation of AS 16.05 or a regulation of the Dept. of Fish & Game (currently items may also be seized for violation of a rule of the department). Bill amends section to allow seizure only "if the person making the seizure determines that the seizure is necessary to preserve the items as evidence of a violation." Also amends section to require items to be returned to owner "within seven days after the seizure unless an extension is approved by court order for cause shown (currently items shall be returned "after completion of the case and payment of the fine, if any"). Section amended by bill is AS 16.05.190, "Seizure Without Warrant and Confiscation by Court." Does not provide for effective date.

Introduced February 26 and referred to Resources and Judiciary.

Acquitted
Defendants
(costs & atty.
fees)

HOUSE BILL NO. 232. by Reps. Randolph, Beirne, Bettisworth, Fanning and Metcalfe. Adds new section to AS 12.45 (Trial) which provides for an award of costs and attorney fees to a defendant acquitted of

INTRODUCTION OF BILLS (House)(cont'd)

Appropriation
(Special)
(auto repair
abuse study)

HOUSE BILL NO. 292, by Reps. Hayes, Abood, Anderson, Beirne, Bettisworth, Brown, Martin and Metcalfe. Appropriates \$65,000 from the general fund to the Dept. of Law, Consumer Protection Section, for investigation of abuses related to automobile repairs. Appropriation lapses June 30, 1982. Provides Act effective July 1, 1981.

Introduced March 9 and referred to Labor & Commerce and Finance.

Parole of
Offenders/
Executive
Clemency

HOUSE BILL NO. 293, by the Rules Committee by request of the Governor. Governor's bill revamping the parole system in the state. Outline of bill is as follows:

--Sec. 1 adds new chapter to AS 33, Ch. 16 "PAROLE OF OFFENDERS AND EXECUTIVE CLEMENCY."

--Sec. 2 repeals AS 33.30.010 - 090 (Prison Facilities; Establishment, Control & Management) and AS 33.30.250 - 320 (portion of General Provisions). Sections of AS 33.30 which remain intact are Secs. 100 - 190, and Sec. 225.

--Sec. 3 adds new sections to AS 33.30 relating to the establishment, control and management of correctional facilities and programs; to the procedure for commitment; to programs and furloughs; and to miscellaneous provisions.

--Sec. 3 (misnumbered in bill--should be 4) repeals and reenacts AS 33.30.200, the definitions for AS 33.30.

--Secs. 4 & 5 repeal and reenact AS 11.56.340 & 350 (unlawful evasion in the first degree; unlawful evasion in the second degree).

--Sec. 6 repeals and reenacts 12.55.080 (Suspension of Sentence and Probation).

--Sec. 7 amends 12.55.090(b)(Grant of Probation); Sec. 8 amends 12.55.100 (Conditions of Probation); and Sec. 9 amends 12.55.110 (Notice and Grounds for Revocation of Suspension).

--Secs. 10 - 13 amend subsections of 12.55.125 (Sentences of Imprisonment for Felonies).

--Sec. 14 amends 12.55.155(a) (Factors in aggravation and mitigation--of presumptive sentencing).

--Sec. 15 amends 12.55.165 (Extraordinary Circumstances--in sentencing).

--Sec. 16 repeals AS 33.15 and AS 33.20 (Parole Administration Act and Pardons and Paroles).

--Sec. 17 terminates the Interim Sentence Review and Parole Commission established in Sec. 1 of bill on July 1, 1983.

--Sec. 18 states that Secs. 10 - 15 do not apply to or govern the punishment for any offense committed before July 1, 1981. Offenses committed before that date shall be punished according to the law existing at the time the offense was committed.

--Sec. 19 provides effective date of July 1, 1981.

INTRODUCTION OF BILLS (House)(cont'd)

HB 293 (cont'd)

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

In his message transmitting the bill to the House for consideration, Governor Hammond stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill pertaining to the treatment of prisoners. It allows the Alaska Board of Parole to "sunset" as provided by law on July 1, 1981, and establishes a parole system whereby a prisoner's release date is set at the time of sentencing. The bill also sets presumptive sentences for first-time felony offenders and constitutes a complete revision of AS 33.30 pertaining to correctional facilities. It clarifies ambiguous provisions in existing law pertaining to the custody of prisoners, and provides for the establishment of comprehensive furlough programs by the Department of Health and Social Services designed to facilitate an offender's reintegration into society before his final release after serving a term of imprisonment.

This bill should be viewed as the next logical step in the revision and modernization of Alaska's statutes pertaining to crimes and sentencing that began with passage of the revised criminal code in 1970. That legislation, in part, established presumptive sentences for repeat felony offenders and eliminated those offenders from consideration for early release by the parole board. This bill sets presumptive sentences for first-time felony offenders and makes that class of offenders ineligible for early release by the parole board.

To satisfy the requirements of art. III, sec. 21, of the Alaska Constitution, the bill establishes a parole system that allows for release of offenders before the expiration of their terms of imprisonment through the earning of a deduction from their sentences for good conduct while in prison and by permitting their participation in furlough programs established by the Department of Health and Social Services. The furlough programs are intended to foster successful reintegration of the offender into society by encouraging him to obtain employable skills, education, and appropriate counselling or treatment while serving the last part of his term of imprisonment.

This legislation also establishes a two-year interim sentence review and parole commission to set release dates for prisoners who commit crimes before July 1, 1981, the date the new parole system established by this bill takes effect. In setting a parole release date, the commission is specifically authorized to consider whether there was unjustified disparity in the sentence imposed when compared to other sentences imposed under similar circumstances. This provision of the bill will provide an appropriate mechanism to remedy any unjustified disparity in sentencing that may have occurred in the past that can be attributed to the race of the defendant or to any other reason. It is also responsive to the findings and recommendations of the Advisory Committee on Minority Sentencing Practices and the Anchorage Native Caucus arising out of the studies by the Alaska Judicial Council that first highlighted the problem of sentencing disparity in the state.

The central premise of this bill is that certainty in punishment, and certainty regarding the term of imprisonment a prisoner is required to serve, should be the central considerations applicable in establishing penalties for criminal conduct. This legislation insures certainty in sentencing of offenders by providing presumptive sentences for all felonies. Additionally, it also insures certainty in the correctional process by putting all offenders on an equal footing in terms of early release and participation in rehabilitative programs.

INTRODUCTION OF BILLS (House) (cont'd)

Community Work HOUSE BILL NO. 255, by the Judiciary Committee by Request.
(damages) Adds a new subsection to AS 12.55.055 (Code of Criminal Procedure. Sentencing and Probation. Community Work) which reads: "(c) The state is liable for damages to other persons caused by an intentional or negligent act of a person while he is performing community work by order of a court under this section." Provides Act takes effect immediately.

Introduced March 4 and referred to Judiciary.

Housing HOUSE BILL NO. 256, by the Rules Committee by Request of the
Authorities Legislative Budget and Audit Committee. (See Senate Bill No. 231, page 367, identical).

Introduced March 4 and referred to State Affairs, then to Finance.

ASEA HOUSE BILL NO. 257, by the Rules Committee by Request of the
(family & Legislative Budget and Audit Committee. (See Senate Bill No. 234, page 368, identical).
handicapped
housing fund)

Introduced March 4 and referred to Labor & Commerce, then to Finance.

Appropriation HOUSE BILL NO. 258, by the Rules Committee by Request of the
(special) Legislative Budget and Audit Committee. (See Senate Bill No. 235, page 369, identical).
(family &
handicapped

housing fund) Introduced March 4 and referred to Labor & Commerce, then to Finance.

ASEA HOUSE BILL NO. 259, by the Rules Committee by Request of the
(sr. citizen Legislative Budget and Audit Committee. (See Senate Bill No. 233, page 368, identical).
housing fund)

Introduced March 4 and referred to Community & Regional Affairs, then to Finance.

Appropriation HOUSE BILL NO. 260, by the Rules Committee by Request of the
(special) Legislative Budget and Audit Committee. (See Senate Bill No. 232, page 368, identical).
(ASHA-Sr. Cit.
Housing)

Introduced March 4 and referred to Community & Regional Affairs, then to Finance.

Parole of HOUSE BILL NO. 261, by the Judiciary Committee by Request.
Offenders (See House Bill No. 225, page 352, similar). Continues the existence of the State Board of Parole until June 30, 1985 (expired June 30, 1980). Repeals the Parole Administration Act (AS 33.15) and adds a new chapter to AS 37 (ch. 16) re-writing that section.

Section relating to the Board of Parole states that the board consists of seven members appointed by the governor subject to confirmation by a majority of the members of the legislature in joint session. Provides members serve staggered terms of

Jurors &
Jury Panels

HOUSE BILL NO. 254, by the Judiciary Committee by Request.
(See SB 171, page 216, similar). Makes several changes relating to jurors under the Code of Civil Procedure (AS 09.20):

- Changes age qualification of juror to 18 (presently 19).
- Amends section relating to limitation on jury service (025) stating that no person may be required to serve more than "a total of" three months during any consecutive two-year period. Also states that a person is serving as a juror whenever he is in attendance in court as a member of a jury or a jury panel.
- Amends section relating to the jury list (050) by including a list of persons who filed for a distribution of the Alaska permanent fund income, and deleting a list of persons who filed for a state income tax return, and if considered necessary by the administrative director of courts, a list of all persons who hold a valid Alaska drivers' license. Deletes all reference to the Lt. Governor and replaces with "director of elections."
- states that a copy of the appropriate portion of the jury list shall be transmitted "to the presiding judge of each judicial district", deleting "only to each district judge and each superior court judge" and states that it shall only be used to summon jurors and for other "purposes of judicial administration." (deleting "for state governmental purposes".) Also states that duplicate names and names of deceased persons and persons permanently excused shall be eliminated before transmitting it to the presiding judge).
- Amends sec. 060, "Use of Jury Box" to include the use of a computer list: "A randomly generated computer list of prospective jurors may be used in place of the jury box."
- Amends sec. 070 "Public drawing for jurors for panel" to allow a random selection of the jury panel by computer in place of the public drawing of names.
- Repeals and reenacts section 080 "Jury panel" by stating that the panel for trial or civil cases consists of at least twice the number of jurors needed to serve on a trial jury (presently "24"), including any needed alternate jurors. Adds new subsection (b) which states "If the list of prospective jurors for a court location does not produce sufficient names for a jury panel of minimum size, the administrative director of courts may authorize that additional names of prospective jurors be randomly selected from sources other than those listed in AS 09.20.050."
- Provides the Dept. of Revenue shall furnish the Dept. of Administration with a list of all persons who filed for the Alaska permanent fund within 30 days of the effective date of this Act.

Provides Act takes effect immediately.

Introduced March 4 and referred to Judiciary.

HB 261, (cont'd)

five years and until their successors are appointed and qualified. Vacancy to be filled for the unexpired term and governor to designate the presiding officer of the board.

--States that the governor shall seek nominations for board members and outlines selection criteria for members.

--Provides for removal of members for disability, inefficiency, neglect of duty or malfeasance in office.

--Allows member to compensation of \$100 per day for each day of board business and entitles him to per diem and travel allowances. Provides for a cost-of-living adjustment.

--Provides board may meet as often as it considers necessary, not less than four times a year. States that decisions and orders of the board require the votes of a majority of members present and in no case less than votes of three members.

--States the board or a member of the board may issue subpoenas and subpoenas duces tecum.

--Outlines responsibilities of the board, stating that the board shall serve as the state parole authority; consider the suitability of parole for eligible prisoners; discharge person from parole when supervision is no longer necessary; maintain records of the board; adopt fair standards for prisoners for determining parole; recommend changes relating to legislation and within state departments and the executive branch; execute other responsibilities prescribed and adopt regulations under the Administrative Procedure Act.

--Provides for hiring of an executive director who has training and experience in the field of parole.

--Section relating to parole eligibility (100) states that a prisoner, other than a juvenile delinquent, who is serving a term of over 180 days who is not imprisoned under a Class A, B, or C felony whose record shows that he has observed the institutional rules may be released on parole at the discretion of the board. States that a prisoner imprisoned for murder in the 1st or 2nd degree may not be released until he has served at least the prescribed minimum term of imprisonment. States that any prisoner imprisoned under a Class A, B, or C felony who is released at the expiration of his term (AS 33.20.030, Discharge) shall be placed on parole for the period specified in the certificate of deduction, subject to written conditions imposed by the board.

--allows court to fix eligibility for parole at the time of sentencing. States that the term of imprisonment shall be at least one-third of the period of confinement imposed by the court or the minimum term prescribed in sentences of imprisonment for felonies (AS 12.55.125).

--provides for the granting of parole if the board determines that the prisoner will live and remain at liberty without violating the laws or without violating the conditions imposed by the board; the prisoners release is not incompatible with the welfare of society. States a prisoner may not be released until he has served at least one-third of the period of confinement.

--Outlines considerations of the board in determination of suitability of parole including pertinent reports, recommenda-

HB 261. (cont'd)

tions, examinations, information and the prisoner's history.

--states that the board may not deny parole on the grounds that the prisoner did not obtain necessary or desirable treatment if it was not available at the correctional facility to which the prisoner was assigned.

--provides department shall hold a hearing to review suitability of a prisoner for parole or for the setting, posting of parole dates. Provides prisoner shall have reasonable notice, shall be permitted to have a copy of all information and records being considered 30 days before the hearing; prisoner has the right to enter written responses; right to be present at hearing, present evidence on his behalf and to cross-examine witnesses who testify against him. Decision of board shall be issued in writing and reasons for decision shall be provided.

--board shall provide each person released an order for parole which shall contain the conditions imposed and the date that the parole supervision expires. Order does not take effect until it is accepted and signed by the parolee.

--entitles person released a deduction from term of parole for good time, one day for every three days of good conduct while on parole. Good time earned on parole is subject to forfeiture if a violation of a condition of parole occurs during parole.

--Outlines conditions of parole: parolee required to refrain from violation of state or federal law; board may require person to accept one or more of listed conditions depending on the nature and circumstances of the crime. Conditions range from meeting family obligations to refraining from consuming alcoholic beverages, submission to searches and seizures conducted reasonably by a parole or peace officer acting under direction of a parole officer, submission to necessary medical treatment, to refraining from entering into contracts without permission.

--provides for a hearing on application for a change in parole conditions, waiver of hearing, confidentiality of records and information, appeals, outlines duties of the commissioner in relation to parolees, access to law by prisoners, and parole officers.

--provides for discharge of parolee, providing that the board retains legal custody of a parolee until the expiration of the maximum term to which parolee is sentenced less good time allowance. States parolee who has been on parole for five years and who has not been charged with a felony shall be discharged from parole and the custody of the board. Provides for discretionary discharge of a parolee after completion of two years of parole. Provides for release of prisoner to answer process.

--Provides for revocation of parole by board for violation of a state or federal law or a condition imposed by the board. Entitles parolee right to hearings. Provides for arrest of parole violator only on a warrant issued based on probable cause. Provides for execution of the warrant for arrest of parolee by parole officer or peace officer.

HB 261, (cont'd)

Provides Act takes effect July 1, 1981.

Introduced March 4 and referred to Health, Education and Social Services, then to Judiciary.

Fishery Industrial Tech. Center

HOUSE BILL NO. 262, by Rep. Zharoff. Establishes a Fishery Industrial Technology Center as a part of the University of Alaska. States that the center shall create employment opportunities in the state's fishing industry and other benefits to the state by providing training opportunities to citizens of the state on the most efficient and appropriate technologies for the harvesting, processing and conservation of the fishery resources of the state; by providing information and technical assistance on the adaptation of existing and new technologies to the users of the fishery resources of the state; by providing research and development activities to adapt existing technologies to enhance the economic viability of the industry; by providing research and development activities to create new technologies which will enhance the effectiveness of the industry, and provide economic benefits to state citizens; and by encouraging joint projects between industry and government in order to use industrial experience and government programs to enhance the productivity of the industry.

Establishes the Fishery Industrial Council to provide program and planning guidance to the center. Council to consist of 11 members appointed by the U of A president. Members to serve two year term. States that the principal activities of the center shall be located in Kodiak, Alaska. Provides for the issuance of an annual report and states that the center shall cooperate with other agencies in the development of its programs. Provides Act takes effect immediately.

Introduced March 4 and referred to Health, Education and Social Services, then to Finance.

Appropriation (special) (Fishery Indus. Tech. Center)

HOUSE BILL NO. 263, by Rep. Zharoff. Appropriates \$200,000 to the University of Alaska for the Fishery Industrial Technology Center. Provides unexpended and unobligated portion of the appropriation lapses into the general fund 6/30/82. Provides Act takes effect on effective date of a version of HB 262.

Introduced March 4 and referred to Health, Education and Social Services, then to Finance.

Appropriation (special) (Iliamna dock)

HOUSE BILL NO. 264, by Rep. Chuckwuk. Makes a special appropriation in the amount of \$175,000 to the Department of Community and Regional Affairs for payment as a grant to the village of Iliamna for design and construction of a dock. Provides Act takes effect immediately.

Introduced March 5 and referred to Transportation, then to Finance.

Proposed Amendments from HB 293

HB 293 addresses several areas of the corrections field not specifically related to parole board. The following have been selected as possible amendments to HB 225.

1. Page 8, line 13: Provides that a period of parole supervision be divided between formal and informal style. Ref. definitions on page 11, lines 7-16.

2. Page 9, line 6: Mandatory conditions of parole. Amplifies HB 225 by adding "or local ordinance" to (1). Adds (2) and (3) to statute.

? 3. Page 9, line 23: Provides that court shall compute release date at sentencing and inform prisoner of it.

4. Pages 12, line 20, through page 14, line 3: Provides for the contracting and leasing of facilities by the Commissioner. Expands existing law to include private agencies.

no formal
5. Pages 14, line 4, through page 16, line 27: Constitutes a major re-write of existing statutes regarding commitment and classification of prisoners.

OK
6. Page 16, line 29, through page 20, line 18: Addresses furloughs and specifies conditions of releases and types of furloughs.

7. Page 20, line 19 through page 21, line 7: Adds a section relating to documents transmission and provides that fingerprints be placed on the judgement order.

change accuracy # 293
8. Page 22, line 15: This section would replace the similar section in HB 225 referencing access to civil process. It specifies the exact effects of conviction for specific types of crimes in regards to civil rights. These effects are in effect until the time of his unconditional discharge.

9. Page 23, line 2: Would change the section on definitions by adding "correctional facility" to replace the existing definition of "prison facility" and would add a definition of "furlough".

10. Page 23, line 29 through page 24, line 20: Adds language relating to furloughs to definition of evasion in the first and second degree.

*taken care of
in 225*
11. Page 24, line 22, through page 25, line 10: Adds (b) to existing law that prescribes maximum probationary periods at five years for felonies and two years for misdemeanors. Upon revocation, periods of probation may be extended up to these period maximums.

12. Page 25, line 20-28: AS 12.55.085 is changed to provide that persons with probation-only sentences are subject to formal and informal division of the supervisory period.

Mo.
13. Page 26, line 8 through page 27, line 13: Adds presumptive sentences for first felony offenders and increases the current presumptive sentence in AS 12.55.125(c)(1) from six years to eight years.

14. Page 27, line 14, through page 28, line 24: Technical language change simplifying references to subsections.

Sec. 1 adds chapter 16 to AS 33.

Sec. 33.16.005. States purpose of chapter.

Sec. 33.16.010 Establishes a professional interim sentence review and parole commission in DHSS appointed by the Governor.

Sec. 33.16.020. Establishes quorum of commission and powers of subpoena.

Sec. 33.16.030. Establishes Executive Director.

Sec. 33.16.035 Responsibilities of Commission.

Sec. 33.16.040 Establishes parole eligibility for prisoners committing crimes prior to 7/1/81. Sets up schedules for determining parole release dates and assigns responsibilities between interim commission and clemency board and sets deadlines.

Sec. 33.16.050. Establishes parole eligibility, release computation, and furlough eligibility of persons who committed a crime after 6/30/81.

Sec. 33.16.060. Establishes hearings on parole release dates and sets out criteria: Directs Commission to prepare a pre-parole report. Establishes prisoner's rights to notice, response, representations, cross-examination, and written copy of the reasons for the decision.

Sec. 33.16.070. Establishes automatic adjustment of release date due to computations of good time deductions.

Sec. 33.16.080. (a) For prisoners serving sentences on or after 7/1/81; $\frac{1}{2}$ of sentence = good time if he was presumptively sentenced under AS 12.55.125. or $\frac{1}{3}$ of sentence for those not presumptively sentenced.

(b) Mandatory Minimum

good time will only be computed on portions of sentence that exceed the minimum prescribed imprisonment.

(b)(1)-(3) Defines "mandatory minimum term of imprisonment".

(c) Allows the computation formula for good time which prevailed at time of sentencing, if more time would have been credited.

(d) Vests 90 days of good time per year and sets maximum forfeitures.

Sec. 33.16.090. Assigns responsibility for parole supervision, defines supervision period, sets out parameters for conditions of release and revocation. (d) designates that the first half of supervision period for "formal" type of supervision and remainder under "open" type.

- Sec. 33.16.100. Sets 3 mandatory conditions of release.
- Sec. 33.16.110. Provides that prosecutor be notified before release and expiration of probation dates.
- Sec. 33.16.120. Provides prisoner receive calculation of release date from court at time of sentencing which assumes maximum amount of good time computation.
- Sec. 33.16.130. Defines Governor's powers of clemency.
- Sec. 33.16.140. Establishes Executive Clemency Advisory Board and provides for its caseload as those prisoners who committed crime before 7/1/81 for which he was sentenced in excess of 180 days. They are eligible for parole after serving 1/3 of the term (AS 33.16.040). Includes prisoners applying for clemency.
- Sec. 33.16.150. Defines effect of Governor's pardon as setting aside conviction and restoring civil rights.
- Sec. 33.16.155. Administrative Act (AS 44.62) does not apply.
- Sec. 33.16.160. Provides definitions for:
1. "Board", 2. "Commission",
3, "commissioner", 4, "formal probation supervision, 5, "open probation supervision".

SEC. 2 Repeals AS 33.30.010-090 and AS 33.30.250-320.

SEC. 3 Correctional Facilities & Programs

- Sec. 33.30.011. Sets out responsibility of commissioner regarding facilities, classification of prisoners and criteria, and prisoner's physical care.
- Sec. 33.30.021. Provides for regulations to be promulgated.
- Sec. 33.30.021. (a) Gives the commissioner the authority to determine availability of suitable facilities, enter into agreements with appropriate public or private agencies for the provision of facilities in Alaska or another state. Privately operated facilities may be used only to involve prisoners in programs and not primarily for confinement. Confinement facilities may be provided by the U.S., another state, or a political subdivision of this state.
- Sec. 33.30.041. Provides for the leasing of correctional facilities by political subdivisions of this state specifies conditions to be included in the agreement along with other conditions deemed necessary by the commissioner.

- Sec. 33.30.051. Establishes that convicted persons are committed to commissioner's custody for the term of imprisonment.
- Sec. 33.30.061. Determines the authority of the commissioner to designate location of facility, factors to consider in facility designation, and allows prisoners pending appeal to petition their location.
- Sec. 33.30.071. Designates Commissioner of Public Safety as responsible for prisoners pending transfer if they are in custody in a facility. Responsibility for medical care is designated as either the responsibility of DHSS or law enforcement agencies.
- Sec. 33.30.081. Assigns DPS responsibility for transporting persons committed to custody. DHSS is responsible for returning released persons to place of arrest. Assigns Commissioner of DHSS responsibility for promulgation of regulations.
- Sec. 33.30.091. Makes furloughs under 30.011(2) compulsory.
(a) Delineates purposes for furloughs: 1) employment, 2) training, 3) treatment, 4) employment, 5) education, 6) release preparation, 7) group appearances, 8) rehabilitation.
(b) delineates criteria for furlough for living under reduced supervision.
- Sec. 33.30.111. (a)-(d). Pre-release furloughs are established to facilitate reintegration of persons into society. Provides minimum guidelines for supervision and restriction levels which must be more extensive than those of "formal" probation. Establishes eligibility standards for pre-release furloughs and procedures for granting them.
- Sec. 33.30.121. Establishes short-duration furloughs of 12 hours or less for family or medical purposes which may be granted anytime.
- Sec. 33.30.131. Establishes furlough for work and procedures for the commissioner's management of prisoner's earnings.
- Sec. 33.30.141. Establishes authority for dealing with furlough violations.
- Sec. 33.30.161. Delineates authority of superintendent regarding oaths.
- Sec. 33.30.171. Establishes priorities, categories to be paid before prisoner's account may be credited with any revenue from state resource distribution entitlement and requires commissioner adopt regulations to implement this.
- Sec. 33.30.181. Defines those rights forfeited by (a) persons convicted of a felony involving moral turpitude; (b) convicted of any crime; (c) a public office holder convicted of the equivalent of a felony, a malfeasance of office, or if the Alaska Constitution or statute so provides. "Unconditional discharge" is defined as in AS 12.55.185.

Sec. 3 Repealed and Reenacted

Sec. 33.30.200. Defines: 1. "commissioner", 2. "correctional facility", "facility", or "state correctional facility", 3. "court", 4. "department", 5. "furlough", 6. "political subdivision", 7. "prisoner", 8. "temporary commitment".

Sec. 4 Repealed and Reenacted

Sec. 11.56.340. *Defines "unlawful evasion" and classifies it as a Class A misdemeanor.

Sec. 5 Repealed and reenacted

Sec. 11.56.350. *Defines "evasion in 2nd degree and classifies it as Class B misdemeanor.

(* changes in statute include furloughs)

Sec. 6 Repealed and Reenacted

Sec. 12.55.080. Establishes authority to suspend sentences, or portions thereof and sets maximum limits for probationary periods. Changes the existing law to allow full discretion to change length or conditions upon the prosecutor's request.

Sec. 8 AS 12.55.100 (c) Amended by adding the court's rights to impose conditions of release on flat time sentences.

(d) probation only sentences require "formal" supervision for at least the first half of the period and "open" suspension the second half unless the prosecutor applies for an extension to the court.

Sec. 9 AS 12.55.110. Amended to include specified types of probation and puts the burden of revocation on the prosecutor. Changes the term "suspended sentence" to "probation".

Sec. 10 Changes proposed here would increase presumptive sentence from 6 to 8 years, and creates new class of 5 year presumptive sentences for 1st felony offenders.

Sec. 11. Changes^{section} proposed in this section would establish 2 year presemptive sentences for first felony Class B convictions.

Sec. 12. This would establish presumptive sentences of 1 year for first felony- Class C offenses.

Sec. 13. Changes the reference to subsections.

Sec. 14. Also changes reference to subsections.

Sec. 15. " " " " "

Sec. 16. Repeals AS 33.15 and 33.20.

Sec. 17. Sunsets AS 33.16.010-035 as of 7/1/83.

Sec. 18. States that 10-15 of this act do not apply to offenses committed prior to 7/1/81.

*

Sec. 19. Effective date 7/1/81.

A FOLLOW-UP REVIEW OF THE
ALASKA STATE BOARD OF PAROLE
(Originally Released May 9, 1979)

December 21, 1981

Audit Control Number
06-022-0026-R

Commissioner, Department of
Health and Social Services

Helen D. Beirne

Deputy Commissioners, Department of
Health and Social Services:

Field Operations and Local,
State and Federal Liaison

Frederick McGinnis

Program Management

Dean F. Tirador

Management Services

Allen Korhonen

Members of the
Alaska State Board of Parole

Chairman
Vice-Chairman
Member
Member
Member

William Lyons
F.P. Pettyjohn
Al Widmark
Conrad Miller
M. Jo McDowell

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

December 29, 1981

0

Members of the
Legislative Budget and Audit Committee:

In accordance with the intent of Title 24 and 44 of the
Alaska Statutes, the attached report is submitted for your
review.

A FOLLOW-UP REVIEW OF THE
ALASKA STATE BOARD OF PAROLE
(Originally Released May 9, 1979)

December 21, 1981



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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PURPOSE OF THE REVIEW

In accordance with the provisions of Alaska Statutes 24.20.271(1) and 44.66.050 (sunset legislation), a follow-up review of the Board of Parole was conducted to determine whether the recommendations presented in our report entitled, A Performance Review of the Alaska State Board of Parole, May 9, 1979, have been implemented, and, if not, whether those recommendations are still pertinent.

ORGANIZATION AND FUNCTION

Article III, Section 21, of the Alaska Constitution states that a parole system shall be established by law. AS 33.15, or the Parole Administration Act, is the law that establishes the Alaska State Board of Parole and its authority. The Board consists of five part-time members who meet quarterly to hear parole related matters. The members are appointed by the Governor, with confirmation by the Legislature, and serve without salary although travel costs and per diem are provided. The Board has an administrative staff which currently consists of an Executive Director, Parole Board Officer and two clerical personnel.

The Board basically conducts two types of hearings: release hearings and revocation hearings. By statute, an inmate may not be considered for parole release until a statutory minimum time in prison has been satisfied (AS 33.15.080 requires that at least one-third of the sentence be served in confinement before parole eligibility). Upon application, an eligible inmate will be considered for parole and will appear before the Board. The Board will consider the case in view of certain criteria (e.g., institutional behavior, release plans, past record, recommendations, etc.) A parole decision will either release an inmate on parole, continue the case for future consideration or deny parole. During 1980 and 1981 the Board averaged 217 release hearings per year of which an average of 60 per year were released on parole.

When it has been determined that a parolee has violated a law or condition of parole, the Board will hold a revocation hearing to decide upon the course of action to take in the case. The Board may choose to revoke the violator's parole and return the parolee to prison, whereby no credit is allowed against the sentence for time served on parole; parole may be revoked and the parolee reparaoled without time credited against the sentence for prior time on parole; or no action may be taken. The Board has the authority to establish terms and conditions of parole, and their enforcement, which is accomplished through revocation proceedings. During 1980 the Board conducted 31 revocation hearings.

AS 33.15.080 gives the Board the authority to release prisoners from confinement. Accompanying the Board's authority is the responsibility for public welfare. In each parole release case, the Board weighs the benefits of granting parole release against the inherent risks involved. The benefits of parole embrace opportunities for successful community life and reduced monetary and social costs which

follow successful parole release cases. The risks involve additional social and monetary costs that will result from parole violations.

The Board receives General Fund appropriations to support its operations. The Board's primary expenditures are for personal services relating to the administrative staff and travel associated with the various Board meetings and hearings.

REPORT CONCLUSION

Policy Issues

This review contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting these practices are not within the scope of this review but require legislative consideration. In debating these issues, the legislative oversight committees should consider the findings and alternatives presented in this report in reaching their decisions.

Report Conclusion

Article III, Section 21, of the Alaska Constitution requires the establishment of a parole system. The current system comprises a parole release program administered by the Alaska State Board of Parole. We found no viable alternative to the present system at this time; therefore, in our opinion, the Board should continue to administer the parole release program.

The parole decision process requires a great deal of dedication of time and effort on the part of each Board member. We commend the members for their service in what is oftentimes a complex and difficult job.

The Board is in the process of establishing a formal set of specific objectives and related measurement criteria so that its performance can be evaluated (Prior Audit Recommendation No. 1).

The Board has made progress in the implementation of our prior audit recommendations. Specifically, they now have an organized case file for each parolee, their filing system is very orderly, they have analyzed trends for past decisions and provided procedures and regulations which should aid in parole release or revocation decisions. However, the Board should continue to develop new data and continuously review the significance and effects of past decisions (Prior Audit Recommendation No. 2).

The Board has prepared and submitted reports as required by AS 37.07.070 and 33.15.130 for fiscal years 1981 and 1982 (Prior Audit Recommendation No. 3).

The Board is aware of the importance of public participation in parole related matters. However, the Board believes current time and budget constraints have precluded them from holding such meetings (Prior Audit Recommendation No. 4).

The Board has compiled and codified all of its regulation information into one manual (Prior Audit Recommendation No. 5).

PRIOR AUDIT RECOMMENDATIONS

Prior Audit Recommendation No. 1

The Board should establish specific objectives and related measurement criteria so that its performance can be evaluated.

The Board's FY 1979 budget documents state that its objective is to maintain a less than 8% rate of felonies committed by parolees within one year after parole release. Measurement of this objective alone, however, is not sufficient to determine the degree of effectiveness experienced by the Board in serving the public. The Board has not established any other specific program objectives through which its performance can be evaluated.

Specific objectives should describe what the Board intends to accomplish during the current period and should be consistent with long range goals. To be capable of measurement, objectives should be well-defined, including a description of methods of measurement. When specific objectives are not identified, both the Governor's office and the Legislature cannot adequately evaluate the Board's performance.

Legislative Audit's Current Position

The Board is in the process of establishing a formal set of specific objectives and related measurement criteria so that its performance can be evaluated. A draft of a formal set of objectives has been prepared for the Board's approval.

Prior Audit Recommendation No. 2

The Board should maintain necessary information to ensure the effective management of Board activities.

The Board keeps case files on parolees and some statistics on types of cases heard. However, the information has not been adequately summarized for purposes of analyzing the parole program.

The Board needs information for purposes of measuring performance and analyzing decisions. It is essential for any decision-making body to review the significance and effects of past decisions to adequately plan for future decisions.

Maintaining complete information will benefit the Board in several ways. Some uses of such information may entail:

1. Scheduling workloads.
2. Analyzing trends. Similar decisions when viewed over time may reveal positive or negative results and support policy changes.
3. Assisting planning efforts and research of other agencies.
4. Controlling risk in parole decisions. Valid statistics may support parole release or revocation decisions and show the degree of risk based upon historical evidence.

With sufficient information, any alternatives to the parole release system or parole procedures can be better analyzed. Procedures should be developed which address what and how information is to be maintained as well as reported.

Legislative Audit's Current Position

The Board has improved the procedures used to collect, analyze, and store information which is necessary for measuring performance and analyzing decisions. However, the Board should continue to develop new data and continuously review the significance and effects of past decisions.

Prior Audit Recommendation No. 3

The Board should prepare and submit reports as required by law.

The Board has not followed statutory reporting requirements, per AS 37.07.090 and AS 33.15.130. AS 37.07.090 requires each State agency to submit a performance report to the Division of Budget and Management no later than September 1, for the preceding fiscal year. AS 33.15.130 requires that annual reports containing various statistical data and a computation and analysis of dispositions in criminal matters by State courts be submitted to the Governor, the Commissioner of the Department of Health and Social Services and the Attorney General.

To contribute to governmental effectiveness, the Board should disseminate the results of its operations to appropriate parties. The report required by AS 33.15.130 is essential for planning and analyzing matters relating to parole. In the 1977 legislative session, the legislature, in conjunction with sunset legislation, amended the performance reporting statute (AS 37.07.090) to require agencies to

specifically address eight criteria. This report would provide a useful tool for evaluating the Board in relation to performance reviews and other matters.

Legislative Audit's Current Position

The Board has prepared and submitted the reports required per AS 37.07.090 and AS 33.15.130 for fiscal years 1981 and 1982.

Prior Audit Recommendation No. 4

The Board should encourage public participation for consideration in parole related matters.

It is the Board's policy in the conduct of its meetings to allow the presence of only those individuals who are considered necessary under the circumstances. For parole hearings, this is required to secure the confidential nature of the hearings as well as protect the objectivity of hearing decisions. Administrative meetings, however, do not share the same characteristics as case hearings. Administrative meetings are held at irregular times during the year for the purpose of transacting general business of the Board.

We were informed by Board members that the public is sometimes confused about parole and may misconstrue the Board decisions. This has happened despite the Board's efforts to be in contact with various community groups and governmental organizations.

As another avenue in seeking public input, the Board should hold public administrative meetings. Public meetings will provide broad public representation in the development of parole regulations and be a means to formally record public input, which would assist the Board in determining how much "risk" the public is willing to bear regarding parole release.

Further, procedures should be developed to cover the agendas of public meetings and notification of the public as to time, place and nature of each meeting. A formal record should be kept of each meeting which delineates matters acted upon and any changes in Board policy or procedures.

Legislative Audit's Current Position

The Board is aware of the importance of public participation in parole related matters and is interested in holding public administrative meetings. However, the Board believes current time and budget constraints have precluded them from holding such meetings.

We recommend that the Board evaluate the current use of their time and budget to determine if such resources could be more efficiently used.

Prior Audit Recommendation No. 5

The Board should codify its regulations in a clear form readily available to the public, inmates and all others requiring information about the Board's operations.

AS 33.15.100 states: "The board shall adopt rules which it considers necessary or proper with respect to the eligibility of prisoners for parole, the conduct of parole hearings, and conditions of release to be imposed on parolees".

Rules governing the Board's operations should be a clear statement of its procedures and requirements in parole matters. However, the Board's rules are currently contained in two manuals, and an assortment of updating memos and various forms. This creates a situation in which the rules cannot be immediately or clearly identified and may be subject to arbitrary change.

Although the Board members and staff may personally know the rules, it is also important for the rules to be available for anyone requiring them; the present form does not adequately allow for this. A codification of the rules would not only make them readily available to others but also would facilitate making refinements and improvements in the Board's rules and procedures.

Legislative Audit's Current Position

The Board has compiled and codified all of its regulation information into one manual. This manual is readily available to any individual requiring information about the Board's operation.

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

POUCH H 01
JUNEAU, ALASKA 99811
PHONE: 465-3030

February 2, 1982

RECEIVED
FEB 02 1982

LEGISLATIVE
AUDIT

Mr. Gerald Wilkerson, C.P.A.
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, AK 99811

Dear Mr. Wilkerson:

RE: Parole Board
Preliminary Audit
Report

There are a few comments that we would suggest be made in the "Organization and Function" section on pages 2-3 of the audit report to help clarify a few items.

The Board members are not salaried employees but they are paid \$100 compensation for each full day they are actually conducting parole hearings (AS 33.15.020). Due to a recent Alaska Court decision, the names of the new Board members are no longer sent to the Legislature for confirmation. The Board is also responsible for setting parole conditions and insuring the supervision of those prisoners released on parole supervision by the operation of law pursuant to AS 33.20.040 and the presumptive sentencing provisions of AS 33.15.180. These offenders comprise about 20% of the "parolees" being supervised at a given time and make up a significant percentate of the revocation hearings. The Board staff does the executive clemency investigations and prepares the clemency reports for the Governor's office (AS 33.20.080).

In reference to paragraphs two and three and the data contained therein; the Board conducted an average of 217 parole release hearings per year in 1980 and 1981. An average of 83 paroles were granted per year, with an average of 60 paroles being released in the calendar year in which parole was granted. The Board conducted an average of 31 parole revocation hearings and mandatory parole revocation hearings per year during 1980 and 1981.

Page Two
Mr. Gerald Wilkerson, C.P.A.

Regarding Audit Recommendation No. 1, the draft of the Board's objectives mentioned in your report was approved by the Board members in December 1981 and was amended by them on January 21, 1982. A copy of the objectives is enclosed for your information (Attachment #1). The Board has complied with this recommendation.

Regarding Audit Recommendation No. 2, we agree with you that the Board has improved its collection of data and analysis of that information. We also agree this should continue and be expanded in the future to help everyone understand the significance and effect of past decisions.

We concur in your assessment regarding Audit Recommendation No. 3 that the Board has submitted the reports required by law.

Regarding Audit Recommendation No. 4, we believe the Board will give serious consideration to using the Legislature's teleconference network for the public hearings. It will be possible to conduct public hearings once a year, and more often, depending upon budget limitations.

We concur in your finding (Recommendation No. 5) the Board has adopted and organized its regulations in one manual that is readily available to any individual desiring information about the parole process. The Board has finalized and implemented the parole guidelines procedure that gives specific weights to relevant factors considered by the Board, which helps the members make consistent decisions in similar cases. I might add the Board staff has also compiled a handbook on executive clemency that gives prospective applicants and the public information they might wish about the clemency process.

Sincerely yours,



Helen D. Beirne
Commissioner

Enclosures: See Attached List

Page Three
Mr. Gerald Wilkerson, C.P.A.

LIST OF ATTACHMENTS

Parole Board Audit Report

Parole Board Goals & Objectives; 1982 - 1983
Analysis of 1981 Revocations
Analysis of 1980 Revocations
Calendar of 1981 Parole Board Decisions
Calendar of 1980 Parole Board Decisions
Annual Report; FY-81
Annual Report; FY-80
Annual Report; FY-79
Informational Booklet - Executive Clemency
Parole Board Regulations, September 1980
Parole Progress Report Instruction Booklet, December 1980
Parole Guidelines Coding Manual, October 1980
Parole Guidelines Handbook for Applicant, November 1980
Parole Guidelines Coding Sheet, Revised February 1981
Executive Clemency Application

Previously Hand Carried:

Parole Guidelines for Alaska; Time Served
Component, September 1980

Parole Guidelines for Alaska, December 1979

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF HEALTH AND SOCIAL SERVICES

BOARD OF PAROLE

ALASKA BOARD OF PAROLE
POUCH H-01E
JUNEAU, ALASKA 99811
PHONE: (907) 465-3384

February 5, 1982

RECEIVED

FF3 09 1982

LEGISLATIVE
AUDIT

Mr. Gerald Wilkerson, C.P.A.
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

RE: Parole Board
Preliminary Audit
Report

Dear Mr. Wilkerson:

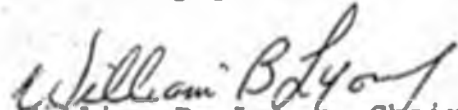
We concur with the recommendations for factual changes as outlined in Commissioner Beirne's letter regarding the Parole Board Audit, at paragraphs two and three. We believe this information will make the audit report more informative and meaningful to legislators.

We concur with the Department's responses to Recommendations one, two and three, noting that they have sent you a copy of our objectives. Regarding Recommendation four, the Board hopes and expects to hold public hearings as soon as funding becomes available. Because of the nature of Board hearings, the members have found it not possible to hold public hearings in conjunction with our regular hearings since we can not accurately predict when we will finish on a given day. Even with the supplemental funding provided during the last fiscal year, the Board only had \$13.70 left over, certainly not sufficient funds to cover even a part of a day's hearing. Although we were making plans for at least one public hearing this year, our financial situation looks worse than last year.

Page Two
Mr. Gerald Wilkerson, C.P.A.
February 5, 1982

In reviewing some of our data, you might note that only 5% of our parolees were returned to custody for a conviction of a new felony. We are proud of this figure understanding that most other jurisdictions have a new felony conviction rate of at least 12-14%. We believe this shows the Board is paying 0 careful attention to its responsibilities.

Sincerely yours,


William B. Lyons, Chairman
Alaska Board of Parole

cc: Helen D. Beirne, Commissioner
Department of Health & Social
Services

SHT/clr

2/4/82

Wm Lyons

293 problems Ethel parole Bd

700 comp

" 8

225-261 - OLC & A

everyone part 3 yrs 79,81,81

3¹² Roger Endell - Justice Center, U of A

At parole club meeting:

1000 collectible print

1000 printers "

2000 parole & supervision

pop. has doubled in decade!

(Rd) present & re-habil. rate
jobs

i.e. score. item. for score. merit.

293 - NO!

5 yrs parole supervision

3 .. is all nec.

Parl. 5 new base districts, 7 not needed,

need much for parole release

Conv. of Budget - 30M

note: Prison industry Bill
is in Fin Com now.

John R. Kelly, VP of Bd

293 present! "System of Parole" etc D of L document.

object etc
Totally flawed

275 - Bd supports

261 - not nec.

of not. Fr. don't fit

~~Ron Perry~~

~~Ham Miller~~

Leo LAND - Harris

for self

225 -

Bobby Stern Asst. AG

293 gov's Bill

re-structure system

presumptive ^{maintaining} system - New

at least 1/3 must be saved!

2/3 subject to Parole

400 Closed Tele conf.

400

Mick MAROULES :

Sec. ~~Dir.~~ of ALC Jud. Council :

293 -

all drug felonies → pres. pt. sent.

Sum.

3-5-82

Jo Mc Donnell - OK Poole Bd.

Chr. Lyons in Ave - could not be here.

Com Peim H + S S

FAVORS BILL

Good Bill

stabilized the system

no bad impact!

fiscal note - Tuesday,

Roger lounge
will move

Will Condo AG

FAVORS BILL

Swift + Arose

→ certainty of sentences

Presumptive sentence.

↓ jail pop.

Will Stark AOL

Further is Thrust of This Bill

Nick Morales S + H OK God Council

fiscal note
predictor

Dr. Peter Shorf - Prof at Univ.

R-12-82

MIKE

MR. CAMPBELL

IS EXTREMELY INTERESTED
IN THIS ISSUE.

I BELIEVE IT WOULD
BE VERY VALIABLE
IF THERE WERE SOME
WAY THE COMMITTEE
COULD RETAIN HIM
TO HELP ON THE
JAIL ISSUE, WHICH

JAIL ISSUE IS REAL HOT.

IF HE IS NO LONGER
WITH THE DEPT., COULD
WE POSSIBLY DO THAT?

HUGH

H B
2098

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

3/9/81

(5)

Date: April 9, 1981

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had HB 298

"An Act making supplemental appropriations to the University of Alaska; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 298 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]
CHAIRMAN

H2 203

March 9, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would make supplemental appropriations to the University of Alaska.

The appropriation in sec. 1 of the bill (\$228,900) would pay additional FY 81 sewage disposal costs to the Municipality of Fairbanks. In July 1980, the Alaska Public Utilities Commission approved an increase in sewage rates charged to the university by the College Utilities System. The university does not have sufficient funds in its FY 81 budget to cover this rate increase. The university was not notified of the rate increase in time to submit the request to the legislature during the 1980 session. The FY 82 cost for the sewage disposal rate increase has been included in the university's budget request for FY 82.

The appropriation in sec. 2 of the bill (\$175,200) would pay additional FY 81 costs of the recently negotiated Alaska Community College Federation of Teachers (ACCFT) contract. The contract provided for continuation of the current contract for another year with a 6.28 percent salary increase for members of the ACCFT bargaining unit. Community college instructors, counselors, and librarians are included in the ACCFT bargaining unit. The contract will take effect April 1, 1981, following formal ratification by the end of March. This appropriation would cover costs for the period April 1, 1981 through June 30, 1981. A budget amendment to cover the salary increase for FY 82 has been sent directly to both the House and Senate Finance Committees.

Sincerely,

Jay S. Hammond
Governor



Sherman Carter
Executive Vice President

UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

December 12, 1980

Mr. Ron Lehr, Director
Division of Budget and Management
Office of the Governor
State of Alaska
Pouch AM
Juneau, Alaska 99811

SUBJECT: Request for utilities supplemental, University of Alaska,
Fairbanks, \$228,900

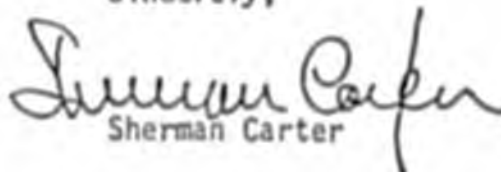
Dear Ron:

The University of Alaska would like to request an FY81 Supplemental Appropriation in the amount of \$228,900 for the purpose of paying additional sewage disposal costs to the municipality of Fairbanks. The increased cost resulted from an action in 1980 by the College Utilities System to increase the sewage rates charged to the University of Alaska. This increase was approved by the Public Utilities Commission and became effective in July, 1980.

The University of Alaska, Fairbanks, does not have sufficient funds in their budget to cover increased costs of this magnitude for fiscal year 1981. The university was not warned of the increased rates in time to submit the request to the legislature during the 1980 session. The increased charges have been included in the FY82 Budget Request and will be carried forward into future fiscal years.

Your assistance in requesting this supplemental appropriation from the legislature would be appreciated. If additional information is required, please advise me and I will see that you get the information as soon as possible.

Sincerely,


Sherman Carter

SFC:nba

cc: President Barton
Members of the Board of Regents
Ashok Dhingra
Chancellor Cutler

University of Alaska, Fairbanks
 Supplemental Appropriation for FY81 - Utilities
 Comparison of Budget to Cost
 1980, 1981

Sewage

FY 80

FY 80 FCC Budget	\$170,000
Actual Expenditure	<u>167,936</u>
FY80 Over or (Under) Budget	(\$ 2,064)

FY 81

FY80 FCC Budget	\$170,000
Add 6% Inflation	<u>10,200</u>
Subtotal	\$180,200
Projected Expenditures **	<u>409,138</u>
FY81 Over Budget (difference)	\$228,938

**Analysis of Projections

	<u>Usage</u>	<u>Per Month</u>	<u>Per Year</u>
Main Campus			
First 1,000,000 gallons/mo.		\$ 2,976.60	
Next 13,000,000 gallons		<u>30,810.00</u>	
		\$33,786.60	
Farm			
93,000 gallons/mo.		<u>\$ 308.20</u>	
Total per month		<u>\$34,094.80</u>	
Total per year			<u>\$409,137.60</u>

RECEIVED

FEB 17 1981

BUDGET AND MANAGEMENT



Sherman Carter
Executive Vice President

UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

February 10, 1981

Mr. Ron Lehr, Director
Division of Budget and Management
Office of the Governor
State of Alaska
Pouch AM
Juneau, Alaska 99811

Dear Ron:

The University of Alaska has concluded its negotiations with the Alaska Community College Federation of Teachers (ACCFT) Bargaining Unit.

The negotiations resulted in the continuation of the current contract for another year with a 6.28% salary increase. The additional funding which is being requested for FY 81 and FY 82 is simply the incremental increase on salary related sections in the amount of 6.28%.

Accordingly, the University of Alaska would like to request a budget supplemental for FY 81 to fund a 6.28% increase in salary related provisions of the ACCFT contract for the period April 1, 1981 through June 30, 1981 in the amount of \$175,200. At this time, the university is requesting that this supplemental appropriation be appropriated to the Contract Component of the Community College Statewide Administration. After authorization is received, these funds would be distributed to the various community colleges.

Additionally, the University of Alaska is requesting a budget amendment for FY 82 in the amount of \$982,500. The budget amendment would pay for the 6.28% increase on salary related contract items only for the period July 1, 1981 through June 30, 1982.

The ACCFT represents approximately 270 bargaining unit members in the Community College division of the University of Alaska System. The members of this bargaining unit include instructors, counselors, and librarians. The university administration expects the ACCFT and the Board of Regents to formally ratify this contract by the end of March. The university administration is submitting this request at this time to facilitate the expenditure plans of the Governor and the Legislature, and because the formal ratification will occur close to the beginning date of the contract period. All other funds for this contract have already been requested within the continuation budget which the Governor has supported.

Mr. Ron Lehr
Page Two

The approval of the supplemental request for FY 81 prior to April 1 is being requested to allow the university to adjust bargaining unit salary schedules on April 1. Such approval precludes retroactive salary payments which are not only cumbersome, but also cost inefficient for the university administration and the State of Alaska.

The university has discussed this request with the leadership of ACCFT and they concur with this submission.

Thank you for your consideration of these two requests. If additional information (other than what is shown in the attachments) is needed, please do not hesitate to let me know as soon as possible, and we will provide it. Your cooperation in this matter is sincerely appreciated.

Very truly yours,


Sherman Carter

Attachments

SC:FS:jc

cc: Commissioner Bill Hudson
Members of the Board of Regents
President Jay Barton
Chancellor Patrick O'Rourke
Ms. Astrid DeParry
Mr. Ralph McGrath, ACCFT President
Ms. Alison Elgee
Mr. Evan Johnson

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM SUMMARY
by
BUDGET COMPONENT

CATEGORY	Education
COVER PROGRAM	
AGENCY	University of Alaska
DIVISION	
BUDGET REQUEST UNIT	CC-Statewide
BUDGET COMPONENT	Community College-Contract
APPROPRIATION	CC-Statewide
ALLOCATION	Community College Contract

FY81 SUPPLEMENTAL

		INITIAL AUTHORIZATION	RP	RP	RP	RP	RP	RP	RP	AMENDED AUTHORIZATION
01	PERSONAL SERVICES	2167.1	175.2							2342.3
02	TRAVEL	21.4								21.4
03	CONTRACTUAL	105.2								105.2
04	COMMODITIES	.6								.6
05	EQUIPMENT									
06	LANDS, BUILDINGS									
07	GRANTS, CLAIMS	5.0								5.0
08	MISCELLANEOUS									
	TOTAL	2299.3	175.2							2474.5
1002	FEDERAL RECEIPTS									
1003	G/F MATCH									
1004	GENERAL FUND	2299.3	175.2							2474.5
1005	I/A RECEIPTS									
1028	PROGRAM RECEIPTS									
	Student Fees									
	Indlr.Cost Rec.									
	Rest. Receipts									
15	FULL TIME									
16	PART TIME									
17	TEMPORARY									
18	MAN-MONTHS									

UNIVERSITY OF ALASKA

ACFT CONTRACT
FY 81 & FY 82 Incremental Costs

<u>Section</u>	<u>Description</u>	<u>FY 81 Supplemental</u>	<u>FY 82 Budget Amendment</u>
1.5C	Scheduling of Negotiations	\$0.5	\$ 2.0
5.5	Teaching Load & Preparation	0.2	0.6
5.6	Stacked Classes	0.2	0.2
7.1	Summer & Overload	16.0	64.2
8.1	Placement Requirements	0.9	3.6
8.2b	Salary Schedule	154.9	901.1
9.1	Professional Development Leave	1.3	5.3
10.6	Release Time	<u>1.2</u>	<u>4.8</u>
	TOTAL	\$175.2	\$982.5

H B

302

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

3/10/81

Date: April 21, 1981

(5)

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had HB 302

"An Act relating to provision for adequate housing for teachers in the public schools in rural areas."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 302 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
 CHAIRMAN



ASSOCIATION OF ALASKA SCHOOL BOARDS

SUITE 2, 204 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801 • PHONE 586-1062

FIG 302

**ASSOCIATION OF ALASKA SCHOOL BOARDS
STAFF (TEACHER) HOUSING SURVEY
OF ALL SCHOOL DISTRICTS
IN ALASKA**

MARCH 1981

SCHOOL DISTRICT STAFF (TEACHER) HOUSING

A. Definition of the Problem:

Before addressing what has commonly been referred to as the "Teacher Housing Problem," some definitions must be cleared up first. For example, as the Iditarod School District stated in their response to our questionnaire, "All staff housing is a problem, not just teacher housing." Principals, highly skilled maintenance personnel, and central office administrators have also found it difficult to obtain housing and several districts have also provided these employees with housing, over 90% of the housing provided is for teachers, however.

Attempting to define each district's involvement in staff housing is often a confusing exercise. Some districts actually own housing units, some lease housing from local residents for staff, some simply subsidize staff members by paying them so much per month to find and rent their own housing, and many use a combination of all three. Consequently, for the purposes of this study, AASB defined "staff housing" as any housing and/or housing related benefits, i.e. actual housing, subsidies or stipends, payment of utilities and other costs, payment of part or all of rent, any maintenance and operation, and/or any other related costs and/or benefits involved with staff housing.

B. Scope of the Problem:

Of the 52 school districts in the State of Alaska, 21 school districts do not provide any housing related benefits to employees, and 31 school districts provide some housing benefit(s) to at least one employee. Only 27 school districts actually provide housing benefits to more than one employee. Of those 27 districts, 18 are REAAS and 9 are municipal school districts.

In providing housing benefits to employees, school districts, almost without exception, absorb some or all of the costs in providing such benefits. These costs must come out of the districts' educational budgets. Trying to determine how much districts are spending this area is again a very difficult task to define and determine. For example, many of the REAAS inherited BIA constructed schools where the teachers' quarters are part of the school building, a school building that has its own generator plant. How does the district estimate the cost of the heating, maintenance, and electricity for teacher housing in such cases? In addition, when a maintenance person goes out to a

village to work on school facilities, he/she will often work on the teachers' quarters. Unless the district has a fairly sophisticated work order system of maintenance, then trying to determine how much the district is spending on staff housing maintenance is guesswork, at best. Consequently, in responding to our survey, almost all of the districts remarked that the figures they put down for staff housing were actually estimates and the actual costs were undoubtedly much higher.

For our survey we defined the "actual cost" of staff housing to the district as:

The total annual cost to the district for teacher (staff) housing, i.e., expenses for maintenance and operation, utilities, rent, subsidies to staff, and etc., that are not covered by the revenues generated by teacher housing, for example, rent collected by the district. In other words, the actual costs that the district must absorb for teacher (staff) housing.

Different districts estimated different annual costs for staff housing. The North Slope School District estimated spending \$904,200 per year on staff housing. This is probably a fairly accurate estimate as the district has a very sophisticated maintenance and general accounting system. Some districts, however, reported that they had just begun to break these costs out and really had no way of determining costs for staff housing at this time.

The total for all the districts who could report actual costs was \$2,585,160 state-wide. This two and a half million dollars is recognized as being a very low figure. The actual costs are much higher. Thus, the actual total annual state-wide cost for teacher (staff) housing--which does not include costs for capital construction and renovation to provide new housing--is well over 2.6 million dollars per year for providing present housing.

C. Future of the Problem:

In our survey we asked each district if they would wish to discontinue their involvement in providing staff housing if a workable alternative became available. All 27 responses from the 27 school districts providing housing stated a definite preference for getting out of the housing business. Seven of those 27 district responses stated that the district was already phasing

out of the business of providing staff housing. Of those, all but one was turning over the staff housing to private enterprise. The other district, Copper River, was providing mobile home trailer hook-ups on school sites so that teachers could purchase their own trailers. (This district is on a road system.) Thus, by 1983, only 21 districts will be providing staff housing as private enterprise is slowly replacing school district involvement.

D. Possible Solutions to the Problem:

Each district was also asked what alternatives to district owned housing they had tried in the past and/or anticipated using in the future. Five districts reported purchasing trailers and two districts reported they had built teacher housing. With varying degrees of success, 19 districts reported renting privately owned housing in smaller communities. In some districts, the district leased the housing year around and sub-leased it to teachers. (Several districts reported problems with district owned and/or leased housing in that some staff, particularly single teachers, did not want to live in the more expensive district housing if they could rent a cabin for much less money.) In other districts, teachers rent their own housing.

Eight districts reported entering into long-term leases with village corporations and private individuals. Thus, the owners could get financing to build housing and the district was assured of obtaining housing.

Almost all districts reported having periodic housing shortages. No single solution seemed to work best as one solution might work well in one community and be totally dysfunctional in another -- all in the same school district.

E. Closing Remarks:

All of the school districts that provide staff housing in the state want to get out of the staff housing business. Seven districts, or over one quarter of the 27 districts now providing housing, will be phased out of the housing business by 1983. Private enterprise is taking over that function.

For the other 21 school districts, phasing out of the housing business is not a realistic alternative at this time, however, that day may come. The key may be to allow districts to make that determination for and by themselves, otherwise, school districts and the State

may assume that responsibility for an unduly long time period, thus, monopolizing and thwarting the gradual involvement of private enterprise.

Association of Alaska
School Boards

Staff (Teacher)
Housing Survey
1981

Does the District provide and/or housing subsidies?
Board & Administration like to get out of housing business?
District would get out if workable alternative was available?
Annual Actual Cost to the District?
Is the District phasing out the housing business?
If so, timeline?
Phasing out to what?

DISTRICT

DISTRICT	Does the District provide and/or housing subsidies?	Board & Administration like to get out of housing business?	District would get out if workable alternative was available?	Annual Actual Cost to the District?	Is the District phasing out the housing business?	If so, timeline?	Phasing out to what?
1. Adak		Yes	Yes	Yes	-0-?	No	
2. AK Gateway	No						
3. Aleutian Region		Yes	No	Yes	52,000+	?	
4. Anchorage	No						
5. Annette Island		Yes	Yes	Yes	-0-?	No	
6. Bering Strait		Yes	No	Yes	190,825	No	
7. Bristol Bay *		Yes					
8. Chatham		Yes	Yes	Yes	48-50,000	No	
9. Chugach *		Yes					
10. Copper River		Yes	Yes	Yes	25,000	Yes	ASAP
11. Cordova	No						M. Home hook-up/sc
12. Craig		Yes	No	Yes	1-2,000	No	
13. Delta/Greely	No						
14. Dillingham	No						
15. Fairbanks	No						
16. Galena		Yes	Yes	Yes	100,000	Yes	by 1982
17. Haines	No						
18. Hoonah *		Yes					
19. Hydaburg		Yes	Yes	Yes	8,000+	No	
20. Iditarod		Yes	Yes	Yes	?	Yes	by 1982
21. Juneau	No						Private Rentals
22. Kake	No						
23. Kenai Peninsula**		Yes	Yes	Y	?	No	
24. Ketchikan	No						
25. King Cove **	No						
26. Klawock		Yes	Yes	Yes	5,000	No	
27. Kodiak Island ***		Yes	Yes	Yes	47,579+	No	
28. Kuspuk		Yes	Yes	Yes	?	Yes	-- Local Private Ren
29. Lake-Peninsula		Yes	No	Yes	90,000+	No	
30. Lower Kuskokwim		Yes	No	Yes	-0-?	No	
31. Lower Yukon		Yes	No	Yes	256,790	No	
32. Mat-Su	No						
33. Nenana	No						
34. Nome	No						
35. North Star		Yes	Yes	Yes	904,200	No	
36. Northwest Arctic		Yes	Yes	Yes	475,000	Yes	-- Private Enterpris
37. Pelican **	No						
38. Petersburg	No						
39. Pribilof Island		Yes	No	Yes	28,000+	No	
40. Railbelt		Yes	Yes	Yes	?	Yes	82-83
41. Sand Point	No						Local Private Ren
42. Sitka *		Yes					
43. Skagway	No						
44. SE Island		Yes	No	Yes	127,366	No	
45. St Marys		Yes	No	Yes	86,400	No	
46. S? Region		Yes	No	Yes	?	No	
47. Unalaska	No						
48. Valdez	No						
49. Wrangell	No						
50. Yakutat		Yes	Yes	Yes	?	No	
51. Yukon Flats		Yes	Yes	Yes	27,000	No	
52. Yukon Koyukuk		Yes	Yes	Yes	110,000	Yes	
TOTALS	21	31	17-Yes 10-No	27 or 100%-Yes	2,585,160 for 18 dists.	20-No 7-Yes 1-?	

* Only one unit for one teacher or Superintendent
 ** City provides housing
 *** Housing provided in small communities only
 **** ? actually provide it on any scale -- 18 REAA'S; 9 municipal
 ***** 11 districts (1/3 of the total) did not have appropriate

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 302
Title An Act relating to provision for adequate housing for teachers in public schools in
Requested by House Mess Date 4/10/81 rural areas.

II. FISCAL DETAIL

Agency Affected Department of Education
Program Category Affected Elementary and Secondary Education
BRU, Program, or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS N/A

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE 4/10/81 PREPARED BY Steve Hole
AGENCY Department of Education
PHONE 465-2800

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



HB 302: An act relating to provision for adequate housing for teachers in the public schools in rural areas.

Section 1 adds to the powers of regional school boards to allow them to enter leases, of 10 years or greater, to provide rental housing for teachers.

Section 2 adds to the duties of regional school boards to require them to inform all employees of the housing situation where they will be working, and to assist them in securing housing. The bill does not require school boards to provide housing or subsidize housing.

Section 3 adds additional duties to school boards in municipalities which are the same as in section 2. Municipalities already have the general power to provide housing. See AS 29.48.030 (a) (20) and 29.48.010 (9).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 302
 Bill/Resolution No. HB 302
 Title An act relating to provision of adequate housing for teachers...
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Education
 Program Category Affected Education
 BRU, Program, or Subprogram(s) Affected Financial Support
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		00				

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		00				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

Any fiscal impact of this legislation would be felt by the REAA's, and the fiscal responsibility would be entered into on a voluntary basis.

IV. DATE 4-9-81 PREPARED BY Robert A. Adams
 AGENCY _____
 PHONE _____
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

H B

304

COMMITTEE REPORT

HOUSE

3/10/81

FURTHER: FINANCE

(5)

Date: April 12, 1981

Mr. Speaker: HEALTH, EDUCATION & SOCIAL SERVICES

The Committee on _____ has had HB 304

"An Act relating to grants for water supply, sewerage and solid waste facilities; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 304 same title
 new title
- and recommend: _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[Signature]
CHAIRMAN

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU ALASKA 99801

March 31, 1981

To: House Health, Education & Social Services Committee

From: Ginny Chitwood

Re: HB 304 - Grants for Water Supply, Sewerage & Solid
Waste Facilities

The Alaska Municipal League urges your favorable consideration of HB 304, increasing the state share of construction grants for community water, sewer and solid waste projects from 50% to 75% of the non-federal share. In looking at various ways to distribute the state's revenues, this proposal should rank high on the list for many reasons.

1. Public Health Needs: Adequate and clean water, sanitary sewer and solid waste disposal are basic public health issues that, for the most part, cannot be addressed on an individual basis. Because total costs of these projects are very large, it is hard for most areas to raise the current 50% local match.

2. Relief for Property Owners: The local share of water and sewer projects traditionally is paid by assessments on local property, not by general municipal taxation. Increasing the state share will provide direct relief to property owners and tax payers by reducing local improvement district (LID) payments.

3. Federal Income Tax: None of the state assistance dollars under this program will result in increased federal income tax payments, as is the case with many of the other state revenue distribution proposals. LID payments, as opposed to property and sales tax payments, are not tax deductible, nor are monthly charges for water, sewer and solid waste services.

4. Price of Land: A big issue for the last couple of years has been the high cost of land. One reason for these high prices in developing suburban areas is the high cost of installing necessary water and sewer systems. Increasing state participation in providing these systems will help to lower the cost of making land available for use. For example, it costs an average of \$13,000 per lot in Ketchikan to provide sewerage under the current state construction grants program. In Juneau, the per lot assessment for a proposed water system would drop from \$1,177.19 to \$608.25 for the smallest lot in the project and from \$8,318.70 to \$4,159.35 for the largest lot if the state share is increased to 75%.

5. Mandated Costs: Many of the municipal water, sewer and solid waste projects have costly additional features not because communities want them, but because they are mandated by federal and/or state laws. It seems only fair that a large portion of the mandated cost be borne by other than the local residents.

At one time it was feared that an increase in the state share would be a disincentive for municipalities to seek federal funds, thus increasing even more the cost to the state. It has since been determined that in many cases, "jumping through the hoops" for federal funds increases project costs so high as to negate the benefits of those funds. In addition to the extras required by the feds, the inflationary increases in the two extra years required for federal processing add tremendously to the cost of a project. In contrast, the Alaska Department of Environmental Conservation has an excellent record of timely processing applications.

POSITION PAPER ON HOUSE BILL 304

By

Ernst W. Mueller
Commissioner
Department of Environmental Conservation

Before the
House Health, Education & Social Services Committee

March 31, 1981

Safe drinking water and hygienic sewage and solid waste disposal are essential conditions to ensure public health. For over a decade, the State of Alaska has provided grant funding to local communities to expand and improve their public water supplies and sewage collection and treatment systems. In the last session of the Alaska Legislature, provision was made to expand this program to include solid waste disposal and attendant resource recovery projects. Through these programs, the State has helped not only to prevent an unknown, but potentially large number of illnesses caused by environmental factors, but also substantially aided community expansion and residential, commercial and industrial development. Not only individual homes, but industrial areas in many communities, such as the Fairbanks Railroad Industrial area, the Kodiak waterfront seafood processing area, and the State fairgrounds in Haines, Palmer, and the Tanana Valley have been brought water or sewer service, or both, by these programs. An added advantage, in dollar and human costs, is the additional fire control and insurance savings realized by nearby hydrants feeding from the water distribution systems.

These programs have also been funded with large blocks of federal funds, as well as local matching moneys. Of the federal agencies funding local projects, the U. S. Environmental Protection Agency, the Economic Development Administration, the Farmers Home Administration, the Department of Housing and Urban Development, and the Alaska Area Native Health Service are the largest sources. Under the current program, the State's maximum grant award is one-half of the costs not borne by a federal granting agency. In a sewer project funded with EPA grants, for example, EPA would pay 75 percent, the State 12.5 percent, and the local government the remaining 12.5 percent. This formula mechanism assured a meaningful local share in the project--to ensure that the recipient of the service has a fiscal interest and a positive incentive to manage the project well.

As I am sure you are aware, the federal funding agencies will suffer large reductions by the Reagan Administration's efforts to restrain federal budget growth. The Economic Development Administration is

planned for dissolution, the Farmers Home and HUD grant programs are scheduled for severe cutbacks, and EPA's wastewater program will be eliminated unless Congress strongly modifies it. In the latter program, we have already seen \$12.6 million in funds allocated to Alaska in 1981 and earlier federal fiscal years eliminated in the last few weeks. Also, the \$16-20 million we expected for Federal Fiscal Year 1982 will not be forthcoming. (If any federal funding is available in the future, it may be for wastewater treatment plant construction only, not for interceptors and collector sewers. These latter projects are essential to serve new growth areas in communities and to bring sewer service to older sections of communities where single service septic tanks are failing. As a result of these reductions, for example, the local share of an interceptor sewer could be as much as four times what it would if federal funds were available. I expect that many communities in Alaska, facing increased costs everywhere because of reduced federal assistance, will be very reluctant to initiate new utility projects with these large cost increases.

House Bill 304 and its companion in the Senate, SB 252, would increase the State share of these projects to 75 percent, with a maximum State grant program/federal joint share of 87.5 percent, and maximum State share of resource recovery projects of 85 percent. I want to express our strong support for this increased State share, not only because federal shared programs are dwindling, but also because of its positive impact on local community finances. In general, water and sewer service is not paid by user fees and property assessments. The local revenues are most often generated by the sale of local revenue bonds which are redeemed by the revenues from the fees and assessments. The exceptions to this rule might be sewage treatment plant construction funds which are acquired through general obligation bonds; however, interceptor, trunk and collector sewers, water treatment, storage and distribution systems are most often handled as an enterprise activity, with those receiving the service paying for it directly. Additionally, in many cases sewer use fees are used to redeem general obligation bonds sold to construct new plants.

The Legislature is now considering ways in which to repay local property taxes, thus effectively lowering the property tax rates for landowners. While there are a variety of ways to do this, any return to the general property taxpayer will result in an increase in federal income tax for those itemizing their deductions. On the other hand, if the State increases its subsidy of a local government service which is paid by fees and assessments which are not tax deductible, there will be no increases in federal taxes for property taxpayers, and no resultant net loss of dollars out of the Alaskan economy. Additionally, such increased grants can benefit all those receiving services from municipally-owned water, sewer, and solid waste services, whether or not they pay property taxes or federal income taxes.

We estimate that this increased grant program will result in projects being constructed that would not have been under the lower formula percentage. As a practical matter, however, there is no means by which we can detail the exact projects or their costs at this time. We have projected what additional moneys would be needed to fully fund this bill and the solid waste construction grant program, which was not fully funded by the Legislature when it passed last year because of bond fund constraints. We estimate that \$20 million will be needed in State Fiscal Year 1982, in addition to that appropriated in the water and sewer bond which the voters approved in the November general election.

In FY 83, the total need is projected to be \$40 million. Additionally, we will need a small increase in our staff to handle this expanded program; we expect that \$116,300 will be needed to fund 2-1/2 positions in FY 1982. The details of this funding is explained in the attached fiscal note.

Thank you for the opportunity to comment and I would be pleased to answer any questions you might have.

Attachment

POSITION PAPER ON SENATE BILL 252

By HB 304

HB 304

Ernst W. Mueller
Commissioner
Department of Environmental Conservation

Before the
Senate Community & Regional Affairs Committee

March 26, 1981

Safe drinking water and hygienic sewage and solid waste disposal are essential conditions to ensure public health. For over a decade, the State of Alaska has provided grant funding to local communities to expand and improve their public water supplies and sewage collection and treatment systems. In the last session of the Alaska Legislature, provision was made to expand this program to include solid waste disposal and attendant resource recovery projects. Through these programs, the State has helped not only to prevent an unknown, but potentially large number of illnesses caused by environmental factors, but also substantially aided community expansion and residential, commercial and industrial development. Not only individual homes, but industrial areas in many communities, such as the Fairbanks Railroad Industrial area, the Kodiak waterfront seafood processing area, and the State fairgrounds in Haines, Palmer, and the Tanana Valley have been brought water or sewer service, or both, by these programs. An added advantage, in dollar and human costs, is the additional fire control and insurance savings realized by nearby hydrants feeding from the water distribution systems.

These programs have also been funded with large blocks of federal funds, as well as local matching moneys. Of the federal agencies funding local projects, the U. S. Environmental Protection Agency, the Economic Development Administration, the Farmers Home Administration, the Department of Housing and Urban Development, and the Alaska Area Native Health Service are the largest sources. Under the current program, the State's maximum grant award is one-half of the costs not borne by a federal granting agency. In a sewer project funded with EPA grants, for example, EPA would pay 75 percent, the State 12.5 percent, and the local government the remaining 12.5 percent. This formula mechanism assured a meaningful local share in the project--to ensure that the recipient of the service has a fiscal interest and a positive incentive to manage the project well.

As I am sure you are aware, the federal funding agencies will suffer large reductions by the Reagan Administration's efforts to restrain federal budget growth. The Economic Development Administration is

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planned for dissolution, the Farmers Home and HUD grant programs are scheduled for severe cutbacks, and EPA's wastewater program will be eliminated unless Congress strongly modifies it. In the latter program, we have already seen \$12.6 million in funds allocated to Alaska in 1981 and earlier federal fiscal years eliminated in the last few weeks. Also, the \$16-20 million we expected for Federal Fiscal Year 1982 will not be forthcoming. If any federal funding is available in the future, it may be for wastewater treatment plant construction only, not for interceptors and collector sewers. These latter projects are essential to serve new growth areas in communities and to bring sewer service to older sections of communities where single service septic tanks are failing. As a result of these reductions, for example, the local share of an interceptor sewer could be as much as four times what it would be if federal funds were available. I expect that many communities in Alaska, facing increased costs everywhere because of reduced federal assistance, will be very reluctant to initiate new utility projects with these large cost increases.

Senate Bill 252 and its companion in the House of Representatives, HB 304, would increase the State share of these projects to 75 percent, with a maximum State grant program/federal joint share of 87.5 percent, and maximum State share of resource recovery projects of 85 percent. I want to express our strong support for this increased State share, not only because federal shared programs are dwindling, but also because of its positive impact on local community finances. In general, water and sewer service is not paid by user fees and property assessments. The local revenues are most often generated by the sale of local revenue bonds which are redeemed by the revenues from the fees and assessments. The exceptions to this rule might be sewage treatment plant construction funds which are acquired through general obligation bonds, however, interceptor, trunk and collector sewers, water treatment, storage and distribution systems are most often handled as an enterprise activity, with those receiving the service paying for it directly. Additionally, in many cases sewer use fees are used to redeem general obligation bonds sold to construct new plants.

The Legislature is now considering ways in which to repay local property taxes, thus effectively lowering the property tax rates for landowners. While there are a variety of ways to do this, any return to the general property taxpayer will result in an increase in federal income tax for those itemizing their deductions. On the other hand, if the State increases its subsidy of a local government service which is paid by fees and assessments which are not tax deductible, there will be no increases in federal taxes for property taxpayers, and no resultant net loss of dollars out of the Alaskan economy. Additionally, such increased grants can benefit all those receiving services from municipally-owned water, sewer, and solid waste services, whether or not they pay property taxes or federal income taxes.

We estimate that this increased grant program will result in projects being constructed that would not have been under the lower formula percentage. As a practical matter, however, there is no means by which we can detail the exact projects or their costs at this time. We have projected what additional moneys would be needed to fully fund this bill and the solid waste construction grant program, which was not fully funded by the Legislature when it passed last year because of bond fund constraints. We estimate that \$20 million will be needed in State Fiscal Year 1982, in addition to that appropriated in the water and sewer bond which the voters approved in the November general election.

In FY 83, the total need is projected to be \$40 million. Additionally, we will need a small increase in our staff to handle this expanded program; we expect that \$116,300 will be needed to fund 2-1/2 positions in FY 1982. The details of this funding is explained in the attached fiscal note.

Thank you for the opportunity to comment and I would be pleased to answer any questions you might have.

Attachment

ATTACHMENT A

CALCULATION OF INCREASED FUNDING REQUIREMENTS

1980 - Total State grant obligation	\$20.5 M
1980 - State matching grant obligations for EPA projects	4.0 M
1980 - State only grant obligations	<u>16.5 M</u>

EFFECT OF 75 PERCENT FUNDING ON STATE GRANT OBLIGATIONS

\$16.5 M X $\frac{75\% \text{ funding level}}{50\% \text{ funding level}}$	*24.75 M
--	----------

EFFECT OF EPA FUNDING REDUCTIONS ON STATE GRANT OBLIGATIONS

Maximum future EPA funding estimated at	\$12.0 M/year
Present EPA funding average is	\$17.0 M/year
State Increase Required = \$17.0 - \$12.0 =	5.0 M
State Match = \$12.0 X 12.5% =	1.5 M
	<u>\$ 6.5 M</u>

EFFECT OF SOLID WASTE GRANTS ON STATE GRANT OBLIGATIONS

Estimated annual demand for solid waste grants	* \$ 6.0 M
--	------------

TOTAL FUNDING REQUIREMENTS

75% funding effect	=	\$24.75 M
EPA funding reduction effect	=	6.50 M
Solid waste grants effect	=	<u>6.00 ..</u>
Total estimated annual needs based on 1980 rates	=	<u>\$37.25 M</u>

ADJUSTMENT FOR 10 PERCENT ANNUAL INFLATION

\$37.25 X 1.1	=	\$40.975 M
Assume minimum FY 1982 funding requirement of		\$41.0 M

ESTIMATED UNOBLIGATED BOND FUND BALANCE AT JULY 1, 1981

\$27.2 M - \$6.2 M	=	\$21.0 M Balance
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ESTIMATED ADDITIONAL NEEDS FOR FY 82

\$41.0 M - \$21.0 M	=	<u>\$20. M</u> Increased Appropriat
---------------------	---	-------------------------------------

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL 252
 Title "relating to grants for water supply, sewerage and solid waste facilities"
 Requested by Kertulla and Kelly Date March 9, 1981

II. FISCAL DETAIL

Agency Affected Department of Environmental Conservation
 Program Category Affected IRNEC
 BRU, Program, or Subprogram(s) Affected Facility Construction & Operation Section *
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.) *Municipal Grants Program

EXPENDITURES (Thousands of Dollars)

Estimated on 8% increase per year

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	NA	NA	91.3	98.6	106.5	115.0
200 TRAVEL	NA	NA	14.0	15.1	16.3	17.6
300 CONTRACTUAL	NA	NA	8.0	8.6	9.3	10.1
400 COMMODITIES	NA	NA	0.5	0.5	0.6	0.6
500 EQUIPMENT	NA	NA	2.5	---	---	---
600 LAND & STRUCTURES	NA	NA	---	---	---	---
700 GRANTS, CLAIMS, ETC.	NA	NA	20,000.0	40,000.0	43,200.0	46,656.0
TOTAL			20,116.3	40,122.8	43,332.7	46,799.3

FUNDING (Thousands of Dollars)

GENERAL FUND			20,116.3	40,122.8	43,332.7	46,799.3
FEDERAL FUNDS	NA	NA	---	---	---	---
OTHER (Specify Fund Source)	NA	NA	---	---	---	---
	NA	NA				

POSITIONS

FULL TIME	NA	NA	2.0	2.0	2.0	2.0
PART TIME	NA	NA	1.0	1.0	1.0	1.0
TEMPORARY	NA	NA	NA	---	---	---

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

This fiscal note details the costs associated with hiring two new engineers (environmental engineers II and III) and converting an existing half time clerk typist II position to full time (PCN 18-7281). It is estimated that these additional staff will be required to handle the increased number of grants that will result from 75% funding. It may also be necessary to increase our level of effort on some projects, since smaller communities will not be applying for grants. Many of these communities do not have the expertise to administer engineering and construction contracts and may rely on the Department for assistance. There may also be a corresponding decrease in the level of effort now devoted to EPA projects. If this occurs, it may not be necessary to fill both engineering positions.

The \$20.0 million estimate for additional grant funding in FY 82 will need to be considered as an appropriation if funds are to be available. For subsequent years program funding may be provided through either bond issues appropriations or a combination of the two sources. For subsequent years we also recommend that any additional program expenditures be financed as a capital improvement program with funding coming from either the bond issues or the

IV. DATE MARCH 23 1981 PREPARED BY ALVIN KILTON APPROXIMATION
 AGENCY Department of Environmental Conservation
 PHONE 455-2610

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL 304
 Title relating to grants for water supply, sewerage and solid waste facilities
 Requested by Duncan Date 3-10-81

II. FISCAL DETAIL

Agency Affected Department of Environmental Conservation
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Facility Construction and Operation Section
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	NA	NA	91.3	98.6	106.5	115.0
200 TRAVEL	NA	NA	14.0	15.1	16.3	17.6
300 CONTRACTUAL	NA	NA	8.0	8.6	9.3	10.1
400 COMMODITIES	NA	NA	.5	0.5	0.6	0.6
500 EQUIPMENT	NA	NA	2.5	---	---	---
600 LAND & STRUCTURES	NA	NA	---	---	---	---
700 GRANTS, CLAIMS, ETC.	NA	NA	20,000.0	40,000.0	41,200.0	46,656.0
TOTAL	NA	NA	20,116.3	40,122.8	43,332.7	46,799.3

FUNDING (Thousands of Dollars)

GENERAL FUND	NA	NA	20,116.3	40,122.8	41,332.7	46,799.3
FEDERAL FUNDS	NA	NA	---	---	---	---
OTHER (Specify Fund Source)	NA	NA	---	---	---	---

POSITIONS

FULL TIME	NA	NA	2.0	2.0	2.0	2.0
PART TIME	NA	NA	1.0	1.0	1.0	1.0
TEMPORARY	NA	NA	---	---	---	---

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

This fiscal note details the costs associated with hiring two new engineers (environmental engineers II and III) and converting an existing half time clerk typist II position to full time (PCN 18-7281). It is estimated that these additional staff will be required to handle the increased number of grants that will result from 75% funding. It may also be necessary to increase our level of effort on some projects, since smaller communities will not be applying for grants. Many of these communities do not have the expertise to administer engineering and construction contracts and may rely on the Department for assistance. There may also be a corresponding decrease in the level of effort now devoted to EPA projects. If this occurs, it may not be necessary to fill both engineering positions.

The \$20.0 million estimate for additional grant funding in FY 82 will need to be considered as an appropriation if funds are to be available. For subsequent years program funding may be provided through either bond issues, appropriations, or a combination of the two sources. For subsequent years we also recommend that any additional program expenditures be financed as a capital improvement program with funding coming from either the bond issues or the

IV. DATE March 23, 1981 PREPARED BY KEITH KELTON appropriation.
 AGENCY Department of Environmental Conservation
 PHONE 465-2610

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

H B

30%

members

3-20-81

HR 306

pr 3, unconst.

not good public policy

disruptive to society

OK Const. - pay - equal rights benefits etc

Katy Frankle - opposed, 306

30 - 01

Fred Smaller -

83 57 - rec. of program