

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5072 HSTA HB 154 - HB 166

644

ALASKA DEPARTMENT OF REVENUE  
 ENFORCEMENT DIVISION  
 WORKLOAD LEVELS UNDER SB 148  
 As of March 13, 1987

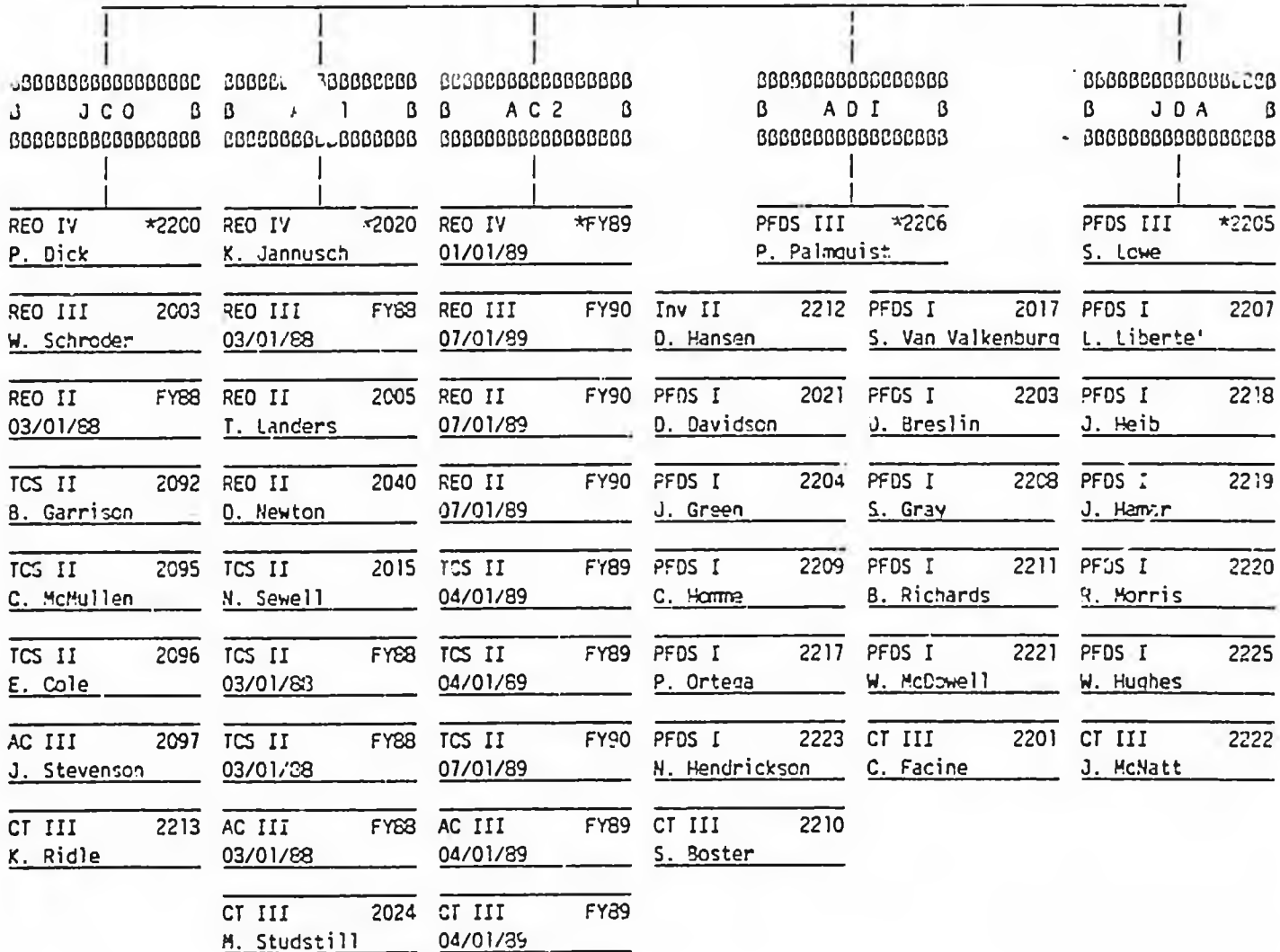
	Staffing Levels						As of 07/01/89
	As of 07/01/87	+	FY 88 Add	+	FY 89 Add		
<u>Collectors</u>						=	
Tax Collection Specialists	4		2		2		9
Revenue Enforcement Officer IIs	2		1		-0-		5
Revenue Enforcement Officer IIIs	1		1		-0-		3
<u>Total Collectors</u>	<u>7</u>		<u>4</u>		<u>2</u>		<u>17</u>
<u>Support Staff</u>							
Supervisors/Technical Advisors	2		-0-		1		3
Accounting Clerks	1		1		1		3
Clerk Typists	2		-0-		1		3
<u>Total Support Staff</u>	<u>5</u>		<u>1</u>		<u>3</u>		<u>9</u>
<u>Total Staffing</u>	<u>12</u>		<u>5</u>		<u>5</u>		<u>26</u>

Taxpayer Case Load Levels					
Tax Collection Specialists	480	240	240	120	1,080
Revenue Enforcement Officer IIs	240	120	-0-	240	600
Revenue Enforcement Officer IIIs	70	70	-0-	70	210
<u>Total Taxpayer Case Load</u>	<u>790</u>	<u>430</u>	<u>240</u>	<u>430</u>	<u>1,390</u>
<u>Taxpayer Cases as of 03/09/87</u>	<u>785</u>				

Billing Case Load Levels					
Tax Collection Specialists	1,200	600	600	300	2,700
Revenue Enforcement Officer IIs	600	300	-0-	600	1,500
Revenue Enforcement Officer IIIs	175	175	-0-	175	525
<u>Total Billing Case Load</u>	<u>1,975</u>	<u>1,075</u>	<u>600</u>	<u>1,075</u>	<u>4,725</u>
<u>Billings as of 03/09/87</u>	<u>1,963</u>				

ALASKA DEPARTMENT OF REVENUE  
 ENFORCEMENT DIVISION  
 FY 90 ORGANIZATION UNDER SB 148  
 With March 13, 1987 Incumbents

Director	*2001
T. Williams	AA I 2002
	D. Robinson
	A/P IV 2026
	J. Jefferson



Legend

- AC1: Anchorage Collections Office #1
- AC2: Anchorage Collections Office #2
- ADI: Anchorage Dividend Investigations
- JCO: Juneau Collections Office
- JDA: Juneau Dividend Appeals

\*: Supervisory Responsibilities

Positions Added

- FY 88 Additions: 4 in AC1, 1 in JCO
- FY 89 Additions: 5 in AC2
- FY 90 Additions: 4 in AC2

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: HB154

REQUEST \_\_\_\_\_

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

Revision Date: 3/13/87

Agency Affected: Revenue

Title: State Individual Income Tax

BRU: Administrative Services

Sponsor: \_\_\_\_\_

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

Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	529.0	1097.1	1171.0	1171.0	1171.0
TRAVEL	-	10.0	8.0	8.0	8.0	8.0
CONTRACTUAL	-	402.9	1028.1	1068.6	1068.6	1068.6
SUPPLIES	-	5.5	18.0	18.0	18.0	18.0
EQUIPMENT	-	163.2	158.2	-0-	-0-	-0-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	1110.6	2309.4	2265.6	2265.6	2265.6
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	1110.6	2309.4	2265.6	2265.6	2265.6
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	1110.6	2309.4	2265.6	2265.6	2265.6

POSITIONS:

FULL-TIME	-	19	28	27	27	27
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	27	27	27	27

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones

Phone: 465-2313

Division: Administrative Services

Date: 3/13/87

Approved by Commissioner: [Signature]

Date: 3/16/87

Agency: Revenue

Distribution (by Agency preparing fiscal note):

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

Department of Revenue  
Administrative Services Division  
Fiscal Note Analysis  
Individual Income Tax Bill  
3/13/87

Assumptions:

1. The Administrative Services Division will be responsible for the following functions relative to the Alaska Individual Income Tax withholding System and the Alaska Individual Income Tax Return Processing System.
  - a) Design, purchase and distribute all necessary tax returns and related forms.
  - b) Process all tax returns, including mail handling, microfilming, document review, data capture and filing.
  - c) Process all remittances of tax due which is received with tax returns.
  - d) Design, program, test, document, and maintain the automated Alaska Individual Income Tax Withholding System and Alaska Individual Income Tax Return Processing System.
  - e) Process and account for all individual income tax refunds to individuals.
  - f) Establish an automated billing subsystem for routine tax deficiencies, penalty and interest.
  - g) Acquire and maintain computer capacity to accommodate the two systems and the access required by the department's users.
2. The Department of Revenue will contract with a bank to provide a "lock-box" function, with employees depositing all individual income taxes withheld on a monthly basis.
3. The Department of Administration's data processing chargeback system will require that the Department of Revenue budget for the cost of data processing resources used by the withholding system and returns processing system. The total chargeback is budgeted in Administrative Services.
4. The Permanent Fund Dividend program will stay intact through FY92, in its current form.
5. The processing of Withholding and Individual Income Tax returns will be automated as much as possible.
6. The Alaska Individual Income Tax Withholding System must be in place before January 1, 1989.
7. The Alaska Individual Income Tax Return Processing System must be in place before January 1, 1989.
8. The fiscal note includes the incremental cost of providing space for the employees and equipment required by the department.

9. After reviewing the fiscal analyses of all divisions, an estimate of the additional computer resources needed has been made. This cost assumes:
- a) The withholding and income tax processing systems will reside on BOA's mainframe computer and will be programmed in command-level CICS.
  - b) To gain the tremendous advantages in programming development offered by the Wang VS, Revenue will purchase a software package which allows an analyst/programmer to write programs on the Wang VS and have them translated to command level CICS to run on the mainframe, which offers economical storage and processing for large files.
10. Given the existing federal tax law, this bill requires all persons receiving a permanent fund dividend to file an Alaska Individual Income Tax return. However, for purposes of this fiscal analysis, it is assumed that the final version would not require filing by a person whose only source of income is the Alaska Permanent Fund Dividend. Thus, most of Alaska's children would not have to file. If this proves not to be the case, there will be an incremental cost of processing the additional 130,000 tax returns.

Program Summary:

The Alaska Individual Income Tax will require the creation of two major processing systems:

- 1) Alaska Individual Income Tax Withholding System.
- 2) Alaska Individual Income Tax Return Processing System.

In addition to designing, programming and maintaining the two above mentioned automated systems, the Administrative Services Division will process, review, microfilm, and data capture approximately 70,000 withholding forms and 270,000 Alaska Individual Income Tax returns annually. Refund warrants will be issued on approximately 213,750 of the returns filed. In addition, approximately 25,000 individual letters will be prepared, mailed, and controlled in response to persons who file incomplete tax returns or whose tax returns result in a mathematical adjustment.

Finally, the addition of such a major program to the Department of Revenue will definitely impact the ability of the Administrative Services Division to provide general administrative support services with the existing staff.

The Administrative Services Division will require staffing as early as FY88 in order to design and establish the computerized processing systems envisioned, and to produce the forms required. In late FY88, staffing will come on board to process the Withholding reports and returns. In FY89, additional staff will be needed to support the Alaska Individual Income Tax Return Processing System. The analysis below shows the estimated expenditures for FY88 - FY92.

FY88

i. Positions:

A. Data Processing:

1 PFT Analyst/Programmer V, R21,  
 @ \$4,856/Mo including salary and  
 benefits for 12 months = \$58,272

2 PFT Analyst/Programmer IV, R19,  
@ \$4,281/Mo each including salary  
and benefits for 12 months = 102,744

2 PFT Analyst/Programmer III, R17,  
@ \$3,730/Mo each including salary  
and benefits for 6 months = 44,760

The above analyst programmer team will design, program, and maintain the two major systems mentioned above, including all subsystems and interfaces with the existing Revenue systems and the Alaska State Accounting System.

These systems will provide for a minimum of the following:

Alaska Individual Income Tax Withholding System

- \* Online system comparable to the federal system with monthly deposits, quarterly returns, and an annual reconciliation.
- \* Direct deposit system at a "lock-box" bank by employers.
- \* Automatic generation of:
  - quarterly packets of:
    - \* monthly deposit coupons
    - \* quarterly tax returns
  - notices of tax deficiencies, penalty and interest
  - standard correspondence
  - management reporting data.
- \* Interface with accounts receivable system and Alaska Individual Income Tax Return Processing System.

Alaska Individual Income Tax Return Processing System

- \* document locator number system
- \* return data capture
- \* online systems
  - access/inquiry
  - address changes
  - status change system
  - generation of out cards
  - use of microfilm vs hard copy for review
  - automated calculation checks
  - generation of reduced refund notices with appeal rights
  - generation of automated billings for deficiencies, penalty and interest with appeal rights
- \* interface with accounts receivable system (A/R)
- \* interface with AIITWHS to verify claimed withholding
- \* history file
- \* possibility of multi-year file for easy access to information on prior year activity, etc.
- \* check writing for refunds
- \* management reporting data

B. Document Processing:

1. Mailroom

1 PFT Clerk IV, R9, @ \$2,343/Mo  
including salary and benefits for  
3 months = \$7,029

This position will augment the existing mailroom staff to perform the task of receiving, opening, sorting, and distributing an additional:

- \* approximately 70,000 pieces of mail due to the Alaska Individual Income Tax Withholding System (17,500 employers times four quarterly returns.
- \* handling, sorting and posting of additional outgoing/incoming mail as follows:
  - approximately 7,000 missing information letters, billing notices, and correspondence with employers.

2. Manual Review

1 PFT Tax Examiner III, R14, @  
\$3,124/Mo including salary and  
benefits for 5 months = \$15,620

2 PFT Document Processor I, R7, @  
\$2,118/Mo including salary and  
benefits for 3 months = 12,708

These positions will manually review all Withholding Tax returns filed based on a predetermined criterion.

- \* identify incomplete returns
- \* send out automatically generated missing information letters and billing notices

3. Microfilming

1 PFT Document Processor I, R7 @  
\$2,118/Mo including salary and  
benefits for 3 months = \$6,354

These positions will augment the existing microfilm staff to microfilm, assign document locator numbers, and date stamp 100% of Withholding Tax returns filed.

4. Data Capture

2 PFT Data Processing Clerk I, R8,  
@ \$2,222/Mo including salary and  
benefits for 3 months = \$13,332

These positions will augment the existing Data Entry staff to data capture and verify captured data of 100% of returns filed.

C. General Departmental Support Services

1 PFT Chief, Income Tax Operations, R23, @ \$5,558/Mo including salary and benefits for 12 months	=	\$66,695
1 PFT Personnel Assistant II, R14, @ \$3,115/Mo including salary and benefits for 12 months	=	37,380
1 PFT Clerk Typist III, R8, @ \$2,222/Mo including salary and benefits for 12 months	=	26,664
1 PFT Supply Officer II, R16 @ \$3,515/Mo including salary and benefits for 12 months	=	43,180
2 PFT Accounting Clerk III, R10, @ \$2,463/Mo including salary and benefits for 12 months	=	59,232
1 PFT Publications Specialist I, R13, @ \$2,915/ including salary and benefits for 12 months		34,980

These positions will augment the existing general administration support staff for the additional programs and related 100+ new employees.

- \* Personnel:
  - classification of positions and respond to reclassification requests
  - maintain payroll and leave records
  - process registers, and arrange interviews
  - handle grievances, information requests, typing tests, etc.
- \* Fiscal:
  - increase in travel requests
  - general distributions
  - handling increase in cancelled warrants
- \* Supply and purchasing:
  - increase in supply orders for paper intensive organization
  - Purchases increase:
    - \* general equipment
    - \* computer terminals, printers
    - \* maintenance contracts
    - \* general office supplies
  - Property Control (terminals, furniture, calculators, etc. will increase)

Forms management:

- preparation of Individual Income Tax booklet each year (considerably more complex than PFD booklet)
- preparation of employment withholding forms
- miscellaneous support forms:
  - \* missing information letter
  - \* denial forms
  - \* check stock (refunds)

\* General:

- general supervision and management of major additional line program in division, in addition to:
  - \* permanent fund dividend program
  - \* shared taxes
  - \* administrative services to the department

TOTAL PERSONAL SERVICES

\$529.0

2. Other Expenditures:

a) Travel:

on-site review of selected tax return processing systems in other states \$4.0

training for analyst/programmers in command level CICS and Wang VS Cobol. \$6.0

TOTAL TRAVEL

\$10.0

b) Contractual:

Terminals

1. 3 Wang 4250 workstations	\$18,216
2. 3 Wang emulator boards	2,415
3. 2 Wang 4230 key-punch terminals, 2 months	1,800
4. Microfilmer, with maintenance, 3 months	3,792
5. 4 phones, centrex costs, local and long distance	5,390
6. printing: Withholding Returns, Deposit Coupons, envelopes, calendars, w-'s, etc.	42,000
7. postage	22,000
8. chargeback for computer time from DDA	91,600
9. Wang/IBM development package (NETRON-CAP) with maintenance	123,500
10. Wang/IBM remote access software with maintenance	5,240
11. Wang Disk Pack cleaning	700
12. IBM Control Unit maintenance	600

13. Wang VS-100 I.O.P. maintenance	350
14. Wang VS-100 Memory maintenance	720
15. Wang VS-100 Disk Drive maintenance	2,256
16. OGR's additional office space requirements	<u>102,354</u>

TOTAL CONTRACTUAL \$402.9

c) Supplies:

Computer, microfilming, duplicating, general consumption \$5.5

d) Equipment:

1) Kodak film cabinet	\$1,025
2) Kodak film carousel	225
3) Wang VS-100 IOP (2)	7,200
4) Wang VS-100 Memory (5 MB)	32,400
5) Wang VS-100 disk drive (528 MB)	27,000
6) Wang Disk Packs (8)	4,800
7) IBM Control Unit	8,000
8) Additional systems furniture	72,827
9) Operational seating	4,750
10) File cabinets, calculators, etc.	<u>5,000</u>

TOTAL Equipment \$163.2

TOTAL EXPENDITURES \$1,110.6

3. Funding - General funds

4. Section Cost Analysis - N/A

Computations - N/A

Economic Impact - N/A

Impact on Local Government - N/A

FY89

1. Positions:

A. Data Processing:

1 PFT Analyst/Programmer V, R21,  
@ \$4,856/Mo including salary and  
benefits for 12 months = 58,272

2 PFT Analyst/Programmer IV, R13,  
@ \$4,291/Mo each including salary  
and benefits for 12 months = 102,744

2 PFT Analyst/Programmer III, R17,  
@ \$3,730/Mo each including salary  
and benefits for 12 months = 99,520

The above analyst programmer team will design, program, and maintain the two major systems mentioned above, including all subsystems and interfaces with the existing Revenue systems and the Alaska State Accounting System.

These systems will provide for a minimum of the following:

Alaska Individual Income Tax Withholding System

- \* Online system comparable to the federal system with monthly deposits, quarterly returns, and an annual reconciliation.
- \* Direct deposit system at a "lock-box" bank by employers.
- \* Automatic generation of:
  - quarterly packets of:
    - \* monthly deposit coupons
    - \* quarterly tax returns
  - notices of tax deficiencies, penalty and interest
  - standard correspondence
  - management reporting data.
- \* Interface with accounts receivable system and Alaska Individual Income Tax Return Processing System.

Alaska Individual Income Tax Return Processing System

- \* document locator number system
- \* return data capture
- \* online systems
  - access/inquiry
  - address changes
  - status change system
  - generation of out cards
  - use of microfilm vs hard copy for review
  - automated calculation checks
  - generation of reduced refund notices with appeal rights
  - generation of automated billings for deficiencies, penalty and interest with appeal rights

- \* interface with accounts receivable system (A/R)
- \* interface with AIITWHS to verify claimed withholding history file
- \* possibility of multi-year file for easy access to information on prior year activity, etc.
- \* check writing for refunds
- \* management reporting data

8. Document Processing:

1. Mailroom

1 PFT Clerk IV, R9, @ \$2,343/Mo  
including salary and benefits for  
12 months = \$29,116

1 PFT Clerk II, R7, @ \$2,118/Mo  
including salary and benefits  
for 6 months = 12,708

These positions will augment the existing mailroom staff to perform the task of handling, opening, sorting, and distributing an additional:

- \* approximately 275,000 Individual Income tax returns filed per year.
- \* approximately 70,000 pieces of mail due to the Individual Income Tax Withholding System.
- \* posting, handling and sorting of additional outgoing mail as follows:
  - approximately 7,000 missing information letters, billing notices, etc.

2. Validation

1 PFT Data Processing Clerk I,  
R8, @ \$2,222/Mo including  
salary and benefits for 6 months = \$13,332

This position will manually validate all the Alaska Withholding and Individual Income Tax Returns accompanied with a payment.

- \* separate checks and returns
- \* validate checks and returns
- \* forward checks to Treasury
- \* forward returns to microfilming

3. Manual Review

1 PFT Tax Examiner III, R14, @  
\$3,124/Mo including salary and  
benefits for 12 months = \$37,488

2 PFT Document Processor I, R7, @  
\$2,118/Mo each including salary and  
benefits for 12 months = 50,932

4 PFT Document Processor I, R7, @  
\$2,118/Mo each including salary  
and benefits for 6 months = 50,932

20 TEMP Document Processor I, R7, @  
\$1,569/Mo each including salary and  
benefits for 6 months = 188,290

These positions will manually review all Withholding and Individual Income Tax returns filed based on a predetermined criterion.

- \* identify incomplete returns
- \* send out automatically generated missing information letters
- \* identify returns for desk examination

#### 4. Microfilming

1 PFT Document Processor I, R7 @  
\$2,118/Mo including salary and  
benefits for 6 months = \$12,708

This position will augment the existing microfilm staff to microfilm, assign document locator numbers, and date stamp 100% of Withholding and Individual Income Tax returns filed.

#### 5. Data Capture

1 PFT Data Processing Clerk III, R11  
@ \$2,613/Mo including salary and  
benefits for 6 months = \$15,678

2 PFT Data Processing Clerk I, R8,  
@ \$2,222/Mo each including salary  
and benefits for 12 months = 53,328

1 PFT Data Processing Clerk I, R8  
@ \$2,222/Mo including salary and  
benefits for 6 months = 13,332

7 TEMP Data Processing Clerk I,  
R8 @ \$1,557/Mo each including  
salary and benefits for 6 months = 69,594

These positions will augment the existing Data Capturing staff to data capture and verify captured data of 100% of Withholding and Individual Income Tax returns filed.

#### C. General Departmental Support Services

1 PFT Chief, Income Tax Operations,  
R23, @ \$5,558/Mo including salary  
and benefits for 12 months = \$66,696

1 PFT Personnel Assistant II, R14,  
 @ \$3,115/Mo including salary and  
 benefits for 12 months = 37,380

1 PFT Personnel Assistant I, R12,  
 @ \$2,773/Mo including salary and  
 benefits for 12 months = 33,270

2 PFT Accounting Clerk III, R10,  
 @ \$2,468/Mo each including salary  
 and benefits for 12 months = 59,232

1 PFT Clerk Typist III, R8, @  
 \$2,222/Mo including salary and  
 benefits for 12 months = 26,564

1 PFT Publications Specialist I,  
 R13, @ \$2,915/Mo including salary  
 and benefits for 12 months = 34,980

1 PFT Supply Officer II, R16,  
 @ \$3,515/Mo including salary and  
 benefits for 12 months = 42,180

These positions will augment the existing general administration support staff for the additional programs and related 100+ new employees.

- \* Personnel:
  - classification of positions and respond to reclassification requests
  - maintain payroll and leave records
  - process registers, and arrange interviews
  - handle grievances, information requests, typing tests, etc.
- \* Fiscal:
  - increase in travel requests
  - general distributions
  - handling increase in cancelled warrants
- \* Supply and purchasing:
  - increase in supply orders for paper intensive organization
  - Purchases increase:
    - \* general equipment
    - \* computer terminals, printers
    - \* maintenance contracts
    - \* general office supplies
  - Property Control (terminals, furniture, calculators, etc. will increase.
- \* Forms management:
  - preparation of Individual Income Tax booklet each year (considerably more complex than PFD booklet)

- preparation of employment withholding forms
- miscellaneous support forms:
  - \* missing information letter
  - \* denial forms
  - \* check stock (refunds)

\* General:

- general supervision and management of major additional line program in division, in addition to:
  - \* permanent fund dividend program
  - \* shared taxes
  - \* administrative services to the department

TOTAL PERSONAL SERVICES \$1,097.1

2. Other Expenditures:

a) Travel:

training, increased EEO travel, data processing coordination \$8.0

b) Contractual:

1. 11 Wang 4250 workstations	\$66,792
2. 11 Wang emulator boards	8,855
3. 9 Wang 4230 workstations	48,600
4. 1 Wang DWS 55 printer	3,636
5. Printing - tax booklets, "L" letters, W/H forms, check stock, envelopes, etc.	202,000
6. Postage - booklets, letters, W/H forms, etc.	95,475
7. 2 Kodak Microfilers with maintenance	30,336
8. 2 Kodak Reader/Printers	13,704
9. IBM Copier with maintenance	10,308
10. 20 phones, centrex costs, local and long distance	26,960
11. Risk management	600
12. Pitney Bowes 6500 System with maintenance	7,284
13. Chargeback for computer time from DOA	286,000
14. Wang Disk Pack cleaning	700
15. IBM Control Unit maintenance	600
16. Wang VS-100 I.O.P maintenance	360
17. Wang VS-100 Memory maintenance	720
18. Wang VS-100 Disk Drive maintenance	2,256
19. Wang/IBM remote access maintenance	240
20. Wang/IBM development package (NCTRON-CAP) with maintenance	15,000

21. 2 Borroughs EP 301 with maintenance	3,000	
22. DOR's additional office space requirements	<u>204,708</u>	
TOTAL CONTRACTUAL		\$1,023.1

c) Supplies:

Computer, microfilm, duplicating, general consumption		\$18.0
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d) Equipment:

1. Kodak film carrousel	\$ 225	
2. Additional systems furniture	137,988	
3. Operational seating	9,000	
4. File cabinets, calculators, etc.	<u>11,000</u>	
TOTAL Equipment		\$158.2

TOTAL EXPENDITURES		<u>\$2,309.4</u>
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- 3. Funding - General funds
- 4. Section Cost Analysis - N/A
- Computations - N/A
- Economic Impact - N/A
- Impact on Local Government - N/A

FY90 - FY92

1. Positions:

A. Data Processing:

1 PFT Analyst/Programmer V, R21,  
@ \$4,356/Mo including salary and  
benefits for 12 months = \$58,272

2 PFT Analyst/Programmer IV, R19,  
@ \$4,281/Mo each including salary  
and benefits for 12 months = 102,744

1 PFT Analyst/Programmer III, R17,  
@ \$3,730/Mo each including salary  
and benefits for 12 months = 44,760

The above analyst programmer team will design, program, and maintain the two major systems mentioned above, including all subsystems and interfaces with the existing Revenue systems and the Alaska State Accounting System.

These systems will provide for a minimum of the following:

Alaska Individual Income Tax Withholding System

- \* Online system comparable to the federal system with monthly deposits, quarterly returns, and an annual reconciliation.
- \* Direct deposit system at a "lock-box" bank by employers.
- \* Automatic generation of:
  - quarterly packets of:
    - \* monthly deposit coupons
    - \* quarterly tax returns
  - notices of tax deficiencies, penalty and interest
  - standard correspondence
  - management reporting data.
- \* Interface with accounts receivable system and Alaska Individual Income Tax Return Processing System.

Alaska Individual Income Tax Return Processing System

- \* document locator number system
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  - generation of automated billings for deficiencies, penalty and interest with appeal rights

- \* interface with accounts receivable system (A/R)
- \* interface with AIITWHS to verify claimed withholding history file
- \* possibility of multi-year file for easy access to information on prior year activity, etc.
- \* check writing for refunds
- \* management reporting data

3. Document Processing:

1. Mailroom

1 PFT Clerk IV, R9, @ \$2,343/Mo  
including salary and benefits for  
12 months = \$28,116

1 PFT Clerk II, R7, @ \$2,118/Mo  
including salary and benefits  
for 12 months = 25,416

These positions will augment the existing mailroom staff to perform the task of handling, opening, sorting, and distributing an additional:

- \* approximately 275,000 Individual Income tax returns filed per year.
- \* approximately 70,000 pieces of mail due to the Individual Income Tax Withholding System.
- \* posting, handling and sorting of additional outgoing mail as follows:
  - approximately 7,000 missing information letters, billing notices, etc.

2. Validation

1 PFT Data Processing Clerk I,  
@ \$2,222/Mo including salary  
and benefits for 12 months = \$26,564

This position will manually validate all the Alaska Withholding and Individual Income Tax Returns accompanied with a payment.

- \* separate checks and returns
- \* validate checks and returns
- \* forward checks to Treasury
- \* forward returns to microfilming

3. Manual Review

1 PFT Tax Examiner III, R14, @  
\$3,124/Mo including salary and  
benefits for 12 months = \$37,488

6 PFT Document Processor I, R7, @  
\$2,118/Mo each including salary and  
benefits for 12 months = 152,496

20 TEMP Document Processor I, R7, @  
\$1,569/Mo each including salary and  
benefits for 6 months = 188,280

These positions will manually review all Withholding and Individual Income Tax returns filed based on a predetermined criterion.

- \* identify incomplete returns
- \* send out automatically generated missing information letters
- \* identify returns for desk examination

#### 4. Microfilming

1 PFT Document Processor I, R7 @  
\$2,118/Mo including salary and  
benefits for 12 months = \$25,416

This position will augment the existing microfilm staff to microfilm, assign document locator numbers, and date stamp 100% of Withholding and Individual Income Tax returns filed.

#### 5. Data Capture

1 PFT Data Processing Clerk III, R11  
@ \$2,613/Mo including salary and  
benefits for 12 months = \$31,356

3 PFT Data Processing Clerk I, R8,  
@ \$2,222/Mo each including salary  
and benefits for 12 months = 79,992

7 TEMP Data Processing Clerk I,  
R8 @ \$1,557/Mo each including  
salary and benefits for 6 months = 69,594

These positions will augment the existing Data Capturing staff to data capture and verify captured data of 100% of Withholding and Individual Income Tax returns filed.

#### C. General Departmental Support Services

1 PFT Chief, Income Tax Operations,  
R23, @ \$5,558/Mo including salary  
and benefits for 12 months = \$66,696

1 PFT Personnel Assistant II, R14,  
@ \$3,115/Mo including salary and  
benefits for 12 months = 37,380

1 PFT Personnel Assistant I, R12,  
@ \$2,773/Mo including salary and  
benefits for 12 months = 33,270

2 PFT Accounting Clerk III, R10,  
@ \$2,468/Mo each including salary  
and benefits for 12 months = 59,232

1 PFT Clerk Typist III, R8, @  
\$2,222/Mo including salary and  
benefits for 12 months = 25,664

1 PFT Publications Specialist I,  
R13, @ \$2,915/Mo including salary  
and benefits for 12 months = 34,980

1 PFT Supply Officer II, R16,  
@ \$3,515/Mo including salary and  
benefits for 12 months = 42,180

These positions will augment the existing general administration support staff for the additional programs and related 100+ new employees.

\* Personnel:

- classification of positions and respond to reclassification requests
- maintain payroll and leave records
- process registers, and arrange interviews
- handle grievances, information requests, typing tests, etc.

\* Fiscal:

- increase in travel requests
- general distributions
- handling increase in cancelled warrants

\* Supply and purchasing:

- increase in supply orders for paper intensive organization
- Purchases increase:
  - \* general equipment
  - \* computer terminals, printers
  - \* maintenance contracts
  - \* general office supplies
- Property Control (terminals, furniture, calculators, etc. will increase.

\* Forms management:

- preparation of Individual Income Tax booklet each year (considerably more complex than PFD booklet)
- preparation of employment withholding forms
- miscellaneous support forms:
  - \* missing information letter
  - \* denial forms
  - \* check stock (refunds)

- \* General:
  - general supervision and management of major additional line program in division, in addition to:
    - \* permanent fund dividend program
    - \* shared taxes
    - \* administrative services to the department

TOTAL PERSONAL SERVICES \$1,171.0

2. Other Expenditures:

a) Travel:

training, increased EEO travel, data processing coordination \$8.0

b) Contractual:

1.	11 Wang 4250 workstations	\$66,792
2.	11 Wang emulator boards	8,855
3.	9 Wang 4230 workstations	48,600
4.	1 Wang DWS 55 printer	3,636
5.	Printing - tax booklets, "L" letters, W/H forms, check stock, envelopes, etc.	186,000
6.	Postage - booklets, letters, W/H forms, etc.	80,475
7.	2 Kodak Microfilmers with maintenance	30,336
8.	2 Kodak Reader/Printers	13,704
9.	IBM Copier with maintenance	10,308
10.	20 phones, centrex costs, local and long distance	26,960
11.	Risk management	600
12.	Pitney Bowes 6500 system with maintenance	7,284
13.	Chargeback for computer time from DOA	357,500
14.	Wang Disk Pack cleaning	700
15.	IBM Control Unit maintenance	600
16.	Wang VS-100 I.O.P maintenance	360
17.	Wang VS-100 Memory maintenance	720
18.	Wang VS-100 Disk Drive maintenance	2,256
19.	Wang/IBM development package (NETRON-CAP) with maintenance	15,000
20.	Wang/IBM remote access maintenance	240
21.	2 Borroughs EP 301 with maintenance	3,000
22.	DOR's additional office space requirements	<u>204,708</u>

TOTAL CONTRACTUAL \$1,068.5

c) Supplies:

Computer, microfilm, duplicating,  
general consumption \$18.0

d) Equipment: None.

TOTAL EXPENDITURES \$2,265.6

3. Funding - General funds

4. Section Cost Analysis - N/A

Computations - N/A

Economic Impact - N/A

Impact on Local Government - N/A

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: \_\_\_\_\_  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: State Income Tax

Agency Affected: Department of Revenue  
BRU: Treasury

Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	32.3	46.4	46.4	46.4	46.4
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	44.5	89.1	89.1	89.1	89.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	77.4	135.5	135.5	135.5	135.5
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	77.4	135.5	135.5	135.5	135.5
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	77.4	135.5	135.5	135.5	135.5

POSITIONS:

FULL-TIME	-	1	1	1	1	1
PART-TIME	-	1	1	1	1	1
TEMPORARY	-	-	-	-	-	-

ANALYSIS: see attached analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350  
Date: February 25, 1987

Approved by Commissioner: [Signature] For  
Agency: Department of Revenue

Date: 2/26/87  
3/16/87

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

DEPARTMENT OF REVENUE  
TREASURY DIVISION

FISCAL NOTE ANALYSIS

ASSUMPTIONS:

1. Cash Management Section will develop the RFP and the contract to lockbox the monthly employers' withholding tax deposits. 17,800 payments per month.
2. Cash Management Section will perform the depository functions of the remittances attached to individual tax returns. 100,000 per year.
3. Cash Management Section will process all returned items (NSF checks, etc.). 1,500 per year.
4. Processing and deposit of penalty and interest payments.
5. Cash Management Section will provide the accounting to AKSAS and reconciliation between the bank, AKSAS, and the Department of Revenue's system for the tax payments on a consolidated basis.

COSTS:

<u>Personal Services</u>	<u>FY 1988</u>	<u>FY 1989</u>
Accounting Technician I \$2,718 X 12 mo	19.0*	32.5
Accounting Clerk II \$2,310 X 6 mo	13.3	13.3
Lockbox contract	<u>44.5</u>	<u>39.1</u>
<b>TOTAL</b>	<b><u>\$77.4</u></b>	<b><u>\$135.5</u></b>

\* 7 months in FY 1988

DEVELOPMENT TIME:

		<u>Completion Date</u>
Technical Analysis of the required system	4 months	10/87
Lockbox Contract	3 months	12/87
In-house training of depository procedures	2 weeks	12/87
In-house training of accounting procedures	2 weeks	12/87

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST \_\_\_\_\_ Bill Version: \_\_\_\_\_  
 \_\_\_\_\_ Publish Date: \_\_\_\_\_  
 Revision Date: \_\_\_\_\_ Agency Affected: Revenue  
 Title: Individual Income Tax BRU: Commissioner's Office (Research)  
 \_\_\_\_\_  
 Sponsor: \_\_\_\_\_ Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	24.6	24.6	24.6	24.6	24.6
TRAVEL	-	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	-	39.0	28.6	28.6	28.6	28.6
SUPPLIES	-	.9	.9	.9	.9	.9
EQUIPMENT	-	6.8	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	103.7	85.6	85.6	85.6	85.6
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	103.7	85.6	85.6	85.6	85.6
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See Attached.

Prepared By: David Tonkovich <sup>DRT</sup> Phone: 465-2173  
 Division: Revenue/Research Date: 2/25/87  
 Approved by Commissioner: Hugh Malone Date: 7/24/87  
 Agency: Department of Revenue 3/18/87

- Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 Senate Secretary

Continuation of Fiscal Note/Bill Analysis

Individual Income Tax

Assumptions:

1. The Research Section will be responsible for economic and statistical reports on the Individual Income Tax.
2. The Research Section will forecast tax revenues and respond to requests from the Governor's Office, the Legislature and the Public for current and historical statistical information.
3. The Research Section will prepare fiscal notes on revenue impacts of any proposed changes to income tax law.
4. Assumes that duties begin at the start of FY88. Items with a asterisk (\*) are costs for the first year only.

1. Positions

Research

1 PFT Economist II, R 20 at \$4,550/mo.  
including salary and benefits for  
12 months

Total Personal Services

\$54.6

The above position will do all analysis, program development and coordination of research on the individual income tax. These duties include forecasting economic conditions and tax revenues. Other duties will include development and maintenance of data bases to support the research and forecasting efforts, the preparation of fiscal notes, policy analyses, and coordination of research needs with those of tax administrators.

This work will provide the following information:

1. Income and tax information by income class.
2. The ability to estimate revenue impacts of any significant change in tax structure - rates, income classes, exemptions and deductions.
3. If zip code information is available it should be possible to present such data on a geographic basis.

2. Other Expenditures

a. Travel

Assume 3 trips in-state per year for  
coordination, public information, testimony \$1.5

b. Contractual

1. Economic Consulting during model development  
15 days at \$750/day 11.3\*
2. Phone, centrex, local and long  
distance charges .5
3. Chargeback for computer time from DCA 29.0

c. Supplies

Duplication, general consumption, mailing .7  
Books, technical journals .2

d. Equipment

1. Wang APC, VS Communication Board and  
30mb Hard Disk 6.5\*
2. Desk Calculator .3\*

Total Expenditure First Year \$103.7

Total Expenditure Subsequent Years \$85.6

3. Funding - General Funds

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SB 148/HB 154

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

REQUEST

Revision Date: \_\_\_\_\_  
Title: "...taxation of income derived by individuals, partnerships, & fiduciaries..."  
Sponsor: Rules Committee by the Governor  
Requestor: \_\_\_\_\_

Agency Affected: Revenue  
BRU: Public Services - Operating  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

<u>OPERATING</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
PERSONAL SERVICES	0	39.5	250.3	270.6	281.4	292.7
TRAVEL	0	16.5	22.0	3.4	3.7	3.1
CONTRACTUAL	0	98.0	136.5	102.0	107.1	111.0
SUPPLIES	0	.5	6.0	6.5	7.0	7.5
EQUIPMENT	0	5.0	31.2	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS/CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<u>TOTAL OPERATING</u>	<u>0</u>	<u>159.5</u>	<u>446.0</u>	<u>387.5</u>	<u>404.2</u>	<u>420.3</u>

<u>CAPITAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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<u>REVENUE</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	159.5	446.0	387.5	404.2	420.3
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<u>TOTAL</u>	<u>0</u>	<u>159.5</u>	<u>446.0</u>	<u>387.5</u>	<u>404.2</u>	<u>420.3</u>

POSITIONS:

FULL-TIME	0	1	9	9	9	9
PART-TIME	0	0	3	3	3	3
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

See attached

Prepared by: Sally Smith *Sally Smith*  
Division: Public Services

Phone: 465-2392  
Date: February 25, 1987

Approved by: *A. Malone*  
Commissioner: \_\_\_\_\_  
Agency: Revenue

Date: 3/16/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Imoacted Agency(ies)
- Senate Secretary

Assumptions

1. Regulations will be promulgated requiring monthly or quarterly reporting of taxes withheld on wages.
2. Approximately 17,500 withholding reports and 275,000 annual individual income tax returns will need processing.
3. Public Services Division will provide individual income tax assistance to both businesses and individuals.
4. Public Services Division, in close association with the Audit Division, will develop employee training for the division and employer training for the public.

Public Services Operating BRU

Expenditures

<u>100 Personal Services</u>		<u>FY 88</u>	<u>FY 89</u>	
1-	Revenue Office Manager	3,293 @ 12 mos.	39.5	39.5
2-	Document Processing Clerk III	2,468 @ 10 mos.		49.4
3-	Document Processing Clerk II	2,221 @ 10 mos.		66.6
1-	Document Processing Clerk II	2,468 @ 10 mos.		24.7
2-	Clerk Typist II	2,118 @ 10 mos.		42.4
2-	Document Processor II	2,221 @ 4 mos.		17.8
1	Document Processor II	2,468 @ 4 mos.		<u>9.9</u>
Total Annual Wages and Benefits			39.5	250.3

The Revenue Office Manager's position will be activated in July of 1987 to develop employee training for the division and employer training for the public on the withholding requirements which will begin in the first quarter of 1988. The remaining positions will be activated in September 1988 to allow for training of individual income tax issues. Filing of individual income taxes will start January 1, 1989 and be required on April 15, 1989.

200 Travel

Employer Training

One Employee to Anchorage, Fairbanks, Nome, Kotzebue, Barrow, Kodiak, Kenai Peninsula, Sitka, Ketchikan, Bethel, Petersburg, and Wrangell	6.5	-0-
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Administrative Travel

Anchorage and Fairbanks	10.0	12.0
-------------------------	------	------

Employee Training

		<u>10.0</u>
Total Travel	16.5	22.0

Employees hired to assist the general public in the completion of their individual income tax returns will be required to participate in a training course. Funds are designated above to facilitate course presentation in Anchorage and Juneau.

<u>300 Contractual</u>	<u>FY89</u>	<u>FY90</u>
Advertising campaign		
Withholding requirements	45.0	
Income Tax Filing		30.0
Postage	30.0	3.5
Printing	5.0	5.0
Telephone Charges	15.0	30.0
Messenger Service	2.0	5.0
Computer Terminal Maintenance (7)	.5	3.5
Publications	.5	2.0
Reconfiguration of Office Space	<u>-0-</u>	<u>2.5</u>
Total Contractual	98.0	136.5

Enactment of the individual income tax with the requirement for employer withholding from wages will be brought to the attention of the public. Funds are requested for production of a television and radio advertising campaign plus two mailouts to all businesses informing them of the requirement to withhold an employee's wages. Funds are also requested in FY 89 for a general newspaper, radio and television campaign to notify the general public to file, where to file, and where to get help in completing their returns.

400 Supplies

Office Supplies	.5	6.0
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Office supplies are estimated at \$5.5 per employee.

500 Equipment

Office Equipment	5.0	31.2
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Office equipment and furniture includes desks, chairs, calculators, file cabinets, and computer terminals.

3/10/87

FAIRBANKS

Daily News - Miner

"Independent in All Things. Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Opposed? Then propose!

Since Gov. Steve Cowper introduced his income tax bill a few days ago, our state's politicians have begun lining up on one side or the other of the question.

The position of those who favor the tax is difficult. No one not even its supporters, wants an income tax, not the way you want a glass of ice water on a hot day. It's more a matter of having concluded the income tax is the least unpleasant of the options before us.

What the backers are saying is, even after making every conceivable cut to the state budget, they can't see how to run state government without more money.

The position of the other side is simple enough: No.

Legislators opposed to the income tax say the folks back home don't want it, and that's that.

It's traditional and natural for people to resist new taxes, of course, and that tradition is particularly strong here in Alaska. Perhaps that's because, for much of our history, someone else has supported Alaska government.

In territorial days, it was the federal government. For the first 20 years of statehood, we did not have much of our own way, but then the oil began to flow and the oil companies began to pay it.

We don't like the idea of an income tax any more than anyone else, but we're inclined to agree with the governor that there seems no good way out of it.

We respect the views of the idea's opponents, who generally argue that we can escape the income tax by making deeper cuts to the state budget and by using various pools of money the state has tucked away, and we hope they're right.

But we think it's time they got specific. What exactly would they cut out of the budget to balance it? Let's remember that Gov. Cowper, even with the income tax, wants to eliminate local road maintenance and to cut education support to the bone. Let the income tax's opponents say what cuts they would make, above and beyond all the ones that Gov. Cowper has proposed.

And let them say where, exactly, they would find other revenues. Do they propose to open up the Alaska Permanent Fund, to end the dividend program, what?

It's all very well to say the governor's budget proposals won't fly, but those who say it have an obligation to offer some of their own, and show that they're better.

A friend in need

If you consider yourself a friend of public broad-

get longer and the sun... turn to... you... the Placer Mining... This will be the Ninth Annual Alaskan Conference on Placer Mining. If you live in or near the Fairbanks area, don't miss it!

The conference will begin on Tuesday, March 24, at 9 a.m. at the Travelers Inn. The first morning will be devoted to a discussion of flocculents by Dr. Bernie Scheiner with the U.S. Bureau of Mines, from Tuscaloosa, Ala. Dr. Scheiner was involved with the PEO studies conducted in Alaska last summer.

On Tuesday afternoon the Environmental Protection Agency will be giving a workshop on the newly proposed National Effluent Guidelines for placer mining. These guidelines are scheduled to go into effect in the fall, and will be the basis for issuing permits to placer miners in the future.

Wednesday morning, March 25, the conference will kick off at 10 a.m. at the Travelers Inn with an update on the Placer Mining Demonstration Grant program. This will be the final public exposure of results from the innovative grant program.

Wednesday afternoon at 1:30 p.m., Charlie Green, with the De-

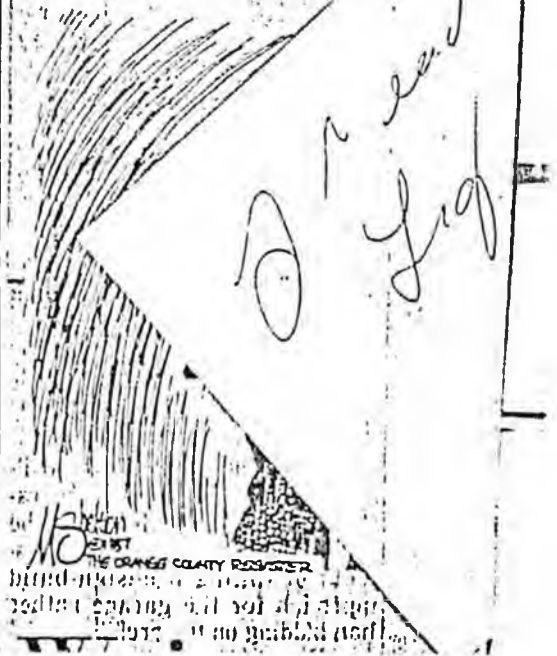
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Views expressed represent

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The con nest on member munity w come. T 9 a.m. un Walsh, include: a

... SO THERE WE WUZ... ON THE GREAT ONE GUY SE? HE'S A CONGRESSMAN THE OTHER I... AIN' HE'S A MOVIE STAR SO...! WHY DON'T WE... YOUR BIG HO... ONE O' YOUSE CAN USE... CONNECTIONS TO GET



THE ORANGE COUNTY REGISTER



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

Volume 31, Number 3

March 6, 1987

## Uncertain Funding Levels Pose Serious Risk

Nothing definitive or even predictable has yet developed to give any real signal as to the level of funding which will be available in 1987-88. Further, it is not likely that such a decision will be known until near the close of the legislative session on May 18.

Recent discussions have focused on SB-119 or HB 126, identical bills proposed by the Governor as modification to the current funding formula. They continue the instructional unit count technique while using a different variation on the computation than is in the current formula.

They also change the area differentials by bringing them into line with those used in state employee compensation plans. It is interesting to note that these new area differentials are the result of a GRIEVANCE ARBITRATION award which was decided by an arbitrator in October, 1986. (Arbitration may be gaining some credibility with DOE officials).

The bottom line on both SB 119 and HB 126 is that the funds available for distribution are capped at \$428 million, the figure which is in the Governor's proposed operating budget for foundation funding.

Because the \$428 million figure is intended to include the STATE'S SHARE of the TRS contribution, estimated to be approximately \$25 million, along with a reduction in the pupil transportation amount of nearly \$6 million, elimination of the secondary formula account of \$6 million, and elimination of the community schools support of \$2+ million, the actual amount available for aid to schools figures to be closer to \$395 million.

The result is that many school districts are going to be building budgets for 1987-88 anticipating funding levels 15 percent or more lower than the original appropriation for 1986-87.

Data now coming into the Juneau office from members and locals around the state shows that services to students will be far from adequate and that the very quality of the programs in our schools is at serious risk.

### SB 115 - Supplemental Funding

SB 115, a bill which provides supplemental funding in the current fiscal year for pupil transportation, tuition students, the Juneau multi-handicapped program, Kotzebue Technical Center, and for holding harmless those districts that otherwise lose in excess of 10 percent of their funding level in the current school year (15 districts).

This bill passed the Senate with no dissenting votes and has been assigned to the House HESS and Finance Committees. Hearings have been tentatively scheduled for the week of March 16th in House HESS. However, prognosis for early passage is not bright.

Volume 31, Number 3

March 6, 1987

## ALONG THE LINES OF FUNDING.....REVENUE SOURCES

This past week Gov. Cowper introduced legislation to restore the Alaska income tax (HB 154 & SB 148). In the Senate it has been assigned to five (5) committees of referral (SB40, arbitration only has 4 committees of referral) and in the House it has been assigned to the State Affairs and Finance Committees.

At the January Delegate Assembly, NEA-Alaska delegates supported the restoration of the state income tax, utilization of part of the earnings from the Permanent Fund, and other alternative revenue sources, as means to provide recurring revenue sources for the operating budget and to insure adequate support for public education.

## PUBLIC SCHOOL FUNDING.....A REAL PRIORITY

Representatives from NEA-Alaska, the Alaska Council of School Administrators, the Alaska PTA, Student Government Association and the Department of Education will meet in Anchorage on March 14 to discuss the crisis which is facing public education if current funding levels are not significantly increased for 1987-88.

The recent reductions in programs and services, combined with the possibility that further reductions may be the only option under the impact of the current funding plan, brings this group together for a crucial strategy session.

## OTHER LEGISLATION

SB 135 (Josephson and Kelly) limits school districts from recruiting teachers from outside Alaska until they have exhausted various recruiting options within the state; including but not limited to newspaper advertising in each judicial district. It has been assigned to the Senate HESS and Judiciary Committees.

## FLY-IN

A number of education bills will be scheduled for hearing during the Fly-In week. Your presence in speaking to these issues which are important to teachers and to public education will be extremely helpful.

It is anticipated that the March revenue projections will also be available during the Fly-In week, which means that the focus on budgets and the levels of funding will have more clarity than exists presently.

Legislators need to hear from us relative to the effect that the level of school funding has on the program in each district in the state.

**BE THERE**

**MARCH 20 & 21**

**TOGETHER WE CAN**

STATE OF ALASKA



REPRESENTATIVE  
FRAN ULMER

HOUSE OF REPRESENTATIVES

PO. Box V  
JUNEAU, ALASKA 99811  
(907) 465-4947

March 17, 1987

The Honorable Steve Cowper  
Governor  
State of Alaska  
P.O. Box A  
Juneau, AK 99811

Dear Governor Cowper:

I would like to congratulate you on several recent actions by you and your administration.

First, congratulations and thank you for creating the Governor's Commission on Children and Youth. It is one of the most important things we can do in 1987 to reverse the deterioration of care and protection for Alaska's children. I have indicated to Speaker Grussendorf my interest in serving on the Commission.

Second, thank you for the meeting you hosted at the Mansion last week. I believe it represents a giant step in the right direction toward accomplishing some of your principal priorities. It greatly increases the level of understanding and mutual trust. Please consider doing this regularly -- weekly, if possible.

Third, yesterday was the first State Affairs Committee hearing on the personal income tax. Your team did an excellent job explaining the need for action this year on revenue measures. Commissioner Malone, Gregg Erickson, John Hansen and Deborah Vogt presented the information in a clear, concise and persuasive manner. I only wish there was a way to get them and their presentation on television to help educate the general public on the situation. If an opportunity presents itself to utilize the media, I hope you will take advantage of your team's excellence. I know you have worked hard at getting the message out, but you can't do it alone. They can help, I will help, and a few wise newspaper editors are helping.

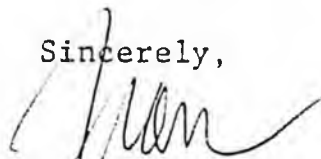
The Hon. Steve Cowper

-2-

March 17, 1987

Thank you for your efforts to make us all face the future more responsibly.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fran Ulmer". The signature is written in dark ink and is positioned above the printed name.

Fran Ulmer

H B

158

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
 Title: "An Act relating to the penalty imposed for certain traffic offenses." BRU: Alaska State Troopers  
 Sponsor: Rep. Davis Components: Detachments and C.I.B.  
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

*JMC*  
*2/11/88*

Prepared by: Francis C. Allan *F.C.A.*  
 Division: Alaska State Troopers  
 Approved by Commissioner: Arthur English *A.A.H.*  
 Agency: Public Safety  
 Distribution: (by preparer):

Phone: 269-5691  
 Date: 2/5/88  
 Date: 2/5/88

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

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version: HB 158  
Publish Date: 3/2/87

Revision Date: \_\_\_\_\_  
Title: An act relating to the penalty  
imposed for certain traffic offenses  
Sponsor: Davis, Pearce, Strutz, & Donley  
Requestor: \_\_\_\_\_

Agency Affected: Health  
State Health Services  
BRU: \_\_\_\_\_  
Components: Public Health Administration  
services - EMS

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

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>REVENUE</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						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
<b>TEMPORARY</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

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

Enactment of HB 158 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, MN, Director  
Division: Public Health

Phone: 465-3090  
Date: March 18, 1987

Approved by Commissioner: *Maria M. Merson*  
Agency: Dept. of Health & Social Services

Date: 3/23/87

**Distribution (by preparer):**

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



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

P.O. Box Y, State Capitol  
Juneau, Alaska 99811-3100  
Mail Stop 3100  
(907) 465-3991

February 20, 1987

MEMORANDUM

TO: Representative Mike Davis

ATTN: Catherine Reardon

FROM: Karla Hart *KH*  
Legislative Analyst

RE: Alternatives to Mandatory Seat Belt Laws  
Research Request 87.138

You requested information on alternatives to mandatory seat belt laws that have been proposed or implemented to encourage the use of seat belts. This is a topic which appears to have received little, if any, attention by any of the states or seat belt advocates. The National Conference of State Legislatures (NCSL) was aware of just one state (South Carolina) which was considering alternatives.

South Carolina has two bills (Attachment A) in the current legislature which would reduce penalties for moving violations, if the driver was wearing a seat belt at the time of the violation. One bill would provide for a 25 percent reduction in both the fine and points assessed against the driver. The second would reduce only the points assessed by 25 percent. Arguments the bills have encountered so far are: the reduction of the fine would have severe economic implications for local and county governments and the alteration of the point system would impact insurance rates since they are assessed on a point system also. The concern regarding insurance rates is not relevant since the industry has its own separate point system; however, this was the reason for tabling one of the two bills according to a South Carolina legislative staff member. As far as he has been able to tell, no other state has tried any incentive approach to increase seat belt usage.

At a national highway safety meeting last year, the Alternative Occupant Protection Association (New Jersey) suggested a reduction of points or fine if the driver is wearing a seat belt when stopped for a moving violation. They see it as an added incentive for usage, not in lieu of mandatory seat belt laws. Vincent A. Van Der Hyde offered some rather drastic alternatives in a strongly worded July 8, 1986 letter to the Juneau Empire (Attachment B).

Representative Davis  
February 18, 1987  
Page 2

Private industry incentives for wearing a seat belt exist. Nationwide Insurance Company pays double the insured amount for settlements in the case of a death of an insured person who was wearing a seat belt at the time of the fatal accident. The company has not conducted any research on how that policy affects seat belt usage among their insured. General Motors advertises they will pay \$10,000 to the estate of anyone killed in a GM light truck or car while wearing a seat belt.

The Insurance Institute for Highway Safety advised that a study of promotional campaigns to encourage people to wear their seat belts found that the incentive programs included in the campaigns were not effective. The Insurance Institute stressed that a strong seat belt law which is actively enforced and publicized is the best way to encourage use.

If you have any questions, please call.

Attachments

BJLL NO: HB 158

DATE: 3/9/87

TITLE: "An Act relating to the penalty imposed for certain traffic offenses."

CONTACT: Major Walter J. Gilmour  
Acting Director  
Alaska State Troopers

DEPARTMENT OF  
PUBLIC SAFETY

Provides an incentive for seatbelt use by motorists.

This bill may be an incentive for persons to wear seatbelts. Violators are given reduced fines provided they and their passengers are wearing seat belts when contacted by the citing officer.

The citing officer would have to be very alert to know if the occupants were actually utilizing seat belts or simply put them on when they realized they were being stopped for the violation.

This may confuse some people who mail in bail. They may not discount the 10% when deserved while others may discount the 10% when they in fact were not wearing belts. (The issue may be in dispute).

The bill may encourage more people to wear belts.

The bill will reduce the amount of funds generated by fines.

The bill may put additional burden on the court and the Troopers. The Court may have to issue a warrant for an individual if there is a dispute as a result of the 10% discount. The Alaska State Troopers would be required to serve these warrants.

The Department of Public Safety is neutral on this legislation.

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



Position Paper

House Bill No. 158

For an Act entitled: "An Act relating to the penalty imposed for certain traffic offenses."

This Act would amend AS 28.05.151(b) to allow a ten percent (10%) reduction in the fine or bail that would otherwise be applicable for a moving traffic violation if the driver and passengers are wearing their seatbelts at the time of the offense.

Motor vehicle crashes are a leading cause of death, injury and long-term disability. They are the leading cause of death to persons between 1 and 35 years of age. For teenagers, car crash fatalities outnumber the next five causes of death combined. Numerous studies have shown that seat belts and other vehicle safety restraints substantially reduce the likelihood of death or injury to motor vehicle occupants involved in crashes. Efforts to educate the public about the benefits of seatbelts have failed to convince the majority of vehicle occupants to use their safety belts.

This act would provide an incentive for some individuals to wear their seat belts by reducing the fine or bail imposed for a traffic violation. The Department does not believe that such a law would have as much of a measurable impact on motor vehicle deaths and injuries, as would legislation requiring mandatory safety belt use.

Position

The Department believes that the use of seatbelts can greatly reduce the number of deaths and injuries from motor vehicle crashes. The intent of this act is to encourage such use, but will probably have a minimal impact. The Department's position is neutral on this legislation.

Recommended by: Elizabeth Ward  
Elizabeth Ward, M.N.  
Director  
Division of Public Health

Date: March 19, 1987

Approved by: Myra M. Munson  
Myra M. Munson, Commissioner  
Department of Health and  
Social Services

Date: March 23, 1987



Alaska Court System  
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

KARLA L. FORBYTHE  
STAFF COUNSEL

303 K Street  
Anchorage, Alaska 99501

(907) 284-8228

March 18, 1987

Representative Mike Davis  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Representative Davis:

I am writing to bring to your attention some court system concerns relating to House Bill 158, an act relating to the penalty imposed for certain traffic offenses. This bill would require the supreme court to issue a revised bail schedule incorporating a ten percent reduction in the amount of bail if a person and passengers in a car were wearing seatbelts at the time the infraction was committed.

The bill appears on its face to apply only to infractions. However, vehicle and traffic offenses which the supreme court has listed on the bail schedule include some misdemeanors as well. These provisions could be covered by the statute by amending lines 20 and 25 to change the word "infraction" to the word "offense."

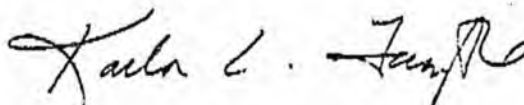
It would also be helpful if the legislation could clarify whether this legislation applies only to offenses under state law, or whether it applies to offenses under municipal ordinances as well.

With regard to the overall impact of this legislation, it appears that the greatest impact would be on enforcement officers, who would be required to determine whether the driver and passengers are wearing seatbelts, to write down the correct bail amount, and to appear in court to testify at a hearing if a person requested a court appearance to question the amount of bail. Any impact on court procedures could be absorbed with existing resources. The court system's fiscal notes is based solely on the anticipated revenue reduction.

Representative Mike Davis  
March 18, 1987  
Page Two

I hope this information is helpful. Please let me know if you have additional questions.

Sincerely,



Karla L. Forsythe  
Staff Counsel

KLF:bs

cc: Representative Drue Pearce  
Representative Richard Shultz  
Representative Dave Donley  
Representative Fran Ulmer, Chair, State Affairs Committee  
Representative John Sund, Chair, House Judiciary Committee  
Arthur H. Snowden, II, Administrative Director  
Robert G. Fisher, Fiscal Officer

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the penalty imposed for certain traffic offenses."  
Sponsor: Rep. Davis  
Requestor: House State Affairs

Agency Affected: Public Safety  
BRU: Alaska State Troopers  
Components: Detachments and C.I.B.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL

REVENUE

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

*JWC*  
*2/1/88*

Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/5/88

Approved by Commissioner: Arthur English *A.H.*  
Agency: Public Safety

Date: 2/5/88

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

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**



**REQUEST:** \_\_\_\_\_

Bill Version : HB 158  
Publish Date : 3/2/87

Revision Date: \_\_\_\_\_  
Title: An act relating to the penalty  
Imposed for certain traffic offenses  
Sponsor: Davis, Pearce, Shultz, & Donley  
Requestor: \_\_\_\_\_

Agency Affected: Health  
State Health Services  
BRU: \_\_\_\_\_  
Components: Public Health Administration  
Services - EMS

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

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>REVENUE</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						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
<b>TEMPORARY</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

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

Enactment of HB 158 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, MN, Director Phone: 465-3090  
Division: Public Health Date: March 18, 1987

Approved by Commissioner: *Maria M. Munson* Date: 3/23/87  
Agency: Dept. of Health & Social Services

**Distribution (by preparer):**

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

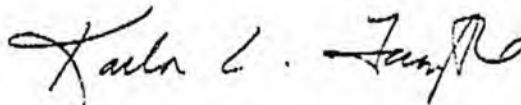
# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Representative Mike Davls  
March 18, 1987  
Page Two

I hope this information is helpful. Please let me know if you have additional questions.

Sincerely,



Karla L. Forsythe  
Staff Counsel

KLF:bs

cc: Representative Drue Pearce  
Representative Richard Shultz  
Representative Dave Donley  
Representative Fran Ulmer, Chair, State Affairs Committee  
Representative John Sund, Chair, House Judiciary Committee  
Arthur H. Snowden, II, Administrative Director  
Robert G. Fisher, Fiscal Officer



5

Alaska Court System  
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

KARLA L. FORBYTHE  
STAFF COUNSEL

309 K Street  
Anchorage, Alaska 99501

(907) 264-8228

March 18, 1987

Representative Mike Davis  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Representative Davis:

I am writing to bring to your attention some court system concerns relating to House Bill 158, an act relating to the penalty imposed for certain traffic offenses. This bill would require the supreme court to issue a revised bail schedule incorporating a ten percent reduction in the amount of bail if a person and passengers in a car were wearing seatbelts at the time the infraction was committed.

The bill appears on its face to apply only to infractions. However, vehicle and traffic offenses which the supreme court has listed on the bail schedule include some misdemeanors as well. These provisions could be covered by the statute by amending lines 20 and 25 to change the word "infraction" to the word "offense."

It would also be helpful if the legislation could clarify whether this legislation applies only to offenses under state law, or whether it applies to offenses under municipal ordinances as well.

With regard to the overall impact of this legislation, it appears that the greatest impact would be on enforcement officers, who would be required to determine whether the driver and passengers are wearing seatbelts, to write down the correct bail amount, and to appear in court to testify at a hearing if a person requested a court appearance to question the amount of bail. Any impact on court procedures could be absorbed with existing resources. The court system's fiscal notes is based solely on the anticipated revenue reduction.

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
 Title: "An Act relating to the penalty  
imposed for certain traffic offenses." BRU: Alaska State Troopers  
 Sponsor: Rep. Davis Components: Detachments and C.I.B.  
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

*JMC*  
*2/1/88*  
Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/5/89

Approved by Commissioner: Arthur English *A.A.H.*  
Agency: Public Safety

Date: 2/5/88

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

# **CORRECTION**

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5

Alaska Court System  
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

KARLA L. FORSYTHE  
STAFF COUNSEL

303 K Street  
Anchorage, Alaska 99501

(907) 264-8228

March 18, 1987

Representative Mike Davis  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

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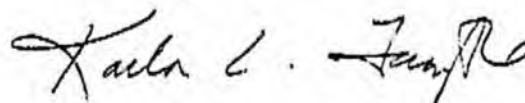
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Representative Mike Davis  
March 18, 1987  
Page Two

I hope this information is helpful. Please let me know if you have additional questions.

Sincerely,



Karla L. Forsythe  
Staff Counsel

KLF:bs

cc: Representative Drue Pearce  
Representative Richard Shultz  
Representative Dave Donley  
Representative Fran Ulmer, Chair, State Affairs Committee  
Representative John Sund, Chair, House Judiciary Committee  
Arthur H. Snowden, II, Administrative Director  
Robert G. Fisher, Fiscal Officer

3/11/87-1

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to the penalty  
 imposed for certain traffic offenses."  
 Sponsor: Rep. Davis  
 Requestor: House State Affairs

Agency Affected: Public Safety  
 BRU: Alaska State Troopers  
 Components: Detachments and C.I.B.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

*Jm2*  
*2/1/88*

Prepared by: Francis C. Allan *G.C.A.*  
 Division: Alaska State Troopers

Phone: 269-5691

Date: 2/5/88

Approved by Commissioner: Arthur English *G.A.H.*  
 Agency: Public Safety

Date: 2/5/88

Distribution: (by preparer):

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

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**



**REQUEST:** \_\_\_\_\_

Bill Version : HB 158  
Publish Date : 3/2/87

Revision Date: \_\_\_\_\_  
Title: An act relating to the penalty  
imposed for certain traffic offenses

Agency Affected: Health  
State: State Health Services  
BRU: \_\_\_\_\_

Sponsor: Davis, Pearce, Shultz, & Donley  
Requestor: \_\_\_\_\_

Components: Public Health Administration  
Services - EMS

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

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>REVENUE</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						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

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

Enactment of HB 158 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, MN, Director  
Division: Public Health

Phone: 465-3090  
Date: March 18, 1987

Approved by Commissioner: *Maria M. Munson*  
Agency: Dept. of Health & Social Services

Date: 3/23/87

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

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**



Bill Version: HB 158  
Publish Date:

**REQUEST:** \_\_\_\_\_

Revision Date: \_\_\_\_\_ Agency Affected: Alaska Court System  
 Title: An act relating to the penalty imposed for certain traffic offenses BRU: Trial Courts  
 Sponsor: Davis, Pearce, Schultz, ... Components:  
 Requestor: \_\_\_\_\_

<b>EXPENDITURES/REVENUES:</b> (Thousands of Dollars)						
OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
Personal Services	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Travel	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Contractual	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Supplies	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Equipment	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Land & Structures	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Grants & Claims	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>	<b>. . . .</b>	<b>. . . .</b>	<b>. . . .</b>	<b>. . . .</b>	<b>. . . .</b>	<b>. . . .</b>
<b>REVENUE</b>	<b>(19.2)</b>	<b>(19.2)</b>	<b>(19.2)</b>	<b>(19.2)</b>	<b>(19.2)</b>	<b>(19.2)</b>

<b>FUNDING:</b> (Thousands of Dollars)						
General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Other	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>POSITIONS:</b>						
Full-time	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Part-time	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Temporary	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .

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

See attached analysis.

Prepared by: Robert G. Fisher, Fiscal Officer  
 Division: Alaska Court System  
 Approved by: *Stephanie J. Cole* Stephanie J. Cole, Deputy Director  
 Agency: Alaska Court System

Phone: 264-8215  
 Date: 3-19-87  
 Date: 3-19-87

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

ALASKA COURT SYSTEM

FISCAL NOTE

HB 158

This legislation allows a 10 percent reduction in traffic bail or fine amounts for moving violations, if all persons in the vehicle are wearing seatbelts at the time of committing the infraction. This legislation will reduce fine and forfeiture revenues to the state.

To estimate fiscal impact, the Court obtained information from the Alaska Seatbelt Use Coalition on seatbelt utilization. The Coalition's studies indicate that approximately 35% of Anchorage drivers and 39% of Fairbanks drivers wear seatbelts or a simple average of 37% for both areas. Information is not available for other areas of the state or for passenger seatbelt usage. For estimating the impact of this legislation on revenues, it is assumed that driver and passenger seatbelt utilization will average 37% for the entire state.

The fiscal impact is estimated as follows.

Estimated statewide traffic violation revenues from moving violations	\$520,000
Estimated percentage of seatbelt usage	37% -----
Estimated statewide revenues for traffic violations involving drivers and passengers using seatbelts	192,400
Bail or fine reduction percentage for seatbelt use	10% -----
Estimated reduction in statewide traffic violation revenues	\$19,240 =====

HB

160

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ULMER

NAME: DEAN FARRIS

TITLE:

ADDRESS: 728 EAST 8TH AVENUE, APT.#3

CITY: ANCHORAGE, ALASKA

ZIP: 99501

PHONE: 274-4110

BILL NO: HB 160

SUBJECT: COMMISSION ON FUTURE OF PERMANENT FUND

MESSAGE: NO TO HB 160. DELETE EVERYTHING FROM SJR 40 EXCEPT THE 40-30-30 SPLIT.

ADD A 50-25-25 AND A 60-20-20 OPTION. THE PRINCIPALS CAN THEN DECREASE THE DIVIDEND, KEEP IT THE SAME, OR INCREASE IT. POLLS AND COMMISSIONS ARE UNRELIABLE. ALL COMMISSIONS SHOULD BE CHOSEN BY LOT, AND PAID \$150.00 A DAY.

FOMID: 03151530

DATE: 05/05/87

TIME: 15:15:30

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES    REPRESENTATIVES

ADAMS	BARNES
BOUCHER	BOYER
BROWN	CATO
COLLINS	COTTEN
DAVIDSON	DAVIS
DONLEY	ELLIS
FRANK	FURNACE
GOLL	GRUENBERG
GRUSSENDORF	HANLEY
HERRMANN	HOFFMAN
HUDSON	KOPONEN
LARSON	MARTIN
MENARD	MILLER
NAVARRE	PEARCE
PETTYJOHN	PHILLIPS
POURCHOT	RIEGER
SHULTZ	SPRINGER
SUND	SWACKHAMMER
TAYLOR	WALLIS
ZAWACKI	

Jc file 1



Official Business

# Alaska State Legislature

## House

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

TO: Al Adams, Chair  
House Finance Committee

FROM: Fran Ulmer, Chair  
House State Affairs Committee

DATE: April 8, 1987

RE: HB 160 Fiscal Note: Out-of-State Travel

HB 160 was passed out of committee on April 8, 1987, with the recommendation that out-of-state travel be eliminated from the fiscal note. It was the Committee's feeling that expertise regarding the investment policy of the principal and use of the earnings of the Permanent Fund already existed in Alaska, thus outside travel to obtain additional information was unnecessary.



Official Business

# Alaska State Legislature

## House

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

STATE AFFAIRS COMMITTEE

LETTER OF INTENT

HOUSE BILL 160

APRIL 9, 1987

House Bill 160 would establish a nine-member commission on the future of the Permanent Fund, including one member each from the House and the Senate. The State Affairs Committee Substitute adds one additional member from each body, making an eleven-member commission. It is the intent of the House State Affairs Committee that these four legislative members would be from the majority and minority caucuses of each house.

A handwritten signature in cursive script, reading "Fran Ulmer", written over a horizontal line.

Fran Ulmer, Chair  
House State Affairs Committee

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/4/87

FURTHER REFERRALS: Judiciary  
Finance

DATE: 4-8-87

The State Affairs Committee has considered HB 160

"An Act establishing the Commission on the Future of the Permanent Fund; providing for public testimony on the use that should be made of the income and principal of the permanent fund; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 160(SA)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS:  4-9-87 letter of intent

ATTACHES NEW FISCAL NOTE(S):

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

SIGNING DO. PASS:

*Stunt bill !!*

*Stunt Memorandum*

*Alvin [unclear]*

*Donch Touley*

*Clyff Davidson*

*Lynn Hoffman*

SIGNING OTHER RECOMMENDATIONS:

*Terry Martin (no rec)*

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

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\_\_\_\_\_

*[Signature]*

Chairman's signature

Original sponsors: Boucher and Davidson

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 160 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Commission on the Future of  
7 the Permanent Fund; providing for public testimony on  
8 the investment policy for the principal and the use  
9 that should be made of the income of the permanent  
10 fund; and providing for an effective date."

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

12 \* Section 1. FINDINGS. (a) The legislature finds that the Alaska  
13 permanent fund, approved by the people of Alaska through an amendment to  
14 the state constitution, has evolved from a mechanism for reserving money  
15 from current spending to a trust fund, to benefit the people of the state.

16 (b) The fund has enjoyed public support for the following reasons:

17 (1) the income of the fund has proven reliable due to strict  
18 investment guidelines, adherence to the prudent-man rule, and good manage-  
19 ment; and

20 (2) legislative appropriations to the fund have exceeded the  
21 amounts required to be deposited in the fund.

22 (c) The Alaska permanent fund has become a major factor in the  
23 state's financial planning for the following reasons:

24 (1) the income of the fund is now second to oil revenue and will  
25 soon exceed that revenue; and

26 (2) there are now legislative proposals designed to divert fund  
27 income from dividend distribution and inflation proofing to other govern-  
28 mental purposes.

29 (d) Therefore, the legislature finds that it is in the best interest

1 of the state for a commission to be established to gather public testimony  
2 concerning the investment policy for the principal and the use that should  
3 be made of the income from the permanent fund. The commission shall also  
4 report its findings and make recommendations to the governor and the  
5 legislature on the investment policy for the principal and the use that  
6 should be made of the income of the permanent fund.

7 \* Sec. 2. COMMISSION ESTABLISHED. (a) There is established in the  
8 Department of Revenue the Commission on the Future of the Permanent Fund  
9 consisting of the chairman of the board of directors of the Alaska Perma-  
10 nent Fund Corporation, the commissioner of revenue, two members of the  
11 Senate appointed by the president of the Senate, two members of the House  
12 of Representatives appointed by the speaker of the House, and five ap-  
13 pointees of the governor as follows:

14 (1) one former elected state official who has been involved with  
15 the permanent fund;

16 (2) one executive from an oil company doing business in the  
17 state;

18 (3) one person representing Native interests;

19 (4) one person from the private sector involved in business or  
20 finance; and

21 (5) one person representing public interest causes.

22 (b) The commission shall elect a chairman from among its members.

23 (c) Members of the commission serve without compensation but members  
24 appointed by the governor are entitled to per diem and travel expenses as  
25 authorized by law for boards and commissions under AS 39.20.180 and legis-  
26 lator members are entitled to per diem and travel expenses under AS 24.-  
27 10.105.

28 \* Sec. 3. DUTIES OF THE COMMISSION. (a) The Commission on the Future  
29 of the Permanent Fund shall conduct hearings in each judicial district of  
CSHB 160(SA)

1 the state to gather testimony from the public concerning the investment  
2 policy for the principal and the use that should be made of the income of  
3 the permanent fund. The commission shall use the telecommunication network  
4 to provide the opportunity for maximum statewide public testimony.

5 (b) By February 1, 1989, the commission shall submit a report to the  
6 governor and the legislature summarizing the public testimony and contain-  
7 ing its recommendations about the investment policy for the principal and  
8 the use that should be made of the income of the permanent fund. The  
9 commission may also comment on changes in the management of the fund that  
10 may be needed as a result of its recommendations.

11 \* Sec. 4. This Act is repealed February 2, 1989.

12 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).  
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2

HB 160  
Commission on the Permanent Fund, and Providing for Public  
Testimony  
-----

Intent

The intent of the bill is to establish a commission for the gathering of public input on the subject of how the Permanent Fund should be used.

Rationale

The public should be consulted for the following reasons:

- 1) The Fund was originally set up by public referendum -- the vote was 2 to 1 in support of the Fund.
- 2) The Fund has evolved into a program where the sole beneficiaries of the Fund are the people of the state.
- 3) There is now considerable debate over how the earnings of the Permanent Fund should be used, and some of the proposals would radically change the way Fund earnings are distributed to the public.

Sectional Analysis

Section 1: FINDINGS. Briefly describes the history of the Fund and the rationale behind the establishment of the Commission on the Future of the Permanent Fund. The duties of the Commission are described.

Section 2: COMMISSION ESTABLISHED. Describes the 9 members of the Commission.

Section 3: DUTIES OF THE COMMISSION.

- Conduct hearings in each judicial district of the state.
- Gather testimony from the public concerning the use that should be made of the income and principal of the Permanent Fund.
- Use the telecommunications network to provide for maximum statewide testimony.
- Report to the governor and legislature by February 1, 1989
  - summarizing the public testimony, and
  - making recommendations about the use of the Fund's income and principal.

Section 4 & 5: Repeal date (2/2/89) and effective date (immediately).

Delete "and principal" ?  
STRIKE

1

1 IN THE HOUSE

BY BOUCHER AND DAVIDSON

2

HOUSE BILL NO. 160

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act establishing the Commission on the Future of

7

the Permanent Fund; providing for public testimony on  
*unethical use of the Fund and the*  
the use that should be made of the income and princi-

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pal of the permanent fund; and providing for an

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effective date."

10

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

12

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13

permanent fund, created by the people of Alaska through an amendment to the

14

state constitution, has evolved from a mechanism for reserving money from

15

current spending to a trust fund, with sole beneficiaries that are the

16

people of the state.

17

(b) The fund has enjoyed public support for the following reasons:

18

(1) the income of the fund has proven reliable due to strict

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investment guidelines, adherence to the prudent-man rule, and good manage-

20

ment;

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(2) legislative appropriations to the fund have exceeded the

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amounts required to be deposited in the fund; and

23

(3) since 1983 all attempts to appropriate income from the fund

24

for purposes other than paying dividends have been successfully resisted.

25

(c) The Alaska permanent fund has become a major factor in the

26

state's financial planning for the following reasons:

27

(1) the income of the fund is now second to oil revenue and will

28

soon exceed that revenue; and

29

(2) there are now legislative proposals designed to divert fund

question rec to  
next session too  
→ STATE ASSIGN TO TRUCK COM IN THE WEEK

OK (some how) howevr mve issue of control. is this the right dir.

1 income from dividend distribution and inflation proofing to other govern-  
2 mental purposes.

3 (d) Therefore, the legislature finds that it is in the best interest  
4 of the state for a commission to be established to gather public testimony  
5 concerning the use that should be made of the income and principal from the  
6 permanent fund. The commission shall also report its findings and make  
7 recommendations on the use that should be made of the income and principal  
8 of the permanent fund to the governor and the legislature.

9 \* Sec. 2. COMMISSION ESTABLISHED. (a) There is established in the  
10 Department of Revenue the Commission on the Future of the Permanent Fund  
11 consisting of the chairman of the board of directors of the Alaska Perma-  
12 nent Fund Corporation, the commissioner of revenue, a member of the senate  
13 appointed by the president of the senate, a member of the house of repre-  
14 sentatives appointed by the speaker of the house, and five appointees of  
15 the governor as follows:

16 (1) one former elected state official who has been involved with  
17 the permanent fund;

18 (2) one executive from an oil company doing business in the  
19 state;

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21 (4) one person from the private sector involved in business or  
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24 (b) The commission shall elect a chairman from among its members.

25 (c) Members of the commission serve without compensation but members  
26 appointed by the governor are [entitled to per diem and travel] expenses as  
27 authorized by law for boards and commissions under AS 39.20.180.

28 \* Sec. 3. DUTIES OF THE COMMISSION. (a) The Commission on the Future  
29 of the Permanent Fund shall conduct hearings in each judicial district of

Executive BOARD  
US  
ADVISORY → can select people with interest to discuss because

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3 commission shall use the telecommunication network to provide the oppor-  
4 tunity for maximum statewide public testimony.

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11 \* Sec. 4. This Act is repealed February 2, 1989.

12 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

5-0694B

Cook

4/6/87

Original sponsors: Boucher and Davidson

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 160 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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13 appointed by the president of the Senate, a member of the House of Repre-  
14 sentatives appointed by the speaker of the House, and five appointees of  
15 the governor as follows:

*Letter directed to members  
Majority + Minority*

- 16 (1) one former elected state official who has been involved with
- 17 the permanent fund;
- 18 (2) one executive from an oil company doing business in the
- 19 state;
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- 21 (4) one person from the private sector involved in business or
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STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

A

REQUEST \_\_\_\_\_

Bill Version: HB 160

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

Revision Date: \_\_\_\_\_  
Title: An Act Establishing the Commission  
on the Future of the Permanent Fund  
Sponsor: Reps. Boucher and Davidson  
Requestor: Rep. Boucher

Agency Affected: Revenue

BRU: \_\_\_\_\_

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	95.6	47.8	-	-	-
TRAVEL	-	61.9	32.5	-	-	-
CONTRACTUAL	-	63.3	41.7	-	-	-
SUPPLIES	-	1.0	.5	-	-	-
EQUIPMENT	-	3.5	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	225.4	122.5	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	225.4	122.5	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	225.4	122.5	-	-	-

POSITIONS:

FULL-TIME	-	2	2	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

See attachment.

Prepared By: James B. Rhode Phone: 465-2300  
Division: Commissioner's Office Date: April 2, 1987

Approved by Commissioner: Hugh Malone Date: April 2, 1987  
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

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

Continuation of Fiscal Note/Bill Analysis

House Bill 160

Future of Permanent Fund Commission

FY 88 - (12 months)

1. Positions

1 PX Permanent full-time Executive Secretary II,  
Range 14A, including salary and benefits at  
\$3,100.77/month for 12 months 37.2

1 PX Permanent full-time Special Assistant I,  
Range 21A, including salary and benefits at  
\$4,871.95/month for 12 months 58.4

TOTAL PERSONAL SERVICES 95.6

2. Travel

In-state travel 45.7

Out-of-state travel (This assumes that half  
the Commission members and staff will choose  
to meet with the managers of similar funds, e.g.  
University of California Endowment, the  
Rockefeller Foundation and the Harvard  
Endowment.) 16.5

TOTAL TRAVEL 61.9

3. Contractual Services

Printing 10.0  
Teleconferencing 50.0  
Transcription of hearing 1.9  
Advertising 1.4  
Space (Utilize DOR space, conference room) 0.0

TOTAL CONTRACTUAL SERVICES 63.3

4. Supplies 1.0

5. Equipment

1 Wang V250, to utilize DOR VS 90 in Anchorage  
for Word Processing, with necessary software 3.5

TOTAL FY88 225.4

FY 89

1. Positions

Same as FY 88, but for six months only. 47.8

2. Travel

In-state - half the meetings. 22.9

Out-of-state - New York/Boston 9.6

TOTAL TRAVEL 32.5

3. Contractual Services

Printing (includes final report) 15.0

Telecommunications (1/2) 25.0

Transcription of hearings (1/2) 1.0

Advertising (1/2) .7

Space 0.0

TOTAL CONTRACTUAL SERVICES 41.7

4. Supplies .5

5. Equipment 0.0

TOTAL FY89 122.5

MEMO - Reduce to page MEMOTO  
HOUSE FUNDING

H B

1 6 6



Official Business

# Alaska State Legislature

## House

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

TO: All Committee Members

FROM: Representative Fran Ulmer, Chair  
House State Affairs Committee

DATE: May 4, 1987

RE: Special appropriation to the Budget Reserve Account  
and the Permanent Fund.

Attached is a work draft of a bill that would appropriate the receipts of certain royalty oil and tax settlements. I would like the House State Affairs Committee to consider sponsoring this proposed legislation.

This proposal would deposit into the Permanent Fund one-half of the receipts received by the State from settlements or other conclusions from three cases (State V. Amerada Hess; Arco v. State; and United States v. Alaska). The other one-half of these receipts would be deposited in the Budget Reserve Fund.

The above deposits would serve two purposes:

- 1) The reduction of dedicated funds to the principal of the Permanent Fund could be offset, in part, by appropriating windfall settlements.
- 2) Additional deposits to the Budget Reserve Account would serve to protect the State from budget shortfalls.

I would appreciate your consideration of this proposed bill and look forward to hearing your comments.

## Background

State v. Amerada Hess: involves the valuation of the State's royalty share of oil from Prudhoe Bay. At issue - the value of North Slope crude when it reaches the lower 48 and determining what deductions should be made to arrive at the value of oil as it enters TAPS;

United States v. Alaska: pertains to a dispute over who owns the title of lands (Dinkum Sands) in the Beaufort Sea; and

Arco v. Alaska: question over tax liability of oil companies.

# HOUSE COMMITTEE REPORT

(7)

Date referred: 3/9/87

FURTHER REFERRALS: Finance

DATE: 4-27-87

The State Affairs Committee has considered HB 166

"An Act appropriating from the earnings reserve account of the Alaska permanent fund to the general fund; and providing for an effective date."

**RECOMMENDS:**

- replace with CSHB 166 (SA)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

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

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

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

**SIGNING DO PASS:**

[Signature]

[Signature]

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**SIGNING OTHER RECOMMENDATIONS:**

[Signature] DO NOT PASS

[Signature] No Rec.

[Signature] no rec

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[Signature]  
Chairman's signature

Original sponsor: RULES/Governor

*Divide*

Funding Information

General Fund	\$	-0-
Other Funds		-0-
	\$	-0-

IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 166 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act appropriating from the earnings reserve account of the Alaska permanent fund to the budget reserve fund; and providing for an effective date."

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

\* Section 1. The sum of \$250,000,000 is appropriated from the earnings reserve account of the Alaska permanent fund (AS 37.13.145) to the budget reserve fund (AS 37.05.156).

\* Sec. 2. This Act takes effect July 1, 1987.

WORK DRAFT

WORK DRAFT

WORK DRAFT

w01387hB  
Dierdorff  
4/15/87

Original sponsor: Rules/Governor

Funding Information

General Fund	\$	-0-
Other Funds		-0-
	\$	-0-

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 166 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the budget  
8 reserve fund; and providing for an effective date."

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

10 \* Section 1. sum of \$250,000,000 is appropriated from the earnings  
11 reserve account of the Alaska permanent fund (AS 37.13.745) to the budget  
12 reserve fund (AS 37.05.156).

13 \* Sec. 2. This Act takes effect July 1, 1987.  
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Official Business

# Alaska State Legislature

## House

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

STATE AFFAIRS COMMITTEE

HOUSE BILL 166

FILE CONTENTS

1. HB 166: AN ACT APPROPRIATING FROM THE EARNINGS RESERVE ACCOUNT OF THE ALASKA PERMANENT FUND TO THE GENERAL FUND; AND PROVIDING FOR AN EFFECTIVE DATE.
2. GOVERNOR'S TRANSMITTAL LETTER, DATED MARCH 3, 1987
3. PUBLIC OPINION MESSAGE FROM CHARLES RICHMOND WITH RESPONSE FROM REPRESENTATIVE ULMER
4. POSITION PAPER FROM ASSOCIATION FOR THE PROTECTION OF THE PERMANENT FUND WITH LETTER FROM REPRESENTATIVE ULMER
5. PUBLIC OPINION MESSAGE FROM CHRISTINE WILCOX

FISCAL NOTE

- A. PERMANENT FUND CORPORATION

69 HB 166, "An Act appropriating from the earnings reserve account of the Alaska permanent fund to the general fund; and providing for an effective date."

Delete the current language and substitute the following:

~~\* Section 1.  
(a) An amount calculated under (b) of this section is appropriated from the earnings reserve account in the permanent fund (AS 37.13.145) to the general fund.  
(b) The amount that is appropriated under (a) of this section is the lesser of:  
(1) \$150,000,000; or  
(2) the FY 88 general fund appropriations total less the amount of the March 1988 revenue forecast at the 30th percentile level.~~

\* Section 2.

The amount of \$250,000,000 is appropriated from the earnings reserve account in the permanent fund (AS 37.13.145) to the budget reserve fund (AS 37.05.156).

~~\* Section 3~~

~~Section 1 of this Act takes effect July 1, 1988.  
Section 2 of this Act takes effect July 1, 1987.~~

*Handwritten signature and scribbles*

/

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 166

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating from the earnings reserve

7

account of the Alaska permanent fund to the general

8

fund; and providing for an effective date."

9

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

10

\* Section 1. The lesser of the following two amounts is appropriated

11

from the earnings reserve account of the Alaska permanent fund to the

12

general fund: (1) an amount sufficient to offset any negative amount in

13

the "Available Fund Equity/Balance" for the general fund as reported for

14

June 30, 1987 on the "State of Alaska, All Fund Types and Account Groups,

15

Combined Balance Sheet" in the State of Alaska's "Annual Financial Report"

16

for fiscal year 1987, published under AS 37.05.210(2) ~~or (2) the amount in~~

17

~~the earnings reserve account of the Alaska permanent fund as of July 1,~~

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1987.

19

\* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

174.9  
An amount from the E.R. to the ~~ER~~ PR  
not to exceed 174.9 is  
applying to the G.F.  
Sufficient to

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1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 166

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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\* Section 1. The lesser of the following two amounts is appropriated

11

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12

general fund: (1) an amount sufficient to offset any <sup>TO OFFSET APPROPRIATION</sup> negative amount in

13

the "Available Fund Equity/Balance" for the general fund as reported for

14

June 30, 1987 on the "State of Alaska, All Fund Types and Account Groups,

15

Combined Balance Sheet" in the State of Alaska's "Annual Financial Report" ✓

16

for fiscal year 1987, published under AS 37.05.210(2); or (2) the amount in

17

the earnings reserve account of the Alaska permanent fund as of July 1,

18

1987.

19

\* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

ALL IS SAME:

ORIGINAL SENATE: OPEN ENDED -> DOESN'T CURB  
WHAT GETS PURCHASED - COULD DEplete THE  
ERA -

CS 157: SPECIFIC AUTHORITY TO USE X AMOUNT.  
either/or deal specific

put in still APR 1987.

567

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

2

March 3, 1987


The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill appropriating money from the earnings reserve account (formerly called the "undistributed income account," AS 37.13.145) of the Alaska permanent fund to the general fund. This bill appropriates a sufficient amount of money to cover whatever deficit may exist after the end of fiscal year 1987 from the earnings reserve account of the permanent fund to the general fund. If an insufficient amount is available from the earnings reserve account, then the entire amount is appropriated to the general fund.

The deficit for fiscal year 1987 is identified in the bill by reference to the specific line in the state's annual financial report which reports that figure.

Sincerely,



Steve Cowper  
Governor