

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

2097 . SSA HB 348 - HB 654

2097

VIII. SUMMARY OF COSTS

	<u>Avalanche</u>	<u>Fire</u>	<u>Total</u>
Operation	\$391,100	\$94,000	\$485,100
Capital Investment	25,000	0	25,000
Contingency	18,000	6,100	24,100
General Admin. Asses. (9%)	<u>45,100</u>	<u>7,700</u>	<u>52,800</u>
Total Project Cost	\$479,200	\$107,800	\$587,000

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**

POSITION PAPER

HOUSE BILL NO. 348 (efd failed)

"An Act making a special appropriation to the Department of Public Safety for the Alaska avalanche warning system; and providing for an effective date."

HB No. 348 provides \$446,000 to the Department of Public Safety for the Alaska avalanche warning system.

The Department of Health and Social Services believes that an avalanche warning and control system is necessary to reduce the risk of avalanche which occasionally results in serious injuries or death.

Mr. Doug Fessler of the Alaska State Parks recently completed a study of avalanche fatalities which occurred between 1970 and 1979. Based on this study, the following facts were gathered:

- 1) There were 17 fatal avalanches involving 24 fatalities. It was estimated that for every fatality there have been 10 others who were caught in an avalanche, but survived.
- 2) Most avalanche deaths were in January (29%), followed by May (17%), and February and August (13% each).
- 3) Regionally, 33% occurred in the Interior, 54% occurred in Southcentral, and 13% occurred in Southeast.
- 4) Most deaths were associated with recreational activities including skiing, hiking, and climbing.

The Department of Health and Social Services supports the concept of this bill.

Recommended by: David C. Bruce  
David Bruce, Deputy Director  
Division of Public Health

Date: March 23, 1981

Approved by: Helen D. Beirne  
Helen D. Beirne, Commissioner

Date: 3-26-81

Cloria Houston Way  
Emergency Medical Services

**THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE**

**FISCAL NOTE**

**I. REQUEST**

Bill/Resolution No. House Bill No. 348 (efd failed)  
 Title "An Act making a special appropriation to the Dept. of Public Safety for avalanche.  
 Requested by Commissioner's Office Date 3/20/81

**II. FISCAL DETAIL**

Agency Affected Dept. of Health and Social Services  
 Program Category Affected Public Health  
 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	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING** (Thousands of Dollars)

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

**POSITIONS**

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

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

IV. DATE 3/20/81 PREPARED BY Mark Johnson  
 AGENCY Dept. of Health & Social Services  
 PHONE 465-3027  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 3/25/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

*RJL*  
*4/8/81*

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. HB 348  
Title "An Act making special appropriation to Public Safety for the Avalanche Warning System"  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected Department of Public Safety  
Program Category Affected Administration of Justice  
BRU, Program, or Subprogram(s) Affected Detachments & CIB  
(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			43.8	47.3	51.1	55.2
200 TRAVEL			6.5	7.0	7.6	8.2
300 CONTRACTUAL			399.0	430.9	465.4	502.6
400 COMMODITIES			2.2	2.4	2.6	2.8
500 EQUIPMENT						2.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			451.5	487.6	526.7	570.8

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND			451.5	487.6	526.7	570.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

To implement the Alaska Avalanche Warning System, the U.S. Forest Service, as coordinator of the program, has prepared an operating budget totalling \$586,750 for FY 82. The funding participants of the program are the State of Alaska, U.S. Bureau of Land Management, U.S. Forest Service and the City and Borough of Juneau. The State's share is 76% or \$446,000. The subject bill appropriates the State's portion to the Department of Public Safety. The State participants are Department of Natural Resources, Department of Transportation and Public Facilities, and Department of Public Safety. The budget contains \$25,000 of a "capital" nature, namely "construct a weather observation station and overnight facility at Bird Ridge." The major capital expenditure has been covered under HB 18 as a supplemental appropriation for use beginning FY 81.

- continued

IV. DATE April 8, 1981 PREPARED BY *MJM* Marcia Lynn McKenzie, Budget Analyst  
AGENCY Department of Public Safety  
PHONE 465-4349  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

For FY 82, the operating portion of the appropriation, \$421.0 will be expended in two major segments, approximately \$343.4 towards a cooperative contractual agreement and \$77.6 for an information and education program to be run by the Department of Natural Resources, including the establishment of a Park Ranger III position (range 18). For FY 83 through FY 86, an annual inflation factor of 8% is applied to the total operating budget, with an allowance for replacement equipment in FY 86.

DEPARTMENT OF HEALTH & SOCIAL SERVICES

POSITION PAPER

HOUSE BILL NO. 18

"An Act making a supplemental appropriation to the Department of Public Safety for implementation of the statewide avalanche warning system, and providing for an effective date."

HB No. 18 provides \$130,000 for preparation of orographic precipitation models of Southeastern and Southcentral Alaska to be used as part of the statewide avalanche warning system.

The Department does believe that an avalanche warning and control system is necessary to reduce the risk of avalanche which occasionally results in serious injuries or deaths.

The Department of Health and Social Services supports the concept of this bill.

Recommended by: David Bruce  
David Bruce, Deputy Director  
Division of Public Health

Date: February 2, 1981

Approved by: H. D. Beirne  
Heferi D. Beirne  
Commissioner

Date: 2/5/81

**FISCAL DETAIL**

Agency Affected Department of Health & Social Services  
 Program Category Affected Health/Division of Public Health  
 BRU, Program, or Subprogram(s) Affected Emergency Medical Services

(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	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING** (Thousands of Dollars)

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

**POSITIONS**

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

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

IV. DATE 01/22/81 PREPARED BY Mark S. Johnson  
 AGENCY Emergency Medical Services/Div. Public Health

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

PHONE 465-3027  
*Mark S. Johnson* 1/22/81

FISCAL NOTE

I. REQUEST HE 18  
 Bill/Resolution No. HE 18  
 Title "An Act making supplemental appropriation to Public Safety for Avalanche Warning."  
 Requested by Mike Miller Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Public Safety  
 Program Category Affected Administration of Justice  
 BRU, Program, or Subprogram(s) Affected Administration and 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		6.2	6.8	7.1	7.6	8.2
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		6.2	6.8	7.1	7.6	8.2

FUNDING (Thousands of Dollars)

GENERAL FUND		6.2	6.8	7.1	7.6	8.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		1.0	1.0	1.0	1.0	1.0
TEMPORARY						

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

Monitoring and administering the contract with the U.S. Forest Service for on-going operating costs would require the part-time services of an Accounting Clerk II (approximately 3 months). An inflation factor of 7% is included for subsequent years.

Please see attached

IV. DATE January 29, 1981 PREPARED BY Jos Manranath, Finance Officer  
 AGENCY Public Safety  
 PHONE 465-4349  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

H B

508

May 15, 1981

HOUSE JOURNAL  
SUPPLEMENT

No. 43

HB  
509

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill No. 509 (Page 1 of 3)  
 Title "An Act relating to analysis of employment and unemployment in the state...."  
 Requested by Rogers, Gardiner, Jenkins, Buchholz, Duncan, Fuller, Zharoff and Grussendorf Date 5/3/81

II. FISCAL DETAIL  
 Agency Affected Labor  
 Program Category Affected Employment Stabilization  
 BRU, Program, or Subprogram(s) Affected Administrative Services IMI  
 (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		219.8	228.0	246.2	265.9	287.2
200 TRAVEL		13.2	13.0	14.0	15.1	16.3
300 CONTRACTUAL		190.9	203.1	219.3	236.4	255.7
400 COMMODITIES		6.5	6.5	7.0	7.6	8.2
500 EQUIPMENT		12.4	13.4	14.5	15.7	17.0
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC						
TOTAL	-0-	442.8	464.0	501.0	541.1	584.4

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	442.8	464.0	501.0	541.1	584.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	-0-	6.5	6.0	6.0	6.0	6.0
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
- Assumes an effective date of July 1, 1981.
  - Personal Services based on current salary schedule, with allowance of vacancy factor in FY '82.
  - Travel, Contractual Services, Commodities and Equipment are based on cost per position with the exception of Data Processing cost of \$120,000 which is based on an estimate for a Time Sharing operation.
  - Assumes an annual inflation factor of 8% for all line items.
  - To meet the requirements of this legislation, funding for the following information components is requested:

REGIONAL ECONOMIC FORECAST BY INDUSTRY \$230,998 (FY '82)

The large geographic size of Alaska makes it probable that some regions could have severe shortages of workers while other areas lack economic activity. For the past three years the Research and Analysis Section has developed and improved the employment data base for

IV. DATE May 9, 1981 PREPARED BY Nico Bus, Finance Officer  
 AGENCY Labor  
 PHONE 465-2720

Original: Legislative Finance

No. 43  
HB  
509

HOUSE JOURNAL  
SUPPLEMENT

May 15, 1981

Fiscal Note for House Bill No. 509 (Page 2 of 3)  
Analysis continued

six regions of the state. This permitted more accurate sub-state regional estimates of employment by industry, labor force and unemployment. Both published and nondisclosable (due to confidentiality restrictions of Alaska's Unemployment Insurance Law) data are contained in this data base.

This component would provide staff to analyze and forecast employment, labor force, and unemployment information for the six regions of the State. With computer assistance, staff would determine the trend and level of economic activity by industry and enable the operation of an industry/occupation matrix to provide occupational forecasts by industry for the six regions.

Purchases: Labor Economist III, 2 Labor Economists II's, Clerical & Data Processing Services

EXPANDED OCCUPATIONAL EMPLOYMENT STATISTICS \$91,809 (FY '82)

For much of the past decade Research and Analysis has estimated and projected employment (staffing levels) by occupation. Occupational data from an employer survey is merged with the employment forecast by industry to prepare forecasts of occupational employment.

This component would provide staff to provide occupational forecasts by industry for the six regions of Alaska. Industrial detail used would be expanded to provide for more accurate estimates. For example, more detail in the mining industry, would isolate coal and hard rock mining from oil and gas extraction. This would permit more accurate forecasts of the occupations involved if those sub-industries grew at different rates.

Purchases: 1 Labor Economist II, Data Processing and Clerical Services

ANALYSIS OF UI AND ES DATA BASES \$41,637 (FY '82)

In the first year of the legislation only, the agency proposes a small increment to analyze the best to utilize the Unemployment Insurance (UI) and Employment Service (ES) data bases for dynamic indicators of unemployment and employee turnover. Potentially, these two data bases could give insight into the mobility and labor force attachment of Alaska's population. Both cross sectional (one point in time) and longitudinal (between different time periods) analysis is feasible. However, some of this analysis has only been done in a few states and the uniqueness of each state's unemployment insurance data base makes it appropriate to limit the study to determining feasible methodologies in the first year.

Purchases: 0.5 Labor Economist III, Clerical and Data Processing Support

MIGRATION STUDY \$78,312 (FY '82)

Any analysis of Alaska's labor force supply would be inadequate without considering the impact of migration (both immigration and outmigration). Migration flows are triggered both by push (lack of available opportunities in the area from which migration emanates) and pull (more lucrative opportunities in the area which receives the migration) factors. Interstate analysis of the factors which correlate with migration would be necessary (for example, construction employment in other western states). Modeling the migration component would give insight into the appropriate timing of large capital projects.

May 15, 1981

HOUSE JOURNAL  
SUPPLEMENT

No. 43

HB  
509

Fiscal Note for House Bill 509  
Analysis continued

(Page 3 of 3)

Purchases: 1 Labor Economist II and Clerical and Data Processing Support

These components are interrelated with each other and with other information systems within our Research and Analysis unit. Integration of this complete information system would provide an excellent framework for Alaska's policymakers to determine both the needs of their constituents and the impact of proposed solutions. The output from these components would be prepared annually to meet the continuing information needs of legislative and other governmental officials at local and state levels and for Alaska's businesses and industries both existing and those starting again or expanding in Alaska.

REQUEST  
 Bill/Resolution No. HB 508  
 Title An Act relating to requirements for fiscal notes and employment notes in the legislative process. Date 4/16/81  
 Requested by Gardiner, Rogers and others

II. FISCAL DETAIL

Agency Affected Office of the Governor, Division of Budget and Management  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Budget and Management  
 (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		150	40	43	47	51
400 COMMODITIES		5	5	6	6	7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		155	45	49	53	58

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		155	45	49	53	58
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

1. Initial estimates of direct and indirect employment impacts for common types of capital projects will be developed under a contractual arrangement.
2. Costs of estimating impacts for unique projects (extremely large, of a one-time nature) are not included in Fiscal Detail. These projects could be most effectively analyzed by specialized studies.
3. Contractual expenses for fiscal years beyond the initial development year are for a system which would monitor actual experience for the purpose of refining and updating the standardized estimates. The amount included an 8% inflation factor.
4. Additional workload on the Division will be absorbed by existing positions.

IV. DATE 4/30/81 PREPARED BY David Tonkovich  
 AGENCY Budget and Management  
 PHONE 465-4242  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Date: January 15, 1982

Requested by Governor

II. FISCAL DETAIL

Agency Affected: Department of Transportation and Public Facilities

Program Category Affected: Transportation

BRU, Program or Subprograms Affected: Interior Region Transportation

	FY 82	FY 83	FY 84	FY 85
Total Expenditure	\$2,000.0	\$1,000.0	-0-	-0-
GENERAL FUND	2,000.0	1,000.0	-0-	-0-
<del>FEDERAL FUND</del>	-0-	-0-	-0-	-0-

OTHER FUNDS

III. EMPLOYMENT DETAIL

A. Hours/Full-time Equivalent	FY 82	FY 83	FY 84	FY 85
On-site Employee Hours	22,990 hrs	10,450 hrs		
Full year equivalent jobs @ 1800 hrs/yr	12.8 FTE	5.8 FTE		
Off-site Employee Hours	12,024 hrs	5,464 hrs		
Full year equivalent jobs @ 1800 hrs/yr	6.7 FTE	3.0 FTE		

B. On-site Employment: salaries, full-year equivalent employment

Category	Avg. Annual Salary	FY 82	FY 83	FY 84	FY 85
All Occupations	\$33,400	12.8	5.8		
Administrative/Supervisory	52,470	.76	.34		
Crafts*	35,138	5.26	2.38		
Laborers, helpers	25,872	4.35	1.97		
Truck Drivers, Other	37,012	2.43	1.10		

\*Crafts include these occupations: Bricklayers, Carpenters, Electricians, Iron Workers, Equipment Operators, Painters, Plasters and Lathers, Plumbers and Pipefitters, Cement finishers

## JOBS PLANNING LEGISLATION: WHY?

Alaska's cyclical economy is well-known. Booms in construction and natural resource development have increased the state's employment, income, and population; all three have typically declined during the subsequent busts.

The latest rollercoaster ride - the oil pipeline boom - brought a lot of money to Alaska, but left an employment picture in some ways worse. From 1970 to 1980, population increased 33 percent, employment increased 99 percent, unemployment increased 178 percent, and the unemployment rate increased 35 percent (from 7.1 percent of the labor force, to 9.6 percent). For the year 1978 - the year after pipeline construction was completed - more than 22 percent of all state income tax returns were filed by part-year and non-residents. And in 1981 almost 10 percent of the year-round population is on food stamps.

Despite the slump of the past few years, Alaska is on an economic uptick, and appears likely to see another explosive boom in the mid-1980's. Looming large on the drawing board are many major projects such as large dams, petrochemical development, the gasline, the new capital, Beluga coal, Prudhoe Bay expansion, Beaufort Sea exploration and development, the Knik Arm crossing, bottomfish ports, and large-scale agricultural development. Not all of these projects will be built, but the activity generated by even half could produce a shock to the economy at least equal to that produced by construction of the oil pipeline. The concentration of projects will likely cause a "construction squeeze," resulting in more inflation and labor importation.

Heavy government involvement in the economy is another Alaska tradition, and much of the upcoming construction squeeze will be provided by state-financed projects. David Reaume, formerly chief economist with the Department of Commerce and Economic Development, estimates that the State's annual revenues - currently in the six billion dollar range - are roughly equal to the total personal income received by its citizens. Dams, roads, bridges, buildings - public facilities and infrastructure all around the state are slated to be major priorities for the use of the oil money.

Many of these capital improvements will be supported - at least in part - as public works projects, as methods of creating jobs for Alaskans. If they are all built at once, the State will instead be creating many jobs for people who are Californians and Texans today.

House Bills 508 and 509 aim to provide legislators with the information needed to plan the timing of State-sponsored projects so as to maximize the opportunities for employment of Alaskans.

HB 508 requires bills appropriating funds for capital improvements to include an "employment note." Similar to the fiscal note traditionally used in the legislative process to determine the cost of

an individual bill, the employment note would estimate the number of jobs to be created, and provide a breakdown by region and by category of employment.

The analysis for a bill's employment note would be conducted by the agency affected with the cooperation of the Division of Budget and Management. This is similar to the process by which fiscal notes are prepared.

Originally, the analysis will be limited to those capital improvements contained in the Governor's budget and those studied by the legislature over the interim. This limitation is desirable because the Governor's budget is assembled in a process consuming most of a year, thus allowing the administration a long lead-time in preparing its first batch of employment notes. Eventually, it may be possible to attach employment notes to bills which appear later in the legislative process, such as bills introduced by legislators during a session for action that same session. To start with, HB 508 requires employment notes on each capital project in the Governor's budget and a summary presentation of the budget's employment impact. It also provides for periodic evaluation of the accuracy of the employment estimates.

HB 509, a companion bill to HB 508, establishes a sophisticated computer modeling system of the State's employment and unemployment by region. Called the "Alaska Jobs Information Bank," the system would provide regular descriptions of Alaska's unemployed in each region, including their skills. It would also contain data on levels of employment expected from various public - and private - sector developments.



# Alaska State Legislature

## House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

MEMORANDUM

TO: Rep. Brian Rogers  
John Hartle, A.A.

FROM: Cliff Groh, A.A. *CJG*  
to Rep. Terry Gardiner

DATE: 21/May/1981

RE: Jobs planning legislation

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HB 509 is a clean bill. It's been referred to the Senate Finance Committee.

HB 508 has been referred to the Senate State Affairs and Finance Committees, where it could be improved by some specific amendments. They are as follows:

1. Limitation of scope back to capital improvements and state loan bills proposed by the governor.

Two amendments were passed on the floor expanding the application of the employment note process. These appear to pose both practical and technical problems.

(a) The floor amendment, which requires employment notes for legislators' bills as well as the governor's, will create a problem because legislators offer bills up to the minute before the session adjourns. Let's start by just looking at the employment impact of the governor's bills, because the executive branch has the time to do this properly.

(b) In addition, this amendment has the effect of including in the employment note process bills for operating expenditures, as well as bills for capital improvement projects and state loan programs. Giving Budget and Management three kinds of bills for which to prepare employment notes will overburden the agency; let's wait to see how they handle the other two. Besides, capital improvements and loan programs are the logical places to start, because they are more often looked to by the legislature as job-creating devices.

(c) The other amendment to HB 508 approved on the floor expanded the application of the employment note process to include bills which relate to "new or expanded state function or programs." The floor

debate indicated this amendment was aimed at measuring private-sector job creation through government-required regulation or "paperwork." It's difficult to see how this would be done (surveys of employers?). Moreover, this provision is objectionable for the same reasons the changes outlined in 1(a) and (b) are: it would add excessive work to the agency before it has a chance to start on the process.

To make these suggested changes to the House bill, on Page 1, lines 11-16 - strike all material and insert:

"Sec. 24.30.032. EMPLOYMENT NOTES. (a) A bill requiring the appropriation of state money for a capital improvement project or a state loan program which is presented by the governor to the legislature for introduction under AS 24.30.060 (B) shall include an employment note containing the following information about the effect of the bill on employment:"

Also, on Page 2, line 9 - strike the words "new or expanded state function or programs," and on Page 2, lines 11-12 - strike the words "new or expanded state function or programs" (The amendment discussed in (c) also inserted the "new and expanded state function or programs onto Page 1, but it was eliminated - apparently inadvertently - by the amendment inserting the language including legislator's bills.)

2. Estimating the employment impact of loans.

The concern was raised on the floor that it would be impossible to estimate the employment impact of a state loan program without knowing the recipients of the loans. To allay this concern, on Page 1, after line 25 - insert new paragraph (b) and renumber accordingly:

"(b) A bill presented by the governor which requires the appropriation of money for a state loan program shall include an employment note estimating employment by the category of purpose of loan most often made by the program."

3. Evaluating the performance of employment note preparers.

On Page 2, line 18 - add new sentence after the word "procedures.":

"After the first year employment note procedures are utilized, in each succeeding year the report shall contain comparison of the employment estimates with the employment actually experienced."

4. Clarifying the types of employment estimated.

To answer question about the types of employment which would be estimated by this process, on Page 1, line 23 - after the word "employment;" insert the words "both public and private;"

In addition, it should be noted that Budget and Management may be able to estimate both "direct and "indirect" employment, although the House bill only requires the agency to estimate "direct" employment. Note the accompanying sample employment note, which estimates for a

highway construction bill both the number of "on-site" jobs and "off-site" jobs. This covers the first-round effects of the "multiplier," but not the second-round, or "income-induced" employment. (On a construction job, the surveyor has got an on-site or direct job, the surveying equipment salesman has got an off-site or indirect job, and the bartender supported by the surveyor and salesman has got an income-induced job.)

P.S. Note that the note does not specify ~~the~~ <sup>the region</sup> whether they are in Alaska or Outside.



SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET

DATE:

LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Bob Jones	U.S. Forest Service	P.O. Box 1678 Juneau, AK 99802 586-7510	HB 348 & HB 18
Dave TonKovich	Budget & Mgmt	465-4242	HB 508
Geo. W. Rogers		1790 Evergreen, Juneau	HB 508, 509
Jenny Gardner	Legislature	FV. ISIS	Tree Point, Alaska 00001
Gloria Houston Way	EMS / DHSS	Pouch H-06C 465-3027	HB 348 avalanche Warning System
Rep. Randy Phillips			HJR 46



SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET

DATE:

LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
<i>Bob James</i>	<i>U.S Forest Service</i>	<i>P.O. Box 1628 Juneau, AK 99807 586-7510</i>	<i>HB 348 &amp; HB 18</i>
<i>Dave TenKovich</i>	<i>Budget &amp; Mgmt</i>	<i>465-4242</i>	<i>HB 508</i>
<i>Geo. W. Rogers</i>		<i>1790 EVERGREEN, JUNEAU</i>	<i>HB 508, 509</i>
<i>Jerry Gaudier</i>	<i>Legislature</i>	<i>FV ISIS</i>	<i>Tree Point, Alaska 00001</i>
<i>Gloria Houston Way</i>	<i>EMS / DHSS</i>	<i>Pouch H-06C 465-3027</i>	<i>HB 348 avalanche Warning System</i>
<i>Rep. Randy Phillips</i>			<i>HJR 46</i>

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

MAY 25 ----- MAY 26

TUESDAY May 26

NO MEETING

THURSDAY May 28  
1:30 p.m.

CSHB 508 (Fin) am---Hearing  
Relating to requirements for fiscal notes and  
employment notes in the legislative process;  
and providing for an effective date.

EJR 46---Hearing  
Relating to the reduction of the cost-of-living  
allowance paid to federal employees in Alaska.

HB 348 (efd failed)---Hearing  
A special appropriation to the Dept. of Public  
Safety for the Alaska avalanche warning system.

HEARINGS WILL BE CONDUCTED IN THE BEHRENS BUILDING, FIRST  
FLOOR, STATE AFFAIRS COMMITTEE ROOM. IF YOU HAVE ANY QUESTIONS  
PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.

Fiscal Notes  
& Employee  
Notes

HOUSE BILL NO. 508, (see pages 742;887). Reported back to the House on May 15 by Finance recommending it be replaced with a SUBSTITUTE (Finance) and reporting it back with individual recommendations: Cotten, Freeman, Buchholdt, Malone and Rogers recommend do pass. Moss recommend do not pass unless amended. Adams, Carney and Haugen have no recommendation. To Rules.

SUBSTITUTE (FINANCE) provides a bill requiring the appropriation of state money for a capital improvement project or a state loan program (added) presented by the Governor to the legislature shall include an employment note containing information about the effect of the bill on employment. Also adds subsections which provide for a breakdown of employment which would be created, by region of the state. New subsection (b) states: "Bills presented by the governor which require the appropriation of less than \$1,000,000 for capital improvement projects or state loan programs may be aggregated under a single employment note, which shall contain the information required by (a) of this section." New subsection (f) states: "By January 20 of each year the Office of the Governor, division of budget and management, shall submit a report to the governor for transmittal to the legislature on the preparation of employment notes, including recommendations for improvement in employment note procedures." Adds language relating to state loan programs to section relating to supplemental budget revisions or budget amendments by the Governor which relate to capital improvement projects (subsection (e)). Remainder of the bill the same.

Fiscal Notes  
& Employment  
Notes

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (FIN) (AMENDED), (see pages 742;887;944;960). On May 19 the Finance SUBSTITUTE was adopted. The bill was returned to second reading twice and Am. No. 1 (Halford) and Am. No. 3 (Fanning) were adopted. Am. No. 3 inserts the language of the original HB 508 in Sec. 1 of the bill relating to employment notes: "Before a bill requiring the appropriation of state money, including a bill appropriating money to a state loan program, is reported from the committee of first referral, there shall be attached to the bill an employment note containing the following information

about the effect of the bill on employment." Am. No. 1 would amend subsection (e) of new section relating to employment notes to read: "The requirements of this section apply to supplemental budget revisions or budget amendments by the governor which relate to capital improvement projects, new or expanded state functions or programs, or state loan programs, and to reports made by the governor covering proposed capital improvements projects, new or expanded state functions or programs, or state loan programs if the reports are to be considered by the legislature during the interim between legislative session." (Underlined material added by amendment.)

The bill then passed, 28-11-1. Nays: Abood, Anderson, Barnes, Bylsma, Cuddy, Haugen, Hayes, Martin, Metcalfe, Montgomery, O'Connell. Not voting: Beirne. Reps. Randolph and Halford changed their votes from "nay" to "yea." The effective date was adopted.

Fiscal Notes  
& Employment  
Notes

HOUSE BILL NO. 508, by Reps. Gardiner, Rogers, Meekins, Buchholdt, Duncan, Fuller and Zharoff. Adds new section to AS 24.30 which requires "Employment Notes" on bills requiring the appropriation of state money. Must be attached to the bill before it reported from the committee of first referral. Note shall contain information such as the number of jobs which would be created and in what areas, a description of the type of employment opportunities which would be created, salary levels, duration of employment, job skills required, number of jobs which would be filled by Alaskans, & job training needed to maximize employment of Alaskans. If bill has no employment impact, a statement to that effect must be attached. Note to be prepared by the department or departments affected. Governor's bills must have the note attached before the bill is introduced. Any amendment or substitute bill proposed by a committee that changes employment impact shall be explained in a revised note attached to the bill.

Bill also amends AS 37.07.020(a) to require the Governor's budget to be accompanied by a summary of the fiscal notes and employment notes for all bills proposed by the governor. Provides Act effective on July 1, 1981.

Introduced April 16 and referred to State Affairs and Finance.

Fiscal Notes  
& Employment  
Notes

HOUSE BILL NO. 508, (see page 742). Reported back to the House on May 8 by State Affairs with the committee recommending it be replaced with SUBSTITUTE(SA) and that it do pass. Abood recommended do not pass. Cuddy had no recommendation. To Finance.

SUBSTITUTE(SA) would only require preparation of Employment Notes on bills submitted by the Governor for capital projects. Deletes requirement that Note include the median salary, the duration of employment, job skills required, the number of jobs which could be filled by residents at the time the bill takes effect, and job training needed to maximize employment for Alaska residents. The Employment Note shall be prepared by the affected department(s) "in cooperation with the Office of the Governor, division of budget and management." Adds section which states that requirements apply to supplemental budget revisions or budget amendments by the Governor which relate to capital improvement projects, and to interim reports made by

Fiscal Notes & Employee Notes COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (Finance)(Amended), (see pages 742;887;944;1006). Received in the Senate on May 20 and referred to State Affairs, then to Finance.

Federal  
Employees  
(reduction of  
COLA)

HOUSE JOINT RESOLUTION NO. 46, by Rep. Phillips. Requests the President of the United States to further amend Executive Order No. 10,000, as amended, to enable the continuation of the 25% cost-of-living-allowance for federal employees in Anchorage. Provides that copies of resolution be sent to Ronald Reagan and to the members of the Alaska delegation in Congress.

Introduced April 14 and referred to State Affairs.

Federal  
Employees  
(reduction  
of COLA)

HOUSE JOINT RESOLUTION NO. 46, (see page 743). Reported back to the House on May 11 by State Affairs recommending it do pass with an amendment. The State Affairs amendment requests the President to amend Executive Order No. 10,000 to enable the continuation of the 25 percent cost-of-living allowance for federal employees in "Alaska" (was "Anchorage"). To Rules.

Federal  
Employees  
(reduction in

HOUSE JOINT RESOLUTION NO. 46, (see pages 743, 946). On May 15 the resolution was before the House but was held until the May 18 calendar.

Federal  
Employees  
(reduction in  
C.O.L.A.)

HOUSE JOINT RESOLUTION NO. 46, (see pages 743;946;953;1008). Received in the Senate on May 20 and referred to State Affairs.

Federal  
Employees  
(reduction in  
COLA)

HOUSE JOINT RESOLUTION NO. 46, (see pages 743;946;953;961). On May 19 the resolution passed, 36-3-1. Nays: Cuddy, Hurlbert, Martin. Not voting: Beirne. (Note: The State Affairs amendment was not offered.)

Appropriation HOUSE BILL NO. 348 (E.D. FAILED), (see page 520). Reported back to  
(special) the House on May 18 by Finance with the committee members having  
(Avalanche individual recommendations. Freeman (Vice-Chmn.), Moss and Rogers  
Warning recommended do pass. Adams, Haugen, Montgomery and Malone had no  
System) recommendation. Carney recommended do not pass. To Rules.

Passed the House on May 22, 25-12-3. Nays: Abood, Barnes, Beirne, Bettisworth, Bylsma, Carney, Cuddy, Fanning, Halford, Haugen, Hayes, Montgomery. Not voting: Grussendorf, Phillips, Randolph. The effective date failed, 26-11-3 (Carney switched his vote).

HOUSE BILL NO. 348, by Rep. Miller. Makes a special appropriation in the amount of \$446,000 from the general fund to the Dept. of Public Safety for the Alaska avalanche warning system. Provides unexpended and unobligated portion of the appropriation lapses into the general fund 6/30/82. Provides Act takes effect immediately.

Introduced March 17 and referred to Finance.

CS HB 508

1. Page 1, lines 11-16: strike all material and insert:

"Sec. 24.30.032. EMPLOYMENT NOTES. (a) A bill requiring the appropriation of state money for a capital improvement project which is presented by the governor to the legislature for introduction under AS 24.30.060 (b) shall include an employment note containing the following information about the effect of the bill on employment:"

2. Page 2, lines 9-10 and Page 2, line 12: delete "or state loan programs,"
3. Page 2, line 9 and Page 2, lines 11-12: strike the words "new or expanded state function or programs,"

(Debate indicated this language — added in a floor amendment — was intended to measure the employment impact on the private sector of government actions. This concern could be handled by directing the Regulatory Reform staff in the Governor's office to investigate this question.)

4. Page 2, after line 13: insert new paragraph (f), and renumber accordingly:

? "(f) The Office of the Governor shall consider the effect of new or expanded state programs or functions on employment in the private sector."

5. Page 1, line 23: after "employment;" insert "both public and private;"

6. Page 2, line 18: add after "procedures.":

"After the first year employment note procedures are utilized, in each succeeding year the report shall contain <sup>sample</sup> comparisons of the employment estimates with the employment actually experienced."

*clean up the bill - make it more acceptable*

Date: January 15, 1982

Requested by Governor

## II. FISCAL DETAIL

Agency Affected: Department of Transportation and Public FacilitiesProgram Category Affected: TransportationBRU, Program or Subprograms Affected: Interior Region Transportation

	FY 82	FY 83	FY 84	FY 85
Total Expenditure	\$2,000.0	\$1,000.0	-0-	-0-
GENERAL FUND	2,000.0	1,000.0	-0-	-0-
<del>FEDERAL FUND</del> OTHER FUNDS	-0-	-0-	-0-	-0-

## III. EMPLOYMENT DETAIL

A. <u>Hours/Full-time Equivalent</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
On-site Employee Hours	22,990 hrs	10,450 hrs		
Full year equivalent jobs @ 1800 hrs/yr	12.8 FTE	5.8 FTE		
Off-site Employee Hours	12,024 hrs	5,464 hrs		
Full year equivalent jobs @ 1800 hrs/yr	6.7 FTE	3.0 FTE		

B. On-site Employment: salaries, full-year equivalent employment

<u>Category</u>	<u>Avg. Annual Salary</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
All Occupations	\$33,400	12.8	5.8		
Administrative/Supervisory	52,470	.76	.34		
Crafts*	35,138	5.26	2.38		
Laborers, helpers	25,872	4.35	1.97		
Truck Drivers, Other	37,012	2.43	1.10		

\*Crafts include these occupations: Bricklayers, Carpenters, Electricians, Iron Workers, Equipment Operators, Painters, Plasters and Lathers, Plumbers and Pipefitters, Cement finishers

Sample employment  
note prepared by  
Budget and Management  
(HB508)

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 29, 1981

SUBJECT: Proposed SCS for CSHB 508

TO: Senate State Affairs Committee  
Attn: Nancy Groszek, A.A.

FROM: *LHA* Linn H. Asper  
Legislative Counsel

I have drafted the proposed State Affairs Committee Substitute for CSHB 508 in accordance with your request of May 28th, with one exception. I have not included the language which you requested as a new subsection (f) on page 2 of the bill. It seems that this language refers to employment effects not covered by the concept of the employment note. If it is intended to refer only to bills which will have employment notes, then I think the information will be included in the employment note under the requirements of AS 24.30.032(a)(1) - (3). Please advise if this is not satisfactory. *OK JJ*

LHA:ljb

Enclosure

REQUEST

Bill/Resolution No. HB 508

Title An Act relating to requirements for fiscal notes and employment notes in the legislative process.

Date 4/16/81

Requested by Gardiner, Rogers and others

HB 508

II. FISCAL DETAIL

Agency Affected Office of the Governor, Division of Budget and Management

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Budget and Management

(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		150	40	43	47	51
400 COMMODITIES		5	5	6	6	7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>155</b>	<b>45</b>	<b>49</b>	<b>53</b>	<b>58</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		155	45	49	53	58
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

1. Initial estimates of direct and indirect employment impacts for common types of capital projects will be developed under a contractual arrangement.
2. Costs of estimating impacts for unique projects (extremely large, of a one-time nature) are not included in Fiscal Detail. These projects could be most effectively analyzed by specialized studies.
3. Contractual expenses for fiscal years beyond the initial development year are for a system which would monitor actual experience for the purpose of refining and updating the standardized estimates. The amount included an 8% inflation factor.
4. Additional workload on the Division will be absorbed by existing positions.

IV. DATE 4/30/81

PREPARED BY David Tonkovich  
 AGENCY Budget and Management  
 PHONE 465-4242

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

5-28-81  
Terry Gardiner

Capital programs  
Defer loan programs  
til later, after  
experience

Original sponsors: Gardiner, Rogers,  
Meekins, et al

Offered: 5/15/81  
Referred: Rules

Dave Tombovich  
Geo Rogers

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 508 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to requirements for fiscal notes and  
7 employment notes in the legislative process; and  
8 providing for an effective date."

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

10 \* Section 1. AS 24.30 is amended by adding a new section to read:

11 Sec. 24.30.032. EMPLOYMENT NOTES ON BILLS. (a) Before a bill  
12 requiring the appropriation of state money, including a bill appropriat-  
13 ing money to a state loan program, is reported from the committee of  
14 first referral, there shall be attached to the bill an employment note  
15 containing the following information about the effect of the bill on  
16 employment:

(1) →

- 17 (1) the number of jobs which would be created, including
  - 18 (A) construction jobs;
  - 19 (B) non-construction contract jobs;
  - 20 (C) operating jobs, both temporary and permanent; and
  - 21 (D) other direct employment;

22 (2) a description of the employment which would be created  
23 by categories, including salary levels for each category;

24 (3) a breakdown of employment <sup>both public & private,</sup> which would be created, by  
25 region of the state.

26 (b) Bills presented by the governor which require the appropria-  
27 tion of less than \$1,000,000 for capital improvement projects or state  
28 loan programs may be aggregated under a single employment note, which  
29 shall contain the information required by (a) of this section.

1 (c) If a bill described in (a) of this section has no effect on  
2 employment, a statement to that effect shall be attached.

3 (d) The employment note or statement required by this section  
4 shall be prepared by the department or departments affected by the bill  
5 in cooperation with the Office of the Governor, division of budget and  
6 management.

7 (e) The requirements of this section apply to supplemental budget  
8 revisions or budget amendments by the governor which relate to capital  
9 improvement projects, <sup>(3)</sup> [new or expanded state functions or programs] <sup>?</sup> [or  
10 state loan programs, <sup>(2)</sup>] and to reports made by the governor covering  
11 proposed capital improvement projects, <sup>(3)</sup> [new or expanded state functions  
12 or programs, <sup>(2)</sup>] [or state loan programs] if the reports are to be considered  
13 by the legislature during the interim between legislative sessions.

14 (f) By January 20 of each year the Office of the Governor, divi-  
15 sion of budget and management, shall submit a report to the governor  
16 for transmittal to the legislature on the preparation of employment  
17 notes, including recommendations for improvement in employment note  
18 procedures. *After the first year ... (6)*

19 \* Sec. 2. AS 37.07.020(a) is amended to read:

20 (a) The governor shall prepare and submit to the legislature  
21 before the fourth legislative day a budget for the succeeding fiscal  
22 year which shall cover all estimated receipts, including all grants,  
23 loans, and money received from the federal government, and all proposed  
24 expenditures of the state government. The budget shall be accompanied  
25 by a general appropriation bill to authorize the proposed expenditures,  
26 and a bill or bills covering recommendations in the budget for new or  
27 additional revenues. The budget shall also be accompanied by a sum-  
28 mary, categorized by region of the state, of the fiscal notes and employ-  
29 ment notes required for bills proposed by the governor as of the date

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of the budget submission.

\* Sec. 3. This Act takes effect July 1, 1981.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT

## JOBS PLANNING LEGISLATION INTRODUCED

Representative Brian Rogers and Representative Terry Gardiner were joined by four other House Democrats today to introduce bills designed to measure the number of private sector jobs created by legislative appropriations and state loans.

Called the "Alaska Jobs Planning Bill," the proposed legislation would provide for a sophisticated computer model of the State's predicted employment and unemployment in both the private and public sectors. It would also require all bills considered by the legislature to include an "employment note." Similar to the fiscal note traditionally used in the legislative process to determine the costs of individual bills, the employment note would estimate not only the number of jobs, but their salary levels, their duration, and the percentage likely to be held by current Alaskans.

Besides Rogers and Gardiner, the six sponsors of the two bills are Rep. Jim Duncan of Juneau, Rep. Jack Fuller of Nome, and Rep. Russ Meekins and Rep. Thelma Buchholdt, both of Anchorage. Rogers is from Fairbanks and Gardiner is from Ketchikan.

To demonstrate how the employment note would work, the sponsors released a preliminary analysis of the employment impact of some bills ~~it has~~ made priorities this session. Legislation backed by the Democrats could provide 9,955 job-years over the next four years. This means 2,489 people could work full-time for four years.

The legislation analyzed covered four major industries: hydroelectric power development, energy conservation, agriculture, and tourism. The analysis revealed significant differences in the numbers of jobs created by State spending.

A State appropriation of \$701,000 in hydroelectric power development (dam building) generates one four-year-long job, while one four-year-long job in energy conservation is created by a State appropriation of \$221,000. A State appropriation of \$282,000 creates one job in agriculture, while one four-year-long job in tourism is generated by a State appropriation of \$18,000.

The caucus pointed out that besides the numbers of jobs created, other important questions concerned the identity of those holding the job (Alaskans or Outsiders), and the duration and type of the job. Jobs in dam-building and energy conservation for example, are temporary construction employment, while jobs in renewable industries like agriculture and tourism tend to be permanent.

The estimates are rough, and are based on conservative interpretations of calculations made by experts and studies in the various industries. They include both direct and indirect employment.

"Some people will question the accuracy of these employment projections," said Rep. Gardiner. "The questions point up the necessity

of passing the 'Alaska Jobs Planning" legislation. We need better jobs impact planning and data to gauge the effect of State legislation."

"This bill is aimed at preventing state-fed boom-and-bust cycles," said Rep. Rogers. "This State has seen unemployment go up at the same time employment increased, because Outsiders were coming up to take jobs which could have gone to Alaskans. With all the big construction projects coming up, we'd like to avoid such problems."

In adding her support to the bills, Rep. Buchholdt said, "This job planning would improve the chances of minority groups to work on job skills training and upgrading for these jobs."

These estimates cover seven new dams and feasibility studies for 36 others.

	<u>Full-time Equivalent Jobs</u>
FY 1982	
Construction Direct	450
Feasibility Studies Direct	106
Construction & Feasibility Studies Indirect	<u>268</u> 824
FY 1983	
Construction Direct	445
Feasibility studies Direct	106
Construction & Feasibility Studies Indirect	265
Operation & Maintenance Direct	7
Indirect	<u>7</u> 830
FY 1984	
Construction Direct	283
Indirect	142
Operation & Maintenance Direct	14
Indirect	<u>14</u> 453
FY 1985	
Construction Direct	181
Indirect	91
Operation & Maintenance Direct	28
Indirect	<u>28</u> 328

This includes the urban energy audit program and the Village Energy Reconnaissance and Conservation Program (VERC). It does not include the loans provided under the urban energy audit program.

	<u>Full-time Equivalent Jobs</u>
FY 1982	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	159
Indirect	48
	<u>363</u>
FY 1983	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	466
Indirect	140
	<u>762</u>
FY 1984	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	466
Indirect	140
	<u>762</u>
FY 1985	
Urban energy audits	
Direct	23
Indirect	23
VERC	
Direct	466
Indirect	140
	<u>652</u>

# AGRICULTURE JOB ESTIMATES

## Full-time Equivalent Jobs

### Delta II

On-farm	50
Off-farm	50
	100

### Pt. McKenzie

On-farm	100
Off-farm	100
	200

### Small-scale

Rural on-farm	15
Rural off-farm	2
Urban on-farm	5
Urban off-farm	2
	24

All the above are permanent jobs. In addition, construction of the grain export terminal will create 85 one-time seasonal jobs.

## TOURISM JOB ESTIMATES

All figures are for full-time equivalent jobs beyond current figures of 9,252 direct and 1,850 indirect jobs.

	<u>Low</u> (20,000 growth per year in pleasure visitors)	<u>Medium</u> (40,000 growth per year in pleasure visitors)	<u>High</u> (60,000 growth per year in pleasure visitors)
FY 1982			
Direct	300	600	1200
Indirect	60	120	240
FY 1983			
Direct	600	1200	2400
Indirect	120	240	480
FY 1984			
Direct	900	1800	3600
Indirect	180	360	720
FY 1985			
Direct	1200	2400	4800
Indirect	240	480	960

## ASSUMPTIONS AND EXPLANATIONS ON JOB ESTIMATES

Due to the limited data base available, these estimates should be regarded as tentative and approximate. Each is based on conservative interpretations of the estimates of at least two experts, including administrators in the field. These calculations were also compared to (1) national estimates of job impacts of specific industries, and (2) where available, Alaska data. All estimates are for in-state jobs.

### Specific assumptions:

1. Hydro figures are for two of the five parts of SB 26: (a) specific new hydro projects, and (b) feasibility studies. The seven specific new hydro projects named in SB 26 are: Bradley Lake, Chester Lake, Port Lions, Snettisham II (Crater Lake), Swan Lake, Terror Lake, and Tye Lake. Green Lake and Solomon Gulch are not included because they are already under construction; hence the State will pay for the projects, but will not start them. These two portions account for \$277.7 million of the \$512.5 million appropriated in SB 26. It also includes another \$140 million needed to complete Bradley Lake and Snettisham II, which is not appropriated in the bill, plus an additional \$9 million to operate and maintain completed dams. The jobs estimates do not include the three other parts of SB 26: the Anchorage-Fairbanks inter-tie; the money for unspecified hydro projects; and the contribution to the power production cost assistance fund.
2. Hydro figures assume:
  - a. 3.5 construction job-years are created directly by each \$1 million spent on dam construction;
  - b. 6.1 year-round job-years are created directly by each \$1 million spent for feasibility studies;

- c. 6.1 seasonal job-years are created directly by each \$1 million spent for feasibility studies;
  - d. 0.5 indirect job-year is created by each direct construction job-year or year-round job-year created (i.e., the multiplier is 1.5)
  - e. 0 indirect jobs are created by the creation of each 1.0 seasonal job-year (i.e., the multiplier is 1.0)
  - f. 7 direct permanent jobs in operation and maintenance are created by the completion of each hydro project;
  - g. 1.0 indirect permanent job is created by the creation of 1 operation and maintenance job (i.e., the multiplier is 2.0);
  - h. the power projects and feasibility studies are completed under the current schedule and cost estimates of the Alaska Power Authority;
  - i. the cost of operation and maintenance for each power project will average \$1 million per year; and
  - j. 1 seasonal job equals 0.25 full-time job.
3. Agriculture figures cover four projects: the Delta expansion (Delta II); the grain export terminal; Pt. McKenzie; and small-scale agriculture. Funds for Delta II and the grain export terminal are scheduled to be appropriated this legislative session. Pt. McKenzie was approved during last year's legislative session, but will be developed this year. Figures for small-scale agriculture cover only those jobs which would be created by the legislation under consideration during the 1981 session.

4. Agriculture figures assume:

- a. Delta II will create 40 permanent year-round on-farm jobs, and 40 permanent seasonal on-farm jobs;
- b. 1.0 off-farm job is created by each permanent year-round on-farm job at Delta II, (i.e., the multiplier is 2.0)
- c. Pt. McKenzie will create 100 permanent year-round on-farm jobs;
- d. 1.0 permanent year-round off-farm job will be created by each permanent year-round on-farm job at Pt. McKenzie (i.e., the multiplier is 2.0)
- e. 85 one-time seasonal jobs will be created directly by the construction of the grain export terminal;
- f. 0 indirect jobs will be created by the construction of the grain export terminal (i.e., the multiplier is 1.0)
- g. 15 rural permanent year-round jobs are created directly by FY 82's small-scale agriculture;
- h. 0.1 indirect permanent year-round jobs are created by one direct rural permanent job in small-scale agriculture (i.e., the multiplier is 1.1)
- i. 5 urban permanent jobs are created by fy 82's small-scale agriculture program; and
- j. 0.3 indirect permanent year-round jobs are created by each urban permanent direct job in small-scale agriculture (i.e., the multiplier is 1.3), and
- k. 1 seasonal job equals 0.25 full-time job.

5. Energy conservation figures assume:

- a. 31,000 audits a year will be completed in the urban areas in FY 1982-84, and 9,000 audits will be completed in FY 1985;

- b. 400 urban energy audits a year are equivalent to one full-time job;
  - c. The VERC program weatherizes every home in rural Alaska by the end of FY 85;
  - d. 1.0 indirect jobs are created by each direct job in urban energy audits (i.e., the multiplier is 2.0).
  - e. 0.3 indirect jobs are created by each direct job in VERC (i.e., the multiplier is 1.3).
6. Tourism figures assume:
- a. 1.5 direct employees are created by the addition of every 100 tourists;
  - b. 0.2 indirect employees are created by each direct employee (i.e., the multiplier is 1.2), and
  - c. The low estimate is based on 20,000/year growth in pleasure visitors over the next five years; the medium estimate is based on 40,000/year growth over the next five years; and the high estimate is based on 60,000/year growth over the next five years (this last is less than the projection of the Alaska Visitors Association). . .
7. The cost-per-job estimate for agriculture is based on these levels of State spending for Delta II, Pt. McKenzie, small-scale agriculture, and the grain export facility:
- |       |                       |
|-------|-----------------------|
| FY 82 | \$44.2 million        |
| FY 83 | \$24.0 million        |
| FY 84 | \$27.0 million        |
| FY 85 | \$ 2.0 million        |
|       | <u>\$97.2 million</u> |
8. The cost-per-job estimate for tourism is based on the low range of visitors, and these levels of additional State spending for external tourism promotion and advertising:

FY 82	\$ 2.5 million
FY 83	\$ 3.5 million
FY 84	\$ 4.5 million
FY 85	\$ 5.5 million
	<u>\$16.0 million</u>

9. The cost-per-job estimate for energy conservation is based on these levels of State spending on the urban energy audit program and the Village Energy Reconnaissance and Conservation (VERC) program:

FY 82	
Urban	\$ 12 million
VERC	\$ 15 million
FY 83	
Urban	\$ 12 million
VERC	\$ 28.6 million
FY 84	
Urban	\$ 12 million
VERC	\$ 28.6 million
FY 85	
Urban	\$ 3.5 million
VERC	\$ 28.6 million
	<u>\$140.3 million</u>

10. The composite estimates for FY 82- FY 85 are:

<u>Industry</u>	<u>Job-years</u>	<u>Years</u>	<u>4 Year-long Jobs</u>
			(divided by)
Hydro	2435	4	= 609
Energy conser.	2539	4	= 635
Agriculture	1381	4	= 345
Tourism	<u>3600</u>	<u>4</u>	= <u>900</u>
	9955	4	= 2489

<u>Industry</u>	<u>State spending</u>	<u>4 year-long full-time jobs</u>	<u>State Spending per 4-year-long job</u>
			(divided by)
Hydro	\$426.7 million	609	= \$ 701,000
Energy Conser.	140.3 million	635	= \$ 221,000
Agriculture	97.2 million	345	= \$ 282,000
Tourism	16.0 million	900	= <u>\$ 18,000</u>
			\$1,222,000

Average State spending per 4-year-long job for these four industries=

$$\frac{\$1,222,000}{4} = \$305,500$$

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**

H B

635

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ADMINISTRATIVE SERVICES

POUCH M - JUNEAU 99811


May 6, 1982

465-4322

### POSITION PAPER - CSHB 635 (TRSP)

The Department of Public Safety is opposed to CSHB 635 (TRSP).

This bill, if enacted, would establish a "special interest" group allowing one group of citizens to move over-sized vehicles on State roadways while others cannot. Additionally, by not establishing any size limitations on these vehicles and allowing these vehicles to travel 30 miles without any authorization, could create potential hindrances to other traffic which would normally be controlled by permit.

  
\_\_\_\_\_  
William R. Nix  
Commissioner

*by Sydman*

To: Vic  
From: Bob  
Re: CS HB 635 Husbandry

Date: 5/3/82

CS HB 635, an Act relating to the operation of implements of husbandry upon the Highway, by Fanning deals with permitting for operation of farm equipment on state highways.

Secs. 1 & 2 remove the permit requirement for operation of a "implement of husbandry" on a state highway system.

Sec. 3 says; 1) the DOTPF may require a permit if the vehicle exceeds a certain size (to be determined by regulation) and the vehicle is to be moved more than 30 miles,

2) The owner or operator of an oversize vehicle must display flags or signs, and

3) DOTPF must post appropriate signs along the highways where farm vehicles may be on the road.

Rep. Fanning's office says the permit is an inconvenience, and is not necessary. If a farmer simply wants to cross a highway, he must obtain a permit.

A House Research Agency memo (done for Rep. Fanning) says permits are not required in Idaho, providing there are warning devices on the vehicle, it travels during daylight hours, and doesn't go more than 30 MPH.

Same for Iowa, North Dakota, and Minnesota except Minnesota speed is 50 MPH and can operate at night if they have proper lights.

Oregon requires a permit.

DOTPF does not support the bill and states in the fiscal analysis, "Removing the requirement for pilot cars on any move less than 30 miles would in some cases cause a serious hazard to the traveling public and subject the state to liabilities."

DOTPF states further; "under this bill, an operator of an implement of husbandry could, without pilot cars, move a vehicle down the road which entirely blocked the traveling surface..."

On the question of liabilities, Ed Hein of Legal Services does not think the bill would subject the state to any liability. Rather, the implication is that the state is not responsible for the operation of agricultural vehicles, if the permitting requirement is done away with.

DOTPF says they may be wrong about the question of liability, but still maintains the bill could cause some safety problems.

DOTPF's fiscal note is \$35,000. This money would be used to install warning sign alongs 500 miles of roadway.

The Dept. of Public Safety also opposes the bill. They maintain it creates a safety hazard. DPS also says it may cause additional liability for the state.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

March 23, 1982

MEMORANDUM

TO: Representative Ken Fanning

FROM: Jonathan Sherwood  
Research Staff

RE: Research Request 82-88  
HB 635 Farm Implement Bill

One of the provisions of the Transportation Committee Substitute for House Bill 635 would permit the operation of implements of husbandry that exceed the State's restriction of vehicle size to travel on the highway for distances of less than thirty miles without obtaining a permit. Gail Thibodeau of your staff requested that we determine what policies other states have regarding the operation of farm implements on highways, and she also requested that we provide information concerning any liability that states might incur as a result of allowing farm implements to travel on the highways. We have contacted highway officials in Idaho, Iowa, Minnesota, North Dakota, and Oregon and obtained information on these states' policies regarding this matter.

All of the states we contacted allow implements of husbandry to travel on the highway without permits in some or most instances. None of the states requires a pilot car for oversized vehicles, and no state posts signs along the highway warning of the possible use of the highway by oversized implements of husbandry. In addition, none of the officials contacted in the five states were aware of any instances where the state had been held liable for accidents resulting from the use of highways by oversized farm implements.

In Idaho, implements of husbandry are allowed to travel on the highway in daylight hours without a permit, provided that a red flag is displayed on the left front of the implement and the orange warning triangle indicating a slow moving vehicle on the back of the implement. Implements of husbandry are not permitted to operate on the highways at speeds greater than 30 miles per hour. Ray Lawer, of the Idaho Highway Permit Section of the Idaho Department of Transportation, was not aware of any instances where Idaho was held liable for accidents involving implements of husbandry on the highway.

Iowa does not require a permit for implements of husbandry to travel on the highway. Implements may not travel at speeds above 30 miles

Representative Fanning  
March 23, 1982  
Page Two

per hour and must display an orange slow-moving vehicle triangle. Only daylight operation is permitted on state highways.

In Minnesota, implements of husbandry can travel on the highway for distances of up to 50 miles without a permit, provided they display an orange slow-moving vehicle triangle. Implements are also permitted to operate at night if they have proper lights for night operation. According to Gene Ofstead, legislative liason for the Department of Transportation in Minnesota, the state has never had any problems with liability as a result of accidents involving farm implements on the highway, although such accidents are fairly common.

In North Dakota, farm implements may travel on the highway during daylight hours and must display the orange slow-moving vehicle triangle. No permit or pilot vehicle is required. In North Dakota, the state has sovereign immunity, and therefore cannot be held liable for accidents involving farm implements.

Oregon is the only state we contacted that has separate regulations for the movement of farm implements on the Interstate. In Oregon, a permit is required for an implement of husbandry to travel on the Interstate, but permits are not required for other highways unless the implement exceeds the State's vehicle weight limits. Implements of husbandry are required to display the slow-moving vehicle triangle. Farm implements are not required to have pilot vehicles; however, according to Carla Owens, Asst. Permit Supervisor with the Oregon Department of Transportation, many farmers use pilot vehicles anyway.

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If you have any questions, or if we can be of further assistance, please do not hesitate to contact us.

JS

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535

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill No. 635  
 Title "An Act relating to the operation of implements of husbandry..."  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Public Safety  
 Program Category Affected Administration of Justice  
 BRU, Program, Or Subprogram(s) Affected Bureau of Vehicle Enforcement  
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
POSITIONS	-0-	-0-	-0-	-0-	-0-	-0-

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						
	-0-	-0-	-0-	-0-	-0-	-0-

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

No fiscal impact is anticipated.

IV. DATE January 20, 1982 PREPARED BY Francis C. Allen, AST  
 AGENCY Department of Public Safety  
 PHONE 269-5691  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

HB 635

I. REQUEST  
 Bill/Resolution No. CSHB 635 Re operation of implements of husbandry  
 Title upon the highway.  
 Requested by House Transportation Date 3/17/82

II. FISCAL DETAIL  
 Agency Affected Department of Transportation & Public Facilities  
 Program Category Affected \_\_\_\_\_  
 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>35.0</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		35.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)  
 An estimate of 500 miles of roadway requiring signing was used, with a sign being required each 10 miles, one each side of the road.

$$500 \text{ miles} \div 10 \times 2 = 100 \text{ signs} - \text{estimated cost installed per sign} = \$350$$

$$\text{Total cost} = \$35,000$$

The desire to remove the need for a separate permit for each move, especially when they are in same area each time is understood. Removing the requirement for pilot cars on any move of less than 30 miles would in some cases cause a serious hazard to the traveling public and subject the state to liabilities. Under this bill, an operator of an implement of husbandry could, without pilot cars, move a vehicle down the road which entirely blocked the traveling surface as well as the shoulders. A vehicle traveling in the opposite direction could round a corner and find the entire roadway blocked.

This fiscal note does not attempt to estimate any costs involved with these risks.

IV. DATE 3/19/82 PREPARED BY Don Lind  
 AGENCY DOTPE  
 PHONE 465-3900

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

H B

6551

CS HB 651

5/6/81

## AK Marine Hwy Authority

Comm. Ward - opposes - no amend.  
bills not good

1. Authority in general -

"Port of Seattle" - different then  
↳ has authority to tax  
Authority in AK has ~~to~~ no authority to  
tax

- using revenue bonds for own  
capitol - taken out

2. Independent authority has no  
independance

3 current budget under \$60 million  
only generates \$30 million

3. Would still require appropriations

4. Would do exactly same thing as  
currently exists but would need  
more people

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AS A UNIT IN THE ORIGINAL DOCUMENT

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
DEPUTY COMMISSIONER - ADMINISTRATION

hold do not  
State of Alaska BC.  
JAY S. HAMMOND, GOVERNOR

(907) 465-3900

POUCH Z  
JUNEAU, ALASKA 99811

February 22, 1982

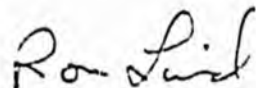
Honorable Bette M. Cato, Chairman  
House Transportation Committee  
State Capitol  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cato:

Your assistant requested that we answer the question "would an authority as proposed in House Bill 651, be eligible to receive federal highway construction funds as a pass through from the designated State agency?" The simple answer is "we assume that they would be eligible to receive pass through funding." The authority would need to have an organization and financial system which met all of the requirements of the federal program.

Since there is not a category of federal funding set aside for marine construction, the use of funds for their purpose reduces the amounts available for other projects. We do not believe it would be in the State of Alaska's best interest to require the authority to meet all of the federal requirements. In the projected future, there should be a sufficient level of state funds available to provide State project funds if the legislature and the governor agree.

Sincerely,



Ron B. Lind  
Deputy Commissioner

Bill Analysis by Rep. Bette Cato's office

HB 651

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority"

Sec. 1 Purpose : The purpose of this act is to establish an authority for the operation, management, and planning and construction of facilities for the marine highway system that is independent of state government. The authority shall be the exclusive state agency directly associated with the operation, management, planning and construction of facilities for the marine highway system.

Sec. 2 Adds a new chapter 70 to title 19; AS 19.70.010, ALASKA MARINE HIGHWAY AUTHORITY.

This section creates the Marine Highway Authority as a public corporation of the state. The corporation is an instrumentality of the state in the Department of Transportation and Public Facilities but has a legal existence independent of and separate from the state and continues until its existence is terminated by law.

Sec. 19.70.020. DIRECTORS Directors, consists of seven directors, the commissioner of DOT/PF, ex-officio, (non-voting), and six directors appointed by the governor with the following qualifications; a representative of commercial carriers, representative of the maritime industry, a representative of the tourism industry, and three members of the public representing regions, Region 1, southeast Alaska, Kodiak, Region 2, and Region 3, southcentral (Prince William Sound).

Most language in this section is boilerplate "board" language pertaining to qualifications, conflict of interest... Directors serve without compensation, but are entitled to travel and per diem expenses.

Sec. 19.70.030 OFFICERS AND QUORUM The directors elect a chairman from their number. The directors shall elect a secretary that need not be one of the directors. Four directors constitute a quorum. Majority motions or action may be taken.

Sec. 19.70.040 STAFF The authority may employ staff, may contract for services in exercising it's powers.

Sec. 19.70.050 POWERS OF THE AUTHORITY Sets out powers and obligations of the authority.

Sec. 19.70.060 authorizes the name for the system; "ALASKA MARINE HIGHWAY SYSTEM."

Sec. 19.70.070 COMPREHENSIVE LONG RANGE PLAN, mandates a comprehensive long range plan for the marine highway system that shall be updated at least every five years.

Sec. 19.70.080 ACQUISITION OF LAND AND EASEMENTS, sets out procedures that the authority utilizes to acquire property.

Sec. 19.70.090 AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF EXCHANGE allows the authority to purchase property for exchange.

Sec. 19.70.100 VACATING OF LAND OR RIGHTS IN LAND, This section allows the authority to vacate land or use rights by filing a deed in the appropriate recording district.. Upon vacating, title reverts to persons, heirs, successors, or assigns in whom it was vested at the time of the taking. The authority may transfer land tot he Department of Natural Resources for disposal, proceeds of which go to the General Fund.

Sec. 19.70.110. ANNUAL REPORT. By March 1 of each year, the authority shall submit to the governor and the legislature a comprehensive report describing the operations, income, and expenditures for the preceding calendar year.

ords shall be checked  
these records at any

ND APPROPRIATIONS The authority is funded by legislature through the governor by the Executive Budget Act (AS 37.07) Money is directly appropriated and may be spent as authorized.

Sec. 19.70.140 PUBLIC RECORDS; OPEN MEETINGS. Subject the authority to open meetings and public records.

Sec. 19.70.150 NAMING OF VESSEL OR FACILITY sets guidelines for naming

Sec. 19.70.160 DEFINITIONS should be self explanatory.

Sec. 3 AS 19.60.010 and following sections of the bill are amended to read "authority" instead of "Department" giving the authority jurisdiction in law where the department had been specified.

No other substantive changes have been made in this bill

TESTIMONY ON CS HB 648, CS HB 649, CS HB 651,  
CS HB 652 and CS HB 654

My name is Walter B. Parker. I am a resident of Anchorage, Alaska residing at 3724 Campbell Airstrip Road. I have been active in Alaskan transportation operations and planning since 1946.

CS HB 651

I support the concept of the Marine Highway Authority and believe it could work well with a restructured DOT. I believe the Authority could have financing options available that would be more difficult to achieve as a regular state agency.

If the legislature elects to establish this Authority I would urge to allow for a reasonable break in period. It will not be possible for the Authority to impress itself overnight on the old operation and the real gains make take five years or longer to achieve.

In passing, it would seem that board members of the Authority should receive the same compensation as other major state boards.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine  
 Title Highway Authority  
 Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL  
 Agency Affected Department of Transportation & Public Facilities  
 Program Category Affected Transportation  
 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		925.4				
200 TRAVEL		92.3				
300 CONTRACTUAL		708.8				
400 COMMODITIES		107.3				
500 EQUIPMENT		621.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>2455.3</b>	<b>1342.9</b>	<b>1437.7</b>	<b>1539.2</b>	<b>1877.9</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		2230.3	1094.6	1169.0	1255.0	1573.7
FEDERAL FUNDS						
OTHER (Specify Source)						
CIP		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

FULL TIME		22	22	22	22	22
PART TIME						
TEMPORARY						

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

This fiscal note shows the net expected cost to the State under the attached assumptions. Costs for FY 84 reflect the deletion of one time items and addition of inflation at 7%.

The assumptions used in this fiscal note do not have the authority utilizing its full powers for separation and therefore have reduced the costs. If additional authority is desired, the costs would increase.

Before accurate costs can be determined for this bill, a substantial amount of time should be devoted to determining the requirements for separation of duties from the State system as well as estimating the amount of autonomy the authority would desire.

IV. DATE 3/31/82 PREPARED BY RON LIND  
 AGENCY DOT/PE  
 PHONE 465-3900  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine  
 Title Highway Authority  
 Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL  
 Agency Affected Department of Transportation & Public Facilities  
 Program Category Affected Marine Transportation  
 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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		2086.5	2232.6			
200 TRAVEL		92.3	99.6			
300 CONTRACTUAL		787.4	260.7			
400 COMMODITIES		110.0	64.2			
500 EQUIPMENT		621.5	15.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		3697.7	2672.1	2859.9	3060.9	3506.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		3697.7	2672.1	2859.9	3060.9	3506.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		56.0	56.0	56.0	56.0	56.0
PART TIME						
TEMPORARY						

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

Additions required to the Marine Transportation budget.

See attachments.

IV. DATE 3/31/82 PREPARED BY RON LIND  
 AGENCY DOT/PF  
 Original: Legislative Finance PHONE 465-3900  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

I. REQUEST  
 Bill/Resolution No. CSHB 557/651 - Establishing the Alaska Marine  
 Title Highway Authority  
 Requested by House Transportation Committee Date 3/26/82

II. FISCAL DETAIL  
 Agency Affected Department of Transportation and Public Facilities  
 Program Category Affected Transportation  
 ERY, Program, Or Subprogram(s) Affected various-See Analysis  
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		<1161.1>				
200 TRAVEL		0				
300 CONTRACTUAL		<72.4>				
400 COMMODITIES		<2.7>				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		<1242.2>	<1329.2>	<1422.2>	<1521.7>	<1623.3>

FUNDING (Thousands of Dollars)

GENERAL FUND		<1017.2>	<1030.9>	<1156.5>	<1237.5>	<1324.1>
FEDERAL FUNDS						
OTHER (Specify Source)		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

FULL TIME		<34>	<34>	<34>	<34>	<34>
PART TIME						
TEMPORARY						

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

Identifies costs and positions dedicated to Marine Transportation under current systems. (See attached).

IV. DATE 3/31/82 PREPARED BY Rene Lind  
 AGENCY DOT/PF  
 Original: Legislative Finance PHONE 465-3900  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Equipment</u>	<u>Total</u>	<u>General Fund</u>	<u>Other</u>	<u>PFT</u>	<u>Man Mos</u>
S.E. Design and Construction	275.0	-	-	-	-	275.0	50.0	225.0	5	60
Info. Systems	40.0	-	67.4	-	-	107.4	107.4	-	1	12
Support Services	796.1	-	10.0	2.5	-	808.6	808.6	-	26.5	318
S.E. Region	50.0	-	1.0	.2	-	51.2	51.2	-	1.5	18
	<u>1161.1</u>	<u>0</u>	<u>78.4</u>	<u>2.7</u>	<u>0</u>	<u>1242.2</u>	<u>1017.2</u>	<u>225.0</u>	<u>34.0</u>	<u>408</u>

CSH865

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### III. ANALYSIS

There are administrative and organizational topics not specifically addressed in either House Bill No. 651, "An Act relating to ferry and ferry terminals and establishing the Alaska Marine Highway Authority", or House Bill No. 661, "An Act establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.

6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.
7. Initially the "Authority" would continue direct involvement with the State in the following:
  - A. Occupancy of a State owned office building.
  - B. Continued support from the State mail system.
  - C. Access to the State equipment fleet.
  - D. Access to the Statewide purchasing contract (i.e., fuel).
  - E. Continued use of "shared" communications lines through Department of Administration, Division of Communications.
  - F. Continued insurance, bonding, etc., as now supplied through Department of Administration, Division of Risk Management.
  - G. Legal service from the Attorney Generals' office.
8. We have assumed that Department of Transportation and Public Facilities transferred employees would bring their own equipment and that equipment for the proposed thirty (30) new hire employees would be \$76.5.
9. We have assumed the "Authority" would require its own computer services for reservations, cost accounting, dispatching vessels crews, and payroll input; and that one time costs would be \$545.0 for hardware and \$250.0 for software.
10. Assuming expansion, the first year shows one time start-up funds for Contractual \$543.6; (Software \$250.0; Legal Services \$200.0; Additional Space Rental \$93.6); and \$50.0 Commodities (primarily office supplies).

Summary - 200 - 500 Accounts: Of \$1623.0 shown for the first year, \$1145.6 is a first time start-up cost. Yearly maintenance of all 200 through 500 Accounts would be around \$475.0 per year.

11. Of the \$2036.5 increase in Personal Services, \$1172.4 is assumed to be positions already within the Department of Transportation and Public Facilities performing similar services in Finance, Supply, Payroll, Design and Construction, and Personnel for the Division of Marine Highway Systems. The actual increase then would be \$914.1 for Personal Services to fund eight (8) upgraded positions and twenty-four (24) new positions.

<u>MHS EXISTING</u>	<u>DOT TRANSFERS</u>	<u>NEW POSITIONS</u>	<u>TOTAL POSITIONS</u>
PFT 35	PFT 32	PFT 24	PFT 92
PPT 4			PPT 4

This is a total of ninety-two (92) Permanent Full Time and four (4) Permanent Part Time Administrative positions, with a total of thirty-one (31) Supervisors (Range 18 and above) and sixty-five (65) support positions to operate and supervise nine vessels (725 employees) and twenty-six Shore Facilities (twenty-eight (28) Permanent and twenty-three (23) Permanent Part Time employees). No increase has been made in Vessel or Shore Facility Personnel.

Approximately \$225,000 of CIP funded positions are proposed to be general funded because they would be considered more operational.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

To: Vic

From: Bob

Re: CSHB 651 and CSHB 654, Rough Notes --- Subject to Change

Date: 5/4/81

CSHB 651 by Cato (House Transportation) creates the "Alaska Marine Transportation Authority". The authority would be a public corporation of the state.

The "Authority" would consist of 8 directors. Seven of these would be appointed by the Governor, subject to confirmation by the Legislature. The 8th director would be the Commissioner of DOTPF, and would be a non voting ex officio member.

Not including ARCC, there are six government corporations in Alaska, the Municipal Bond Bank Authority, ASHA, AHFC, AIDA CFAB and the APA. All of these public corporations were originally created for specific purposes related to financing.

A recent report done for the Legislative Budget and Audit Committee by the Institute of Public Administration entitled Alaska's Public Corporations a Framework for Assesment, January 1982, says the new debt to be issued by Alaska's six public corporations during 1982 will exceed \$1.0 billion.

This is more than the total general obligation (voter approved) debt of the entire state issued since statehood. The G.O debt as of 6/30/80 was \$1.1 billion.

Technically, bonds or debt incurred by a public corporation are not guaranteed by the state. The debt is, for the most part, revenue bonds. But, to quote the LBA report,

"Nevertheless, history has proven that should the repayment of any of these bonds run into difficulty, it is indeed the state government that would be held responsible by the bond market."

The Authority created under CSHB 651 will not, and in fact cannot incur debt. However, that is one of the primary reasons to create an authority. The other is to make it autonomous or insulate it from the normal bureaucracy.

CSHB 651 accomplishes only the second point. The bill separates the Division of Marine Highways from the DOTPF, but does not give it the normal power of an Authority.

Rep. Cato's office maintains that the Division of Marine Transportation is not responsive to the public's needs, and that it needs to be separated from DOTPF. However, an Authority is more insulated from the public than a Division, and certainly more immune to public pressure. Going back to the LBA report it states,

"...important development decisions (especially distribution and pricing of transportation, energy, housing and industrial capitalization) could become separated from legitimate political institutions based on voter support."

In other words, an Authority may become less responsive to public pressure than the Division of Marine Highways.

Although the Marine Highway Authority does not have the power to sell bonds it does have considerable power in other regards. One power of particular interest is contained in AS 19.70.050 (9) which allows the Authority to establish rates and tariffs.

Right now the Division of Marine Transportation operates under a generally agreed upon rule that the Legislature will subsidize about 50% of the operating costs through general fund appropriations. The rest of the funds come from program receipts. Under CSHB 651 the directors of the authority can unilaterally change this policy, although the Authority is subject to the Executive Budget Act.

To conclude, the Authority created under CSHB 651 does not have the power to incur debt, which is normally one reason to create an authority. Also, it may actually exacerbate the problem of public accountability, by insulating the Authority from the normal political process.

Regarding CSHB 654, as mentioned, the Commissioner of DOTPF would be an ex officio Director of the Authority. Under provisions of CSHB 654, a companion bill by the sponsor, the Commissioner of DOTPF would not be appointed by the Govenor, but rather by a "Board of Transportation.

The members of the Board of Transportation would be appointed by the Govenor subject to approval by the Legislature. They in turn would choose the Commissioner. The Commissioner would not have to be approved by the Legislature.

Hence, under CSHB 651 you would have an 8 member Authority making decisions relating to Marine Highways with one member, the Commissioner appointed by a seven member board which oversees the Department. And, the Board under AS 44.42.021 (b) (11) of CSHB 654 must,

"supervise and maintain all state ... vessels"

DOTPF maintains that CSHB 654 will create another layer of bureacracy, and when combined with CSHB 651 it becomes confusing and there is an overlap of responsibility.

BOB---- GOOD. A MAJOR PROBLEM WITH  
AUTHORITIES IS THAT THEY ARE NOT  
RESPONSIVE TO PUBLIC!

LEG BUDGET&AUDIT DID A REPORT EARLY IN  
YEAR ON PUBLIC CORPORATE BODIES. PLS  
CHECK AND SEE WHAT WOULD BE RELEVANT  
HERE... ALSO PLS INQUIRE ZIEGLER AND  
ELIASON WHETHER THEY HAVE ANY STRONG  
INTEREST IN THIS IDEA. VIC 5-3 EVE

To: Vic  
From: Bob  
Re: CSHB 651

Date: 5/3/82

CSHB 651 by Cato creates the "Alaska Marine Highway Authority".

There are basically two reasons to create an Authority, 1) to allow a degree of autonomy from the normal bureaucracy, and 2) provide a favorable means of financing major construction projects.

CSHB 651 accomplishes only point 1. The bill makes the now Division of Marine Transportation a separate legal entity, separate and apart from the DOTPF.

Normally, an Authority would have the power to sell revenue bonds. Revenue bonds are secured by the viability of the project itself. However, program receipts currently cover only half of the Division's operating expenses (not debt service). This would not be enough income to secure a revenue bond.

Hence, unless the Legislature wants to give this Authority considerably more latitude in financing options, the power to sell revenue bonds is superfluous. Nobody would buy them.

Cato's office supports this bill for vague reasons, saying the Division of Marine Transportation is unresponsive to the public. I'm not exactly clear how an Authority would solve this problem.

DOTPF says the "net" first year cost of this legislation would be \$2,455,300. This includes some non-recurring start-up expenses. So, the cost for F.Y. 84 would fall to \$1,342,900.

DOTPF says they have assumed that the Authority would eventually be completely autonomous. I believe the implication is that this means there is some duplicative administrative costs.

The authority would require 22 new positions, and would get 34 positions transferred from the Division of Marine Transportation. That Division currently has 651 full-time employees.

DOTPF does not support the bill.

Walt Parker supports the concept of a Marine Highway Authority, and believes it could work well with a "restructured DOT". He was not clear about exactly how DOTPF should be restructured, or if Cato's bills are what he has in mind.

One final note: Authorities are normally created when there is a lost of construction that needs to be done fast. Like the Power Authority (dams) and the Housing Authority (houses).

Does anyone envision a lot of new capital construction associated with the ferry system? I believe most of its duties are more operation and maintenance than new construction.

HB

654

List of Equipment

Beacon- C B radio and Wide-Load sign

Safety

Chains  
Fire extinguisher  
Flares  
Artic Gear  
Sleeping Bag  
Should have pick-up  
for North Haul Road  
1/2 or 3/4 top (optinal) 4/4

Extra Parts for Vehicle

Fan Belt  
Alternater Belt  
Spark Plug  
Head Lights  
Air Filter  
Oil  
Heat  
2 Spare Tires  
Tools  
Jack  
Extra Fuel  
Extra Food and Water  
Jumper Cables  
Fuses

This should be standard equipment in the pilot cars at all times.

Sincerely:

*Geraldine Chisum*

Geraldine Chisum  
Cherokee Pilot Car Service

*Florence McKenzie*

Florence McKenzie  
5th Wheel Pilot Car Service

## Pilot Car Rights and Public Safety Regulations

### Section 1

1. To obtain rights as a pilot car company, must have proof of at least (seven years) of driving experince south and north of Fairbanks.
2. For public safety on th Alaska State highways a pilot car driver shall pass a written test on piloting a over-sized or over-length load.
3. Shall be at least 19 years of age, with a good driving record.
4. Proof of full insurance coverage on pilot vehicle and the insurance company be advised that the vehicle is being used as a pilot car.
5. Should have a Alaska business license.

### Section 11

1. Equipment that should be carried at all times, and the driver know how to use the safety equipment and do minor repaires on own vehicle.

Delivered by  
Asst Sgt Arms  
1:40 pm 5-382

Cherokee Pilot Car Service  
S.R.A. Box 462  
Willow, AK 99688  
May 2, 1982

Senator Vic Fischer  
Pouch V.  
Juneau, AK 99811

Dear Mr. Fischer:

We started working last fall with Senator Korttula trying to get some safety regulations for pilot cars.

After reviewing the status of other states, Senator Korttula advised us to get in contact with you concerning this problem. In the last year there have been several accidents involving our over-sized loads on our public high ways.

On June 1st the haul road will be opened to the public again, with road conditions and the increase in heavy hauling. The state has passed a regulation that pilot cars go to Prudho Bay with all over-sized loads.

The trucking firms are using any one with the cheapist rate no matter if they are qualified or not.

The pilot cars should be a safety factor, but without proper regulations and training most of them are a hazard.

As it stands the only regulations are a flashing beacon and a wide load sign, so we are sending what we feel should be part of the requirements of any "Pilot Car Service."

We would appreciate your help in this matter with this bill #135 going on the floor Monday, May 3, 1982. We feel that the pilot cars should not be included in with the other-operators.

At this time we are in negotiations with union local 959 to try and get us off the same contract with the line drivers or (owner-operators). We need our own regulations not a take off of the truckers.

Sincerely:

*Geraldine Chisum*  
Geraldine Chisum  
Cherokee Pilot Car Service

*Florence McKenzie*  
Florence McKenzie  
5th Wheel Pilot Car Service