

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5079 HSTA HB 223 - HB 253

65!

The Hon. C. E. Swackhammer
Alaska State House
File No.: 663-87-0446

April 2, 1987
Page 3

adopted by a two-thirds vote in each house of the legislature.
Alaska Constitution art. IV, § 15.

Third, this legislation raises some questions concerning how a particular agency is going to determine whether or not a particular individual "is eligible to receive the dividend." AS 43.23.005(a) provides as part of the eligibility requirements for a permanent fund dividend that the individual be a state resident. "Residency" is established when an individual is physically present in the state "with the intent to remain in the state indefinitely and to make a home in the state." AS 01.10.055(a). Since residency depends on the state of mind of the individual, it is difficult to see how an agency could defend its "belief" that the individual is a resident, should the belief be challenged by the individual himself. Although it is unlikely that many will make such a challenge, since the only negative consequence of the agency's actions will be an increased tax liability and the individual will gain an even larger debt write-off, such a challenge is certainly plausible, and if made, the agency's position would likely be indefensible.

We also note a few other practical questions raised by the bill. The bill fails to mention what procedures to use if the agency's claim is for less than the full amount of the dividend. In that case, is the entire check sent to the agency, or should the Department of Revenue issue separate checks to both the individual and the agency? Also, the bill provides that the Commissioner of the Department of Revenue must notify the individual that the execution has occurred. In addition to increasing the Department of Revenue's administrative costs, this procedure may cause an individual who wishes to challenge the action to believe that his challenge should be made through the administrative processes at the Department of Revenue. We believe it would be more appropriate for the agency making the claim to defend against any challenge, and we would therefore recommend that the bill be amended to add an additional section specifying that any challenge to the execution should be made to the agency making the claim.

Finally, we believe sec. 5 of the bill should be clarified. The reference to AS 09.38.085 should also include a reference to AS 09.38.075(b) and AS 09.38.080(c). Further, it appears that the final two sentences being added to AS 43.23.055(a) refer only to situations where the court is the creditor.

The Hon. C. E. Swackhammer
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Page 4

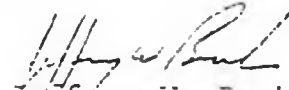
If this is the drafter's intent, we would recommend that these two sentences be moved to a separate subsection.

We hope this answers your questions.

Sincerely,

GRACE BERG SCHATELLE
ACTING ATTORNEY GENERAL

By:


Jeffrey W. Bush
Assistant Attorney General

JWB:lb

cc: ✓ Ervin Jones, Director
Administrative Services
Department of Revenue

Arthur H. Peterson, AAG
Department of Law

7
L.S. (Dusty) Rhodes
10446 Chatanika Loop
Eagle River, AK 99577

April 27, 1987

Representative Fran Ulmer
P.O. Box V
Juneau, AK 99811

Dear Representative Ulmer:

I'm going to have a tough time getting anyone to listen, but I have to try. HB13 and SB177, the proposal to use prisoners' dividend funds for something other than giving it to the prisoner, is wrong. Maybe wrong is the wrong word; how about unjust since everyone talks about being just.

First, the "sentence" imposed by the court did not say five years and \$5,000. plus your permanent fund dividend for the next five years. Secondly, the sentence imposed did not say 5 years and \$5,000. plus whatever expenses the State incurs in keeping you in prison. Third, the sentence imposed varied from individual to individual, depending on the crime committed. Let's say Sam is serving ten years for breaking into a ladie's home and raping her; Joe is serving a five-year term for driving drunk, causing an accident in which someone was seriously hurt; Jim is serving a two-year term for shoplifting an \$8,000. Rolex watch. The sentence imposed was different but is now amended by HB13 and SB177 to say they each give up their permanent fund dividend. Fourth, the legislature keeps getting into the judicial process further and further. Whatever happended to "separation of powers" theory? We have presumptive sentences, which I doubt you could get one judge in the United States to agree with, dictated by the legislative action. Now the legislative branch wants to dictate monetary penalties (that is exactly what HB13 and SB177 will do.

I would also wager that not more than 10 House or Senate members voting on this bill have ever visited one of our correctional facilities for more than "a guided tour". For example, what percentage of the inmates have families that bring them needed items, i.e. underwear, shirts, pants, shoes, socks, hairbrushes, deodorant, and the other things we use in our daily lives? What percentage of the inmates have more than a few dollars in their accounts to buy these things, plus cigarettes, treats, sodas, etc., on the approximately 50 cents per hour they make while in prison? What percentage of the prisoners are still wearing the same clothes they came in with? The answer to those questions should be disturbing if you knew the truth. Contrary to what you may have been told, the facility I am familiar with doesn't provide any of those things - the inmates must purchase them from the Company Store. Inmates are not allowed to borrow each other's clothes, even for a short period of time, while they wash and dry the ones they had

5-0686N
Cook
5/4/87

Original sponsors: Swackhammer and Larson

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 223 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to remedies for the collection of
7 debt involving permanent fund dividends and to the
8 exemption for dividends; and providing for an effec-
9 tive date."

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

11 * Section 1. AS 43.23.065(a) is amended to read:

12 (a) One hundred dollars [EXCEPT AS PROVIDED IN (b) OF THIS
13 SECTION, 50 PERCENT] of the annual permanent fund dividend payable to
14 an individual is exempt from levy, execution, garnishment, attachment,
15 or any other remedy for the collection of debt. This exemption ap-
16 plies to an eligible individual's permanent fund dividend both before
17 and after payment is made to the individual. Notwithstanding other
18 laws, no other exemption applies to a dividend. A creditor is not
19 required to serve the individual with notice of levy under AS 09.38.-
20 080(c) and 09.38.085. A writ of execution may be served on the com-
21 missioner by certified mail under the rules of court for service of
22 a civil summons. The commissioner shall include the case name and
23 number with a dividend delivered to the court in accordance with a
24 writ of execution.

25 * Sec. 2. AS 43.23.065(b) is amended to read:

26 (b) The following claims, or voluntary assignments of dividends
27 in payment or partial payment of the claims, have priority in the
28 order listed over other claims on [AN EXEMPTION IS NOT AVAILABLE UNDER
29 THIS SECTION FOR] permanent fund dividends: [TAKEN TO SATISFY]

CORRECTION

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

7
L.S. (Dusty) Rhodes
10446 Chatanika Loop
Eagle River, AK 99577

April 27, 1987

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First, the "sentence" imposed by the court did not say five years and \$5,000. plus your permanent fund dividend for the next five years. Secondly, the sentence imposed did not say 5 years and \$5,000. plus whatever expenses the State incurs in keeping you in prison. Third, the sentence imposed varied from individual to individual, depending on the crime committed. Let's say Sam is serving ten years for breaking into a ladie's home and raping her; Joe is serving a five-year term for driving drunk, causing an accident in which someone was seriously hurt; Jim is serving a two-year term for shop-lifting an \$8,000. Rolex watch. The sentence imposed was different but is now amended by HB13 and SB177 to say they each give up their permanent fund dividend. Fourth, the legislature keeps getting into the judicial process further and further. Whatever happended to "separation of powers" theory? We have presumptive sentences, which I doubt you could get one judge in the United States to agree with, dictated by the legislative action. Now the legislative branch wants to dictate monetary penalties (that is exactly what HB13 and SB177 will do.

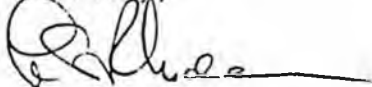
I would also wager that not more than 10 House or Senate members voting on this bill have ever visited one of our correctional facilities for more than "a guided tour". For example, what percentage of the inmates have families that bring them needed items, i.e. underwear, shirts, pants, shoes, socks, hairbrushes, deodorant, and the other things we use in our daily lives? What percentage of the inmates have more than a few dollars in their accounts to buy these things, plus cigarettes, treats, sodas, etc., on the approximately 50 cents per hour they make while in prison? What percentage of the prisoners are still wearing the same clothes they came in with? The answer to those questions should be disturbing if you knew the truth. Contrary to what you may have been told, the facility I am familiar with doesn't provide any of those things - the inmates must purchase them from the Company Store. Inmates are not allowed to borrow each other's clothes, even for a short period of time, while they wash and dry the ones they had

on. In many, many, many cases the dividend check is the year-round source of income to provide these necessities. Finally, the hope of many of these inmates is to have enough saved when they do get released to get a place to live and a means of transportation. The approximately 50 cents per hour they earn will never amount to (1) a months rent in advance (2) a deposit on the electric/telephone bill (3) the second-hand "junker" with minimum insurance to get back and forth to work. The dividend at least gives them hope.

Finally, just how much "justice" do we want? Too many of us who have never committed a crime seem to think the criminal deserves everything bad we can dish out. Prison, the loss of freedom, is only one of the penalties a criminal must pay. A felon loses his/her citizenship rights - many job opportunities are closed to them for a lifetime because of bonding requirements - many friends and relatives no longer will socialize with them - families are separated and sometimes permanently divided (especially where children are concerned) - and certainly the criminal is financially reduced to ruin with legal costs and fines assessed before prison begins. The power to dig in one more time - to deliver one more punishment - is just too great for some people to leave alone! Besides, who cares what happens to the prisoner? Even if they complain, who cares? They deserve what they get - right?

Well, I say it's WRONG and I hope someone listens!

Sincerely,



L.S. (Dusty) Rhodes



5-0686N
Cook
5/4/87

Original sponsors: Swackhammer and Larson

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16 plies to an eligible individual's permanent fund dividend both before
17 and after payment is made to the individual. Notwithstanding other
18 laws, no other exemption applies to a dividend. A creditor is not
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26 (b) The following claims, or voluntary assignments of dividends
27 in payment or partial payment of the claims, have priority in the
28 order listed over other claims on [AN EXEMPTION IS NOT AVAILABLE UNDER
29 THIS SECTION FOR] permanent fund dividends; [TAKEN TO SATISFY]

58487

1 (1) child support obligations required by court order or
 2 decision of the child support enforcement agency under AS 47.23.140 -
 3 47.23.220;

4 (2) court ordered restitution under AS 12.55.045 - 12.55.-
 5 051 or 12.55.100;

6 (3) a court ordered fine;

7 (4) a court ordered probation fee under AS 12.55.105; or

8 (5) [(4)] a debt owed by an eligible individual to an
 9 agency of the state, state court, or municipality unless the debt is
 10 contested and an appeal is pending, or the time limit for filing an
 11 appeal has not expired.

12 * Sec. 3. AS 43.23.065 is amended by adding new subsections to read:

13 (d) AS 09.38 does not apply to permanent fund dividends taken to
 14 satisfy debts listed under (b) of this section.

15 (e) Before payment of part of an individual's permanent fund
 16 dividend is made to a creditor under this section the commissioner
 17 shall provide the individual with

18 (1) notification of the claim and amount claimed;

19 (2) a statement of the basis for the claim; and

20 (3) if applicable, identification of the case under which
 21 the claim has been made, including court case name and case number.

22 * Sec. 4. AS 43.23.065(c) is repealed.

23 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).
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 25
 26
 27
 28
 29

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

A

REQUEST: _____

Bill Version: HB 223
Publish Date:

Revision Date:
Title: An act relating to permanent
fund dividends
Sponsor: Swackhammer, Larson
Requestor:

Agency Affected: Alaska Court System
BRU: Trial Courts
Components:

EXPENDITURES/REVENUES:		(Thousands of Dollars)				
	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
Personal Services	112.4	112.4	112.4	112.4	112.4
Travel
Contractual
Supplies
Equipment	13.8	. . . .	. . . .	. . . .	. . . .
Land & Structures
Grants & Claims
TOTAL OPERATING	0.0	126.2	112.4	112.4	112.4	112.4
CAPITAL
REVENUE	See analysis		. . . .	. . . .	. . . .

FUNDING:		(Thousands of Dollars)				
	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
General Funds	0.0	126.2	112.4	112.4	112.4	112.4
Federal Funds	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Other	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
TOTAL	0.0	126.2	112.4	112.4	112.4	112.4

POSITIONS:		FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
Full-time	. . . .	1.0	1.0	1.0	1.0	1.0	1.0
Part-time	. . . .	5.0	5.0	5.0	5.0	5.0	5.0
Temporary	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .

ANALYSIS: (Attach a separate page if necessary)

See attached fiscal analysis.

Prepared by: Robert G. Fisher, Fiscal Officer
Division: Alaska Court System

Phone: 264-8215
Date: 4-9-87

Approved by: *Arthur H. Snowden, II*
Agency: Alaska Court System

Date: 4-9-87

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

ALASKA COURT SYSTEM

HB 223 - FISCAL ANALYSIS

Personal Services:	Salary	Benefits	Total
Court Clerk II, Range 10B, Anchorage, PFT - 12 months	\$22,836	\$8,290	\$31,126
Court Clerk II, Range 10B, Fairbanks, PPT - 6 months	12,870	4,468	17,338
Court Clerk II, Range 10B, Juneau, PPT - 6 months	11,418	4,145	15,563
Court Clerk II, Range 10B, Kenai, PPT - 6 months	12,120	4,301	16,421
Court Clerk II, Range 10B, Ketchikan, PPT - 6 months	11,418	4,145	15,563
Court Clerk II, Range 10B, Palmer, PPT - 6 months	12,120	4,301	16,421

Total Personal Services 112,432

Equipment: (one time cost)

Desk, chair, filing cabinet, and typewriter for each
new employee 13,848

Total First Year Cost \$126,280

ALASKA COURT SYSTEM

HB 223 - FISCAL ANALYSIS

Court	Estimated Number of New State Cases with Fines Due	Estimated Number of Court Appli- cations for Dividends	Estimated Number of Court Writs of Execution on Dividends	Estimated Personnel Hours for Applications	Estimated Personnel Hours for Writs	Estimated Total Personnel Hours
Anchorage	517	129	383	129	1,164	1,293
Fairbanks	467	117	350	117	1,050	1,167
Juneau	298	75	224	75	672	747
Ketchikan	228	57	171	57	513	570
Kenai	350	88	263	88	789	877
Palmer	324	81	243	81	729	810

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

B

Bill Version : SB 227 , HB 223
Publish Date : 4/1/87

REQUEST: _____

Revision Date: 4/13/87

Agency Affected: Commerce & Economic Dev.

Title: An Act relating to claims of state agencies to permanent fund dividends.

BRU: Occupational Licensing

Sponsor: Senators Uehling and Faiks

Components: _____

Requestor: Senator Uehling

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	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
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

(See Attached)

Prepared by: Jennifer Strickler, Management Analyst

Phone: 465-2144

Division: Occupational Licensing

Date: 4/13/87

Approved by Commissioner: J. Anthony Smith

Date: _____

Agency: Commerce and Economic Development

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

C

REQUEST _____

Bill Version: HB 223
Publish Date: _____

Revision Date: _____
Title: An act relating to permanent fund dividends
Sponsor: Swackhammer, Larson
Requestor: State Affairs

Agency Affected: Revenue
BRU: Administrative Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	208.6	105.9	105.9	105.9	105.9
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	83.1	63.1	63.1	63.1	63.1
SUPPLIES	-	1.8	1.8	1.8	1.8	1.8
EQUIPMENT	-	15.6	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	309.1	170.8	170.8	170.8	170.8
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	309.1	170.8	170.8	170.8	170.8
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	309.1	170.8	170.8	170.8	170.8

POSITIONS:

FULL-TIME	-	5	3	3	3	3
PART-TIME	-	4	4	4	4	4
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 4/13/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 4/19/87

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
HB 223
4/13/87

Assumptions:

- 1) Since a claim under the proposed subsection AS 43.23.005 would be infinitely easier for state agencies, municipalities and the courts to use, those entities would use this mechanism exclusively. It is impossible to estimate the number of such claims the Department of Revenue might receive. However, the following will give some idea of the volume.
 - a) The Postsecondary Education Commission recently testified at hearings for HB 133 that they were able to get only 800 of their 2,000 attachments through the courts. Were that true for all "agencies," we could expect a 250% increase over the current number of attachments by state agencies.
 - b) The City-Borough of Juneau has 3,500 delinquent accounts for such things as property taxes, sales tax, utilities, harbor fees, hospital bills, etc.
 - c) The Anchorage Telephone/Utility has 5,800 "real problem cases."
 - d) Between Anchorage and Juneau, there are over 22,000 outstanding traffic tickets.
 - e) The court system of Alaska processes approximately 25,000 criminal cases, alone, a percentage of which result in fines.
 - f) The Child Support Enforcement Division currently serves approximately 4,500 attachments.
 - g) All other state agencies combined file approximately 2,000 attachments. It is fairly easy to envision 60,000 claims being filed under Section 1 of HB 223.
- 2) I would assume and hope that this bill would not effect the 1987 dividend distribution. Assuming that the bill became law in mid-May it would be impossible to get everything in place, and complete the printing, programming, staff recruitment and training necessary to implement the bill before the filing deadline of June 30.
- 3) It is assumed that the several legal questions raised by the Attorney General and Legal Services are resolved and that the bill as drafted is passed into law. Please see Attorney General memo of 4/2/87, file no. 663-87-0446.

CORRECTION

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

B

Bill Version: SB 227, HB 223
Publish Date: 4/1/87

REQUEST:

Revision Date: 4/13/87
Title: An Act relating to claims of state agencies to permanent fund dividends.
Sponsor: Senators Uehling and Faiks
Requestor: Senator Uehling

Agency Affected: Commerce & Economic Dev.
BRU: Occupational Licensing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	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
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

(See Attached)

Prepared by: Jennifer Strickler, Management Analyst
Division: Occupational Licensing
Approved by Commissioner: J. Anthony Smith
Agency: Commerce and Economic Development

Phone: 465-2144
Date: 4/13/87

Date: _____

Distribution (by preparer):

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

SB 227 /HB 223

The Division of Occupational Licensing has experienced approximately 3% of NSF checks submitted annually for licensing fees in FY 86 and FY 87. At that rate, 3% of the projected FY 88 revenue will total \$36,600.00.

SB 227 will allow the division to recover funds for NSF checks through filing a claim against an individual's permanent fund dividend check, after all other attempts to recover the funds are unsuccessful. The impact of the bill should discourage future non-compliance with attempts to recover funds.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

C

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Publish Date: _____

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BRU: Administrative Services
Components: _____

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CONTRACTUAL	-	83.1	63.1	63.1	63.1	63.1
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EQUIPMENT	-	15.6	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	309.1	170.8	170.8	170.8	170.8
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

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GENERAL FUND	-	309.1	170.8	170.8	170.8	170.8
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
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POSITIONS:

FULL-TIME	-	5	3	3	3	3
PART-TIME	-	4	4	4	4	4
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 4/13/87

Approved by Commissioner: [Signature]
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Date: 4/19/87

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Department of Revenue
Administrative Services Division
Fiscal Note Analysis
HB 223
4/13/87

Assumptions:

- 1) Since a claim under the proposed subsection AS 43.23.005 would be infinitely easier for state agencies, municipalities and the courts to use, those entities would use this mechanism exclusively. It is impossible to estimate the number of such claims the Department of Revenue might receive. However, the following will give some idea of the volume.
 - a) The Postsecondary Education Commission recently testified at hearings for HB 133 that they were able to get only 800 of their 2,000 attachments through the courts. Were that true for all "agencies," we could expect a 250% increase over the current number of attachments by state agencies.
 - b) The City-Borough of Juneau has 3,500 delinquent accounts for such things as property taxes, sales tax, utilities, harbor fees, hospital bills, etc.
 - c) The Anchorage Telephone/Utility has 5,800 "real problem cases."
 - d) Between Anchorage and Juneau, there are over 22,000 outstanding traffic tickets.
 - e) The court system of Alaska processes approximately 25,000 criminal cases, alone, a percentage of which result in fines.
 - f) The Child Support Enforcement Division currently serves approximately 4,500 attachments.
 - g) All other state agencies combined file approximately 2,000 attachments. It is fairly easy to envision 60,000 claims being filed under Section 1 of HB 223.
- 2) I would assume and hope that this bill would not effect the 1987 dividend distribution. Assuming that the bill became law in mid-May it would be impossible to get everything in place, and complete the printing, programming, staff recruitment and training necessary to implement the bill before the filing deadline of June 30.
- 3) It is assumed that the several legal questions raised by the Attorney General and Legal Services are resolved and that the bill as drafted is passed into law. Please see Attorney General memo of 4/2/87, file no. 663-87-0446.

Program Summary:

The department's responsibilities under this bill would be as follows:

- a) Forms Printing: The Department of Revenue would print an auxillary Permanent Fund Dividend "Claim by Government Agency" to be distributed to all agencies identified in the definition of agency. The "PFD Claim form" would require of the agency:
 - 1) The name and address
 - 2) The full name, address and birthdate of the obligee.
 - 3) The amount of the claim.
 - 4) A statement of the basis of the claim. (Some consistent, short form of reasons would have to be worked out with the many "agencies." The data capture of a free form reason would be very expensive.)
 - 5) A statement by an officer of the agency of the basis for its belief that the individual is eligible to receive a dividend for that year. This statement would need to include an affirmation that the individual obligee was known to have physically resided in Alaska for the full eligibility period, that the individual was still a resident of Alaska and most importantly, a statement of the basis for belief by the agency that the individual obligee has the intent to remain a resident.
 - 6) If applicable, a case number.
- b) Systems/Programming Changes: The entire dividend system is premised upon processing applications voluntarily filed by applicants claiming to be residents. The bill will require many changes, including the recognition of a new category of "claim form," the identification and denial of competing applications from the obligees, allocating dividend payments to multiple claimants, notification of obligees of claim(s) filed and reconciliation of all amounts paid. I envision this as a fairly major change to the existing PFD system which will require additional programming staff and computer resources.
- c) Claims filed under Section 1 will have to be microfilmed, reviewed for completeness, and data captured. Notice of acceptance or non-availability of funds will be sent to the claimant.
- d) Incomplete claims will result in request letters.
- e) All claims based on an agency's belief that the obligee is eligible will be reviewed by the Enforcement Division for residency. All claims will be matched against the PFD application file. Competing PFD applications will be denied with statutory appeal rights being extended, and hearings provided. Information from competing applications will be used to help verify residency, and when there is no competing application, Enforcement may contact obligees directly to obtain information.
- f) Agencies which are part of the Alaska State Accounting System will be paid through the system with supporting information provided. Municipalities and the court system will be paid by check.

Questions:

- 1) As noted in Mr. Bush's 4/2/87 memo, it is unclear as to what the Department of Revenue is supposed to do with the residual of a Permanent Fund Dividend if a claim is for less than the full amount. Do we pay the individual, as with normal attachments? What is the obligee never filed on his own behalf?
- 2) Does a claim, regardless of the face amount, constitute an application for an "eligible individual" for purposes of calculating the value of the dividend?
- 3) If a claim under Section 1 is the only application filed on behalf of an individual, is it subject to attachment? Is the balance, after AS 43.23.065(b) claims, assignments and attachments are paid, subject to normal attachment?

1. Positions:

3 PFT Accounting Clerk I, R8,
@ \$2,221.64/Mo each including
salary and benefits for
12 months = \$79.9

These positions will assist the existing Accounting Clerk II in the processing of the existing attachments and assignments. This also involves correspondence with the many competing garnishors.

2 PPT Data Processing Clerk I,
R8, @ \$2,221.64/Mo each including
salary and benefits for 3 months = 13.3

These positions will perform the data capture necessary on the claims to enable the department to comply with the provisions of Sec. 1

2 PFT Analyst/Programmer IV, R19,
@ \$4,281/Mo each including
salary and benefits for 12 months = 102.7

This would be a one-time cost for FY88 development. The maintenance of the system changes will be accomplished by the existing staff.

2 PPT Document Processor I, R7,
@ \$2,117.76/Mo each including
salary and benefits for 3 months = 12.7

These positions will assist in
the denials of approximately
60,000 applicants and the
resulting appeals.

Total Personal Services \$208.6

2. Other Costs:

a) Travel: None.

b) Contractual:

Printing \$5.1

Includes printing costs associated
with 75,000 claim forms, 60,000
denial notices, and 60,000 notices
of appeal rights, and 60,000
notices of claim.

Postage 28.0

Includes postage for denial notices,
claim notices and bulk shipment of
claim forms to agencies.

Data Processing Chargeback from 50.0
Department of Administration
estimated 50.0 in FY88, including
development; 30.0 in years
thereafter.

TOTAL Contractual \$83.1

c) Equipment

Purchase 3 Wang 4250 workstations
to provide access to the PFD
System for the accounting staff = \$7.2

Purchase 2 Wang 4230 workstations
for data capture = 4.8

Purchase 1 Wang VS-100 ICP = 3.6

TOTAL Equipment \$15.6

d) Supplies: \$1.8

TOTAL COST

\$309.1

Suggested Amendments:

As suggested in Mr. Jeffrey Bush's AG's memo, file no. 663-87-0446.

Attachments: None.



STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: HB 223

Publish Date: _____

Revision Date: April 14, 1987

Agency Affected: Revenue

Title: An act relating to permanent fund dividends; and providing for an effective date

BRU: Permanent Fund Dividend

Sponsor: Swackhammer and Larson

Components: Enforcement

Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	498.0	498.0	498.0	498.0
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	41.6	41.6	41.6	41.6
SUPPLIES	-	-	3.5	3.5	3.5	3.5
EQUIPMENT	-	-	117.1	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	660.2	543.1	543.1	543.1
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (PFD)	-	-	660.2	543.1	543.1	543.1
TOTAL	-	-	660.2	543.1	543.1	543.1

POSITIONS:

FULL-TIME	-	-	14	14	14	14
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Please see the attached analysis.

Prepared By: Thomas C. Williams
Division: Enforcement Division

Phone: 465-2366
Date: April 14, 1987

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 4/17/87

Distribution (by Agency preparing fiscal note):

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

ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
FISCAL NOTE ANALYSIS FOR HB 223
April 14, 1987

A. Assumptions

1. Governmental Agencies will apply on behalf of everyone who has an outstanding obligation due to the Agency.
2. Total Agency claims will be in excess of 60,000. Of these, approximately 10% will be for individuals who have not otherwise applied for a permanent fund dividend (non-competing applications).
3. The department will have to investigate all 6,000 of the non-competing applications to determine if the individuals are eligible for a permanent fund dividend.
4. All 54,000 of the competing applicants' applications will have to be denied. The denial will be subject to appeal. At least 10% of those denied will appeal, resulting in at least 5,400 appeals.
5. Each PFD Specialist I will be able to annually resolve 1,000 investigations or 1,000 appeals requiring the following staff increase:

6,000 investigations/1,000 per PFD Specialist I = 6 PFD Specialist I's
5,400 appeals /1,000 per PFD Specialist I = 6 PFD Specialist I's

Total minimum number: 12 PFD Specialist I's

6. The 12 new PFD Specialist I's will require one additional Clerk Typist and one supervisory PFD Specialist III.
7. The effective date in section 6 is changed to correspond to the 1988 PFD program.

ALASKA DEPARTMENT OF REVENUE
 ENFORCEMENT DIVISION
FISCAL NOTE ANALYSIS FOR HB 223
 April 14, 1987

B. Computations

Amount
 (In thousands)

Personal Services

1 PFD Specialist III	(range 18, @ 50.4/year)	\$ 50.4
12 PFD Specialists I	(range 13, @ 35.0/year)	420.0
1 Clerk Typist III	(range 08, @ 27.6/year)	<u>27.6</u>

Total Personal Services 498.0

Contractual Services

Long distance telephone charges, postage, printing, etc.	40.0
Space lease cost (776 sq. ft. @ 2.03/sq. ft.)	<u>1.6</u>

Total Contractual 41.6

Commodities

Miscellaneous office supplies (14 employees @ \$250/year)	<u>3.5</u>
---	------------

Total Commodities 3.5

Equipment (FY89 only)

14	Workstations for Support Personnel	@ \$5,273.73	73.3
14	Swivel-Tilt Chairs with arms	@ \$640.81	9.0
2	File cabinets (5 drawer legal w/lock)	@ \$341.35	.7
14	12 digit Desk Calculators (printing)	@ \$135.03	1.9
6	IBM Computer Terminals	@ \$1,200.00	7.2
2	IBM 3287 Printers	@ \$3,700.00	7.4
2	WANG Computer Terminals	@ \$4,900.00	9.8
1	WANG Printer	@ \$2,500.00	2.5
14	Telephones	@ \$343.00	<u>4.8</u>

Total Equipment 117.1

Total Required Budget \$660.2

234

HB



Official Business

Alaska State Legislature

House

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

HOUSE BILL 234

FILE CONTENTS

1. HB 234: AN ACT RELATING TO CAMPAIGN FINANCE REFORM
2. SECTIONAL ANALYSIS
3. POSITION PAPER, DEPARTMENT OF LAW

FISCAL NOTE

- A. DEPARTMENT OF LAW, LEGAL SERVICES

STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC OFFICES COMMISSION

REPLY TO:

2221 E. Northern Lights, Room 128
Anchorage, AK 99508
(907) 276-4176

Juneau Branch Office
Box CO
Juneau, AK 99811-0222
(907) 465-4864

April 10, 1987

The Honorable Fran Ulmer
Chair, House State Affairs
Pouch V
Juneau, AK 99811

RE: HB 234 Position Paper

Dear Rep. Ulmer:

Members of the Commission have reviewed HB 234 individually and I have spoken to most of them on the telephone about it, but they have not been able to discuss it as a group. Hence, a Commission position statement is not available at this time.

Individual Commission members feel the bill has certain conceptual merits. Some questions and observations concerning the language in the bill have been raised and I will do my best to address any questions the Committee might have during its meeting.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



THEDA PITTMAN
Executive Director

Original sponsor: Hoffman

Attachment # 7

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 234 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the duration and financing of
7 election campaigns."

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

9 * Section 1. AS 15.13 is amended by adding a new section to read:

10 Sec. 15.13.065. CONTRIBUTION TO CANDIDATES FOR THE LEGISLATURE.

11 (a) A candidate for the legislature may accept a contribution only as
12 provided under AS 15.13.070 or this section.

13 (b) During the election campaign, a candidate for the state
14 senate may accept

15 (1) not more than \$1,000 in contributions from an
16 individual, a group, a corporation, or a labor union;

17 (2) a cumulative total of not more than \$20,000 in
18 contributions from corporations, labor unions, and groups;

19 (3) a cumulative total of not more than \$20,000 in
20 contributions from political parties and their subdivisions.

21 (c) During the election campaign, a candidate for the state
22 house of representatives may accept

23 (1) not more than \$1,000 in contributions from an
24 individual, a group, a corporation, or a labor union;

25 (2) a cumulative total of not more than \$10,000 in contri-
26 butions from corporations, labor unions, and groups;

27 (3) a cumulative total of not more than \$10,000 in contri-
28 butions from political parties and their subdivisions.

29 (d) In this section, "election campaign" means the period from

1 September 1 of the year before the year in which the general election
2 will be held through the day before the date of the general election.

3 * Sec. 2. AS 15.13.070(a) is amended to read:

4 (a) An individual, [NO] person, or group, including but not
5 limited to all political committees, businesses, corporations, and
6 labor unions, may not contribute [TO OR EXPEND] more than \$1,000 a
7 year to a candidate for governor, lieutenant governor, or municipal
8 office [ON BEHALF OF OR IN OPPOSITION TO THE COMPETING CANDIDATES FOR
9 EACH ELECTIVE OFFICE]. Political parties and their subdivisions are
10 not subject to the limitation prescribed in this subsection, but they
11 are subject to the reporting requirements prescribed by AS 15.13.-
12 040(b) and 15.13.110. Nothing in this chapter prohibits

13 (1) a candidate from contributing more than \$1,000 to the
14 [OF HIS OWN MONEY TO HIS OWN] campaign of the candidate; or

15 (2) individuals, persons, or groups, including but not
16 limited to all political committees, businesses, corporations, [AND]
17 labor unions, and political parties from contributing to or expending
18 on behalf of a ballot proposition or question more than \$1,000 a year;
19 the [HOWEVER, THESE] contributions and expenditures shall be reported
20 under [IN ACCORDANCE WITH] AS 15.13.040 and 15.13.110.

21 * Sec. 3. AS 15.13.070 is amended by adding a new subsection to read:

22 (i) A candidate for public office may not take contributions as
23 personal income during an election campaign or during tenure as an
24 elected public official.

Sectional Analysis - for Proposed CS for HB 234

PROPOSED NEW TITLE-----"An Act relating to the duration and financing of election campaigns."

*Section 1. AS 15.13 is amended by added a new section to read:

Sec 15.13.065. CONTRIBUTION TO CANDIDATES FOR THE LEGISLATURE.

A candidate for state Senate may accept

- 1) not more than \$1,000 in contributions during a "election campaign" from an individual, a group, a corporation, or a labor union;
- 2) a cumulative total of not more than \$20,000 during a "election campaign" in contributions from corporations, labor unions, and groups;
- 3) a cumulative total of not more than \$20,000 during a "election campaign" from political parties and their subdivisions.

A candidate for state house of representatives may accept

- 1) not more than \$1,000 in contributions during a "election campaign" from an individual, a corporation, labor unions, and groups;
- 2) a cumulative total of not more than \$10,000 in contributions during a "election campaign" from corporations, labor unions, and groups;
- 3) a cumulative total of not more than \$10,000 in contributions during a "election campaign" from political parties and their subdivisions.

"Election campaign" means the period from September 1 of the year before the year in which the general election will be held through the day before the date of the general election.

*Section 2. AS 15.13.070 (a) is amended to allow an individual not to contribute more than \$1,000 a year to a candidate for governor, lieutenant governor, or municipal office.

*Section 3. AS 15.13.070 is amended by adding a new subsection.

A candidate for public office may not take contributions as personal income during a campaign for elective office or during tenure as an elected public official.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

3

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 7, 1987

Honorable Lyman Hoffman
Representative
Alaska State Legislature
Capitol Building, Room 112
Juneau, Alaska 99811

Re: Position Paper on HB 234

Dear Representative Hoffman:

HB 234 proposes changing AS 15.13 in three areas:

1. limiting the total amount of campaign contributions a candidate for the state senate and house may receive from "corporations, labor unions, and groups";
2. similarly limiting the amounts candidates may receive from political parties; and
3. prohibiting candidates for public office from taking campaign contributions as personal income "during a campaign for elective office or during tenure as an elected public official."

The proposed limits on total contributions a candidate may receive from "corporations, labor unions, and groups" and from political parties pose interesting constitutional questions. In general, the United States Supreme Court has upheld total bans on contributions from certain groups, including corporations, unions, and public employees, and has upheld limits on the amount of contributions an individual or group may make to a single candidate. See Buckley v. Valeo, 424 U.S. 1 (1975).

However, expenditure limits, that is to say, caps on the total amount a candidate may spend on an election, have been found unconstitutional on the theory that:

A restriction on the amount of money a person or group can spend on political communication necessarily reduces the quantity of expression by restricting the number of issues discussed, the



Sectional Analysis - HB 234

For an Act entitled: "An Act relating to campaign finance reform."

*Section 1. AS 15.13.070 (a) is amended to allow an individual not to contribute more than \$1,000 a year to a candidate.

A candidate for state Senate may not accept more than a cumulative total of \$20,000 a year in contributions:

- (1) from corporations, labor unions, and groups.
- (2) from political parties.

A candidate for state House of Representatives may not accept more than a cumulative total of \$10,000 a year in contributions:

- (1) from corporations, labor unions, and groups.
- (2) from political parties.

An individual may not accept a contribution on and after the date of the general election through a date one year before the primary at which the individual will seek election or reelection to the legislature.

*Section 2. AS 15.13.070 is amended by adding a new subsection.

A candidate for public office may not take contributions as personal income during a campaign for elective office or during tenure as an elected public official.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

A

REQUEST: _____
 Revision Date: _____
 Title: "An Act relating to campaign
 finance reform."
 Sponsor: Representative Hoffman
 Requestor: Representative Hoffman

Bill Version: HB 234
 Publish Date: _____
 Agency Affected: Department of Law
 BRU: Leral Services
 Components: Operations

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						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Division Date: April 7, 1987
 Approved by Commissioner: Grace Berg Schaible, Atty. Gen. Date: April 7, 1987
 Agency: Department of Law

- 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**

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

3

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 7, 1987

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Representative
Alaska State Legislature
Capitol Building, Room 112
Juneau, Alaska 99811

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Honorable Lyman Hoffman
Representative

April 7, 1987
Page 2

depth of their exploration, and the size of the audience reached.

Buckley, 424 U.S. at 19.

The proposals in HB 234 are not expenditure caps per se, but do appear to be aimed at the same goal: to reduce the overall cost of campaigns. This approach has not been tested before the United States Supreme Court or the Alaska Supreme Court. Our best guess is that the total contribution cap would probably be upheld, if challenged, but it is an open question. In particular, the inclusion of political parties under the cap complicates the constitutional question, bringing in freedom of association concerns as well as freedom of speech problems.

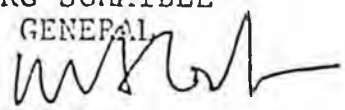
The proposed ban on use of campaign contributions as personal income does not pose any constitutional problems, but it should be pointed out that the language in HB 234 would allow a defeated candidate to take contributions as personal income.

Please let me know if we can be of any further assistance.

Sincerely yours,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By:


Richard D. Monkman
Assistant Attorney General

RDM:nb

cc: George Sullivan
Legislative Liason
Office of the Governor

Kay Gouwens
Assistant Attorney General
Anchorage

B.J. Jordan
Legal Text Editor
Juneau AGO

Sectional Analysis - HB 234

For an Act entitled: "An Act relating to campaign finance reform."

*Section 1. AS 15.13.070 (a) is amended to allow an individual not to contribute more than \$1,000 a year to a candidate.

A candidate for state Senate may not accept more than a cumulative total of \$20,000 a year in contributions:

- (1) from corporations, labor unions, and groups.
- (2) from political parties.

A candidate for state House of Representatives may not accept more than a cumulative total of \$10,000 a year in contributions:

- (1) from corporations, labor unions, and groups.
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An individual may not accept a contribution on and after the date of the general election through a date one year before the primary at which the individual will seek election or reelection to the legislature.

*Section 2. AS 15.13.070 is amended by adding a new subsection.

A candidate for public office may not take contributions as personal income during a campaign for elective office or during tenure as an elected public official.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

A

REQUEST: _____

Bill Version: HB 234
Publish Date: _____

Revision Date: _____
Title: "An Act relating to campaign
finance reform."
Sponsor: Representative Hoffman
Requestor: Representative Hoffman

Agency Affected: Department of Law
BRU: Legal Services
Components: Operations

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						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Division Date: April 7, 1987
 Approved by Commissioner: Grace Berg Schaible, Atty. Gen. Date: April 7, 1987
 Agency: Department of Law

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 234

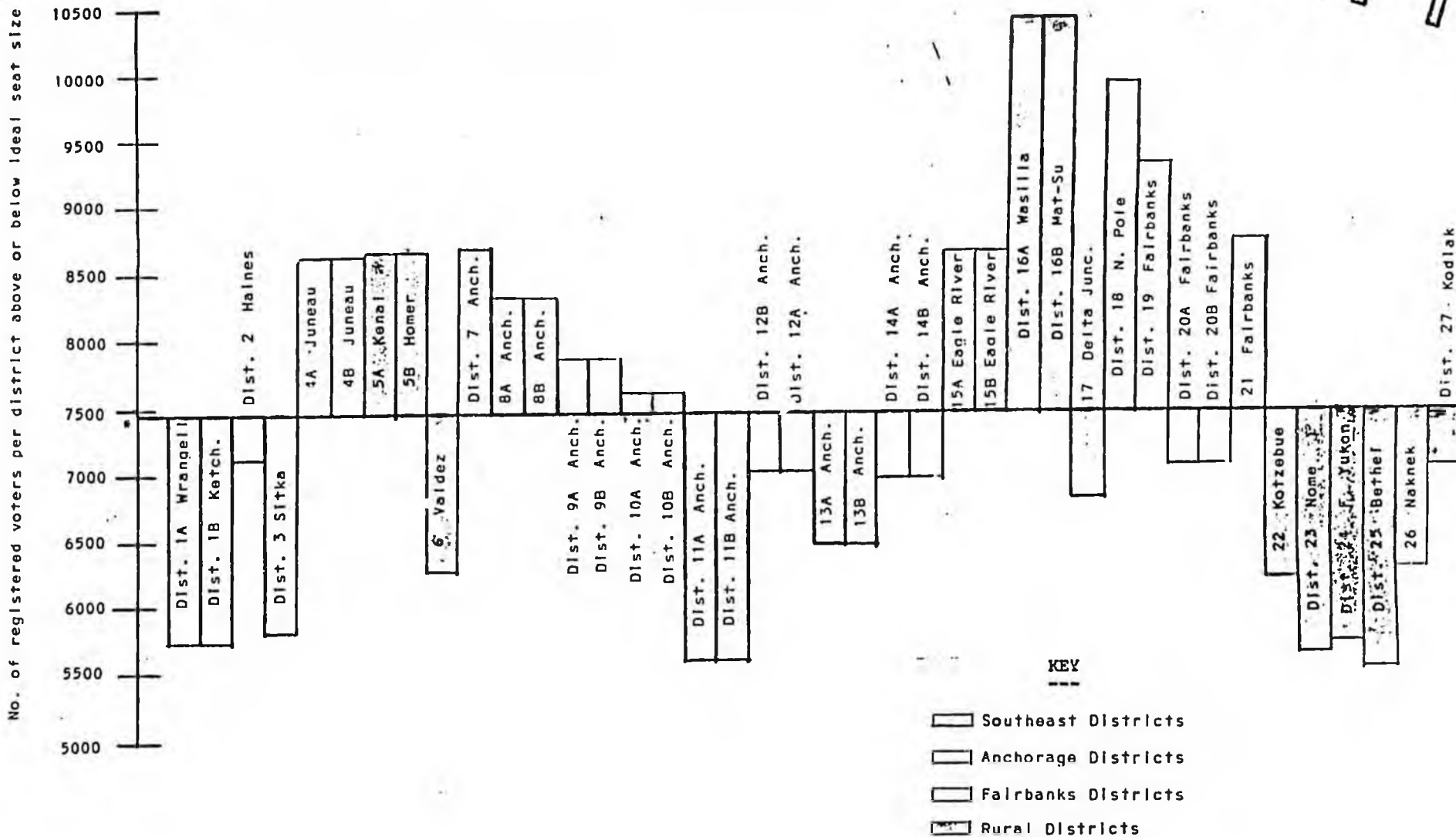
This bill amends AS 15.13.070 by placing a ceiling on the amount of campaign contributions a candidate for state legislative office can receive from corporations, labor unions, and groups, and by placing a similar ceiling on the amount a candidate can receive from political parties. The bill also places a limit on the amount that political parties may contribute on behalf of a ballot proposition or question.

Because the bill places an absolute ceiling on the cumulative amount that a state legislative candidate may receive from these groups, and because the bill limits the amount that political parties can contribute to a candidate, one-time litigation testing these provisions must be anticipated.

We do not anticipate, however, that the litigation that will arise from this bill will be long-term or ongoing. The courts will either uphold these caps, or overturn them. For this reason, fiscal note funds are not being requested.

Disparities in Number of Registered Voters Per House Seat
 Division of Elections Count April 1987

COPY



* Ideal House Seat Size is 7426

H B

2 4 6

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

MEMORANDUM


FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

TO: Representative Fran Ulmer, Chair
House State Affairs Committee

FROM: Representative Mark Boyer 

SUBJECT: HB 246, an Act relating to contributions from
permanent fund dividends

DATE: April 9, 1987

After our conversation regarding the large number of bills dealing with a check-off for contributions from the permanent fund dividend, I introduced HB 246 which provides a vehicle for accomodating the seeming multitude of organizations or funds proposed for check-off and any others which may be added in the future. The proposed legislation would unite the various funds under one section in AS 43.

I would appreciate a hearing for HB 246 in your committee at your earliest convenience.

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/3/87

FURTHER REFERRALS: Finance

DATE: 4-13-87

The State Affairs Committee has considered HB 246

"An Act relating to contributions from permanent fund dividends; and providing for an effective date."

RECOMMENDS:

- [] replace with _____ [] the same title
- [] attached amendment(s) [] a new title
- do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: [] _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact [] same as previous fiscal note published _____
- [] zero fiscal note [] same as previous zero fiscal note published _____
- [] zero with analysis

SIGNING DO PASS:

Lyons Helff

Cliff Davidson

SIGNING OTHER RECOMMENDATIONS:

John Walker

 Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 246

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: An act relating to contributions from permanent fund dividends.

Sponsor: Boyer, Brown, Taylor

Requestor: State Affairs, Finance

Agency Affected: Revenue

BRU: Administrative Services

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	59.0	28.0	28.0	28.0	28.0
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	13.5	13.5	13.5	13.5	13.5
SUPPLIES	-	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	73.0	42.0	42.0	42.0	42.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (div.contr.account)	-	73.0	42.0	42.0	42.0	42.0
TOTAL	-	73.0	42.0	42.0	42.0	42.0

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	5	4	4	4	4
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 4/15/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 4/15/87

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
HB 246
4/14/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application.
2. There are 15 other bills which, if signed into law, would result in approximately 12 check-off's on the 1988 dividend application, seven of which are included in this bill. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
3. All FY88 costs of administering this law will be borne by the general fund, of which the special dividend contribution account is an account. All costs for FY89 and beyond will be borne by the special dividend contribution account, as appropriated by the legislature.
4. The incremental cost of computer resources will result in a chargeback by the Department of Administration.
5. Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
6. Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law. It would be preferable for the legislature to resolve the question of priority of the check-off's, via-a-vis other check-off's, and other assignments.
7. The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the qualifying parties by name in the PFD booklet.
8. It is assumed that each applicant will contribute to only one political party.
9. Given multiple choices, it is assumed that 40% of all applicants will elect one or more contribution choices, with the following levels of participation.

<u># of options selected</u>	<u>percent of total applicants</u>
over 4	negligible
4	5%
3	5%
2	10%
1	20%

This is an unscientific estimate based solely upon the fact that faced with only one very popular choice (bringing the Winter Olympics to Alaska), only 30% of the applicants chose to contribute. It is felt that the wider array of choices would touch more people's hearts and minds, but the increase in participants would be held in check by the number of choices.

Program Summary:

The provision of 7 new contribution decisions on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each booklet, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the changes in the program, to establish new accounting controls and to provide for the transfer of funds to the dividend contribution account, and those to the various agencies/entities.
- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decisions. Each application will be data captured with additional attention and keystrokes expended on each positive decision.

The Department of Revenue is in the process of conducting tests of the 1987 PFD application to enable the department to better estimate the incremental costs of processing multiple check-off's. The current fiscal note is calculated based on the cost of one additional check-off, plus increments of 1/2 for the second choice and 1/4 for each additional choice on the variable costs, except DP Chargeback is estimated at \$7.5. The cost for the additional page, and equipment remains fixed when compared to the cost of one choice. A revised fiscal note will be submitted as soon as the tests are completed.

1. Positions

1 PPT Analyst/Programmer V, R21,
@ \$5,638.47/Mo including salary
and benefits for 5-1/2 months = \$31.0

PCN 04-1125 would be funded for
an additional 5-1/2 months.
Ongoing maintenance of new
programs would be accomplished
by existing staff.

2 PPT Document Processor I, R7,
@ \$2,117.76/Mo each for 4 months= 16.9

These positions would assist in
the manual review and coding of
540,000 applications for the new
contribution decisions. These
positions represent the equivalent
of the additional time and effort.

good pt.)
(percentage of total fund)
FUND WOULD (MIGHT)
NEGATE PURPOSE FUNDING
(AFFECT OUR MATCHING)
FUND -> pos. l. effect

What order do you
want listed. (if any)
instead use alphabetical.

BY BOYER, BROWN AND
TAYLOR

1 IN THE HOUSE

HOUSE BILL NO. 246

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to contributions from permanent fund dividends; and providing for an effective date."

7

8

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

9

* Section 1. AS 43.23 is amended by adding a new section to read:

10

Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The department shall prepare the permanent fund dividend application to allow an applicant to direct that money be subtracted from the dividend check and contributed to one or more of the following:

11

(1) the treasurer or central committee of the political party designated by the applicant;

12

13

14

(2) the official organizing committee for the Arctic Winter Games;

15

16

(3) the Alaska Public Broadcasting Commission;

17

Games;

18

(4) the Alaska State Council on the Arts;

19

(5) the community schools grant fund (AS 14.36.020);

20

(6) the state coordinating organization for United Way;

21

(7) the official organizing committee for the World Eskimo-Indian Olympics.

22

(b) The amount of each contribution to an organization or fund selected by a person under (a) of this section is \$10. Contributions shall be deposited in a special dividend contribution account in the general fund and allocated to each organization or fund listed under (a) of this section in accordance with the contribution directions except that the department shall use money in the account to pay

23

24

25

26

27

28

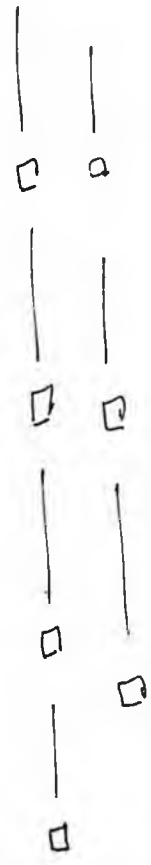
29

1 administrative costs incurred under this section.

2 (c) In (a)(1) of this section, "political party" means an or-
3 ganized group of voters that represents a political program and that
4 nominated a candidate for governor who received at least three percent
5 of the total votes cast at the preceding general election for gover-
6 nor.

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

Percent of total votes



Alaska State Legislature

REPRESENTATIVE
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

MEMORANDUM

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

TO: Representative Fran Ulmer, Chair
House State Affairs Committee
Committee Members

FROM: Representative Mark Boyer *MB*

SUBJECT: HB 246, an Act relating to contributions from
permanent fund dividends

DATE: April 13, 1987

In 1985, the Legislature established the Alaska Winter Olympics Account and provided for the deduction of a five dollar donation to the fund from permanent fund dividends by means of a "check-off" on the dividend application form. Public response to the program has been very supportive, and the account received over \$833,000 from dividend contributions in 1986. The Anchorage Organizing Committee for the Winter Olympics expects to generate \$1.8 million in 1987 and has produced a television spot designed to capture the attention of all those receiving a dividend application and focus that attention on the small box in the right hand bottom corner of the application.

The success of the Alaska Winter Olympics account has not been lost on proponents of other causes faced with severely reduced funding due to our current revenue crisis. Several bills have been introduced establishing accounts similar to the Winter Olympics account and providing for check-off of contributions from the permanent fund dividend. At last count, the number of entities proposed for permanent fund contributions was fourteen, requiring a corresponding number of statute amendments.

HB 246 would provide a single statutory vehicle for accomodating seven potential contribution recipients, and could be easily amended to include others deemed worthy by the committee or future legislatures. The bill would also

increase the contribution amount to \$10, in recognition of the increased need of the programs involved and the likelihood of a smaller number of check-offs for each program than may have been anticipated, given the plethora of check-off options likely to be included.

The bill allows the Department of Revenue to use money which accrues to each account to pay the administrative costs of the program. The dividend check-off will increase the costs of administering the permanent fund dividend, and this cost should not be borne by the dividend account, since this would, in effect, reduce every individual's dividend, whether they elected to check a contribution or not.

It is my hope that this legislature does not concern itself with the relative merits or demerits of the check-off system as a means of raising revenue. The Olympics battle should have put that issue to rest. My hope is that the Legislature will focus its attention on the specific check-off proposals and will decide those entities or causes which have the political support of our membership to be included. I might suggest that a letter of intent or statutory language be drafted to require a review of the various options on a periodic basis. Those which continue to serve legitimate functions and continue to enjoy strong political support will survive, others will disappear.

With specific reference to the items chosen for inclusion in HB 246, I have merely chosen a point in time for selection of items to be in the bill. My original interest was in providing additional funding for United Way organizations, the Alaska State Council on the Arts, and the Alaska Public Broadcasting Commission. With regard to the United Way, this is merely an opportunity to secure new funding. However, the Arts Council, and public broadcasting, face serious reductions and perhaps total elimination in this and future budgets. This funding source may only at first supplement their budgets. In the future, it may well be their single largest funding source. It is my hope that you and your committee will support my interest in and efforts toward finding alternative methods of funding these programs.

H B

2 4 7



Official Business

Alaska State Legislature

House

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

STATE AFFAIRS COMMITTEE

HOUSE BILL 247

FILE CONTENTS

1. HB 247: AN ACT RELATING TO THE READABILITY OF CERTAIN ELECTION MATERIALS
2. MEMORANDUM FROM REPRESENTATIVE MIKE DAVIS TO ALL LEGISLATORS, DATED APRIL 14, 1987, AND SUPPORTING INFORMATION
3. AMENDMENT TO HB 247 REQUESTED BY FAIRBANKS LEAGUE OF WOMEN VOTERS AND SUBMITTED BY REPRESENTATIVE DAVIS
4. ELECTION PAMPHLET STATUTES
5. INITIATIVE, REFERENDUM AND RECALL STATUTES
6. LETTER OF SUPPORT FROM ALASKA LEAGUE OF WOMEN VOTERS

FISCAL NOTES

- A. DEPARTMENT OF LAW, LEGAL SERVICES: -0-
- B. OFFICE OF THE GOVERNOR, DIVISION OF ELECTIONS: -0-
- C. LEGISLATIVE AFFAIRS AGENCY, LEGISLATIVE COUNCIL, LEGAL SERVICES: -0-

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/6/87

FURTHER REFERRALS: Judiciary
Finance

DATE: 4-15-87

The State Affairs Committee has considered HB 247

"An Act relating to the readability of certain election materials."

RECOMMENDS:

- replace with CS HB (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 _____
- 2 zero fiscal note same as previous zero fiscal note published _____
- 1 zero with analysis

SIGNING DO PASS:

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

W. J. [Signature] NO REC

Larry [Signature] No Rec.

[Signature]
Chairman's signature

Original sponsors: Davis, Koponen
and Boucher

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 247 (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 relating to the readability of certain elec-
7 tion materials."

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

9 * Section 1. AS 15.58 is amended by adding a new section to read:

10 Sec. 15.58.025. READABILITY OF CERTAIN ELECTION MATERIALS. (a)

11 The form of each ballot proposition shall be scored under (c) of this
12 section. The policy of the state is to prepare a ballot proposition
13 that is scored at 65 or more.

14 (b) Each neutral summary prepared for the voter's pamphlet shall
15 be scored under (c) of this section. The policy of the state is to
16 prepare a neutral summary that is scored at 65 or more.

17 (c) A ballot proposition or neutral summary shall be scored
18 using the following procedures:

19 (1) disregard numbers;

20 (2) multiply the average sentence length in words by 1.015;

21 (3) multiply the average number of syllables for each 100
22 words by .846;

23 (4) subtract the total of (2) and (3) from 206.835.

24 (d) Each ballot proposition shall contain language that clearly
25 states that a "Yes" vote is a vote in favor of the initiative, refer-
26 endum, or constitutional amendment under consideration.

27 (e) A court may not enjoin the conduct or results of an election
28 for a failure to comply with (a) or (b) of this section.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ULMER

NAME: ROSAMOND WELLER
TITLE:
ADDRESS: BOX 61
CITY: FAIRBANKS ZIP: 99707
PHONE: 456-5952
BILL NO: HB 247
SUBJECT: READABILITY OF CERTAIN ELECTION MATERIALS
MESSAGE: PLEASE SUPPORT - VOTE FOR THIS BILL TO CLARIFY OUR BALLOTS.
EOM-FZ

POMID: 07141803
DATE: 04/14/87
TIME: 14:18:03
LTONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BOYER	DAVIS	BENNETT
FRANK	KOPONEN	COGHILL
MILLER	ADAMS	FAHRENKAMP
BROWN	GOLL	
LARSON	POURCHOT	
RIEGER	SWACKHAMMER	
WALLIS	BARNES	
COTTEN	GRUENBERG	
NAVARRÉ	SUND	
TAYLOR	BOUCHER	
DAVIDSON	DONLEY	
HOFFMAN	MARTIN	
MENARD		

file

NO RESPONSE REQUIRED

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ULMER

NAME: ALICIA THOMPSON
TITLE:
ADDRESS: P.O.BOX 55540
CITY: NORTH POLE ZIP: 99705
PHONE: 488-3000
BILL NO: HB 247
SUBJECT: READABILITY OF CERTAIN ELECTION MATERIALS
MESSAGE: I SUPPORT PASSAGE OF THIS BILL. I WISH YOU WOULD OMIT NEGATIVE
LANGUAGE. EOM/AN

POMID: 07092642
DATE: 04/15/87
TIME: 09:26:42
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES

BOUCHER
DAVIDSON
DONLEY
HOFFMAN
MARTIN
MENARD

file

NO RESPONSE REQUIRED



Alaska State Legislature

2

Representative Mike Davis

P.O. Box V
Juneau, Alaska 99811
(907) 465-4930/4941

Interim Office:
P.O. Box 81435
Fairbanks, Alaska 99708

TO: All Legislators
FROM: Rep. Mike Davis
DATE: April 14, 1987
RE: HB 247

House Bill 247 aims to ensure that all ballot propositions and election pamphlet summaries are worded so they can be easily read by the average Alaskan.

There are no precise statistics on the reading ability of Alaskan adults. Nationally, 14% of adults are functionally illiterate, reading below the fourth grade level. According to the 1980 U.S. census, 18% of Alaskans over 24 have not graduated from high school or received a G.E.D. Many who do graduate lack strong reading skills. However, Alaska's ballot propositions are frequently written in college level English.

The readability formula used in this bill is the Flesch test. This test is used by several states with insurance policy readability laws, and in Maine's election law. A Flesch score of 65 approximately corresponds to an eighth grade reading level. As the score increases, the difficulty of the reading material decreases.

HB 247 states that a court may not enjoin the conduct or results of an election for failing to comply with the legislation. The intent of this bill is to encourage participation in elections, and to assist informed decision-making by voters. HB 247 would not increase the likelihood of lawsuits, further complicating the election process.

The bill would not influence the content of a referendum, initiative, or constitutional amendment. It would affect only the abbreviated form appearing on the ballot, and the neutral summary in the election pamphlet. The responsibility for preparing propositions and summaries is clearly assigned in current statute, and would remain unchanged.

FLESCH FORMULA

The Flesch formula is based to compute scores for "reading ease" and "human interest". Although this method has been criticized, no better system seems to have been developed to this time for quick evaluation of adult reading materials. Flesch has a chart inside the cover of his book, The Art of Readable Writing, which is a short-cut to determining readability and will eliminate the need to compute the formula. This chart can be used in place of steps 6 and 7 in the procedure outlined below. For those who do not have access to his book, the procedure he follows to determine readability is:

1. Count the words in the article (mark each 50th word).
2. Count the sentences.
3. Count the syllables in the article.
4. Divide the number of words by the number of sentences to obtain the average sentence length.
5. Divide the number of syllables by the number of words and multiply by 100 to obtain the average number of syllables per 100 words.
6. Multiply the average sentence length in words by 1.015.
7. Multiply the average number of syllables per 100 words by .846, then add the totals of steps 6 and 7, then subtract the total from 206.835 to obtain the readability score for the article.
8. Convert the readability score to reading ability level given below to determine usability.

<i>Description of Style</i>	<i>Average Sentence Length</i>	<i>Average No. of Syll. per 100 Wds.</i>	<i>Reading Ease Score</i>	<i>Estimated Reading Grade</i>
Very Easy	8 or less	123 or less	90 to 100	5th grade
Easy	11	131	80 to 90	6th grade
Fairly Easy	14	139	70 to 80	7th grade
Standard	17	147	60 to 70	8th and 9th grade
Fairly Difficult	21	155	50 to 60	10th to 12th grade (high school)
Difficult	25	167	30 to 50	13th to 16th grade (college)
Very Difficult	29 or more	192 or more	0 to 30	college graduate

BALLOT MEASURE NO. 3

Advisory Vote on Longevity Bonus Annuity Program Ch. 99 SLA 85 (SB56)

BALLOT LANGUAGE

(As it will appear on the November 4, 1986, General Election Ballot)

The Fourteenth Alaska State Legislature considered two alternatives to the present longevity bonus program. Both were adopted into law, but neither will take effect unless the legislature chooses one of them. The legislature has asked for an advisory vote of the public on the annuity option which is described below.

The annuity option provides that every individual who reaches age 65 by January 1, 1988, including those already receiving the bonus, would receive a longevity bonus payment of \$250 per month. In addition, a person under age 65 on January 1, 1988, could participate in an optional annuity program by depositing all or part of his or her permanent fund dividends in an account held by the state. Upon reaching age 65, a person would receive a monthly payment in an amount determined by how much was contributed to the account. The annuity payments would be supplemented with declining longevity bonus payments paid for with general funds until the annuity accounts were large enough to provide monthly payments of \$250 a month.

The second option provides that every individual who is 65 years old by January 1, 1988, including those already receiving the bonus, will receive a longevity bonus payment of \$250 per month, but that anybody younger than age 65 by January 1, 1988, would not be eligible for benefits.

Should the legislature adopt the annuity option? YES NO

This proposition scored 30.3 under the formula contained in HB 247.

Procedures:

- (1) disregarded numbers
- (2) counted 8 sentences and 205 words
average sentence length, 25.6 words
 $25.6 \times 1.015 = 26.00$
- (3) counted 365 syllables in 205 words
 $365/205 = 178/100$
 $178 \times .846 = 150.58$
- (4) $26 + 150.58 = 176.58$
 $206.835 - 176.58 = 30.25$

LEGISLATIVE AFFAIRS AGENCY SUMMARY

(Ch. 9 SLA 85 CCSSB 56)

This question is advisory to the legislature as to whether an annuity program should be adopted to replace the longevity bonus program.

Under the proposed program, a person could elect to receive his or her permanent fund dividend in cash, as a credit in an annuity account, or a combination of the two. A person who is 65 years old on or before January 1, 1988, or persons with certain debts could only receive the dividend in cash.

Upon reaching the age of 65, a person with credit in an annuity account would receive an annuity in the form of a monthly payment based upon the principal and accrued interest in the person's annuity account. If a person dies before age 65, a lump sum payment could be made to a designated beneficiary or to the decedent's estate.

Persons 65 years of age on or before January 1, 1988, who otherwise qualify would continue to receive a monthly longevity bonus payment of \$250. Otherwise, the monthly longevity bonus payment would be equal to \$250 minus the maximum possible straight life annuity for a person 65 years of age under the annuity program.

If the annuity program is rejected, the legislature will consider limiting the existing longevity bonus program to people who are 65 years of age on or before January 1, 1988.

VOTES CAST BY MEMBERS OF THE 14TH ALASKA LEGISLATURE ON FINAL PASSAGE

House:	Yeas	30
	Nays	10
	Absent or Not Voting	0
Senate:	Yeas	19
	Nays	0
	Absent or Not Voting	1

Rep. Davis

RE-WRITE OF BALLOT MEASURE NO.3

Advisory Vote on Longevity Bonus Annuity Program
Ch. 99 SLA 85 (SB56)

BALLOT LANGUAGE

(As it will appear on the November 4, 1986, General Election Ballot)

The State Legislature has asked for voters' advice on alternatives to the current longevity bonus program.

Two options are being considered. Both options provide \$250 per month to persons who have turned 65 by Jan. 1, 1988. The two proposals differ for younger people.

The first option sets up an annuity program for persons under 65 on Jan. 1, 1988. Persons could chose to deposit all or part of their permanent fund dividends in an account held by the state. Starting at age 65, a person would receive a monthly payment determined by how much he or she had put in tne account. These annuity payments would be supplemented with money from the state's general fund. The state would add in enough money so people who had contributed all their dividends would receive \$250 a month.

The second option does not provide payments for persons who are younger than 65 on Jan. 1, 1988.

Should the legislature adopt the annuity option? YES
NO

This re-write scored 65.5 under the formula contained in HB 247.

Procedures:

- (1) disregarded numbers
- (2) counted 10 sentences and 142 words. average sentence length, 14.2 words.
 $14.2 \times 1.015 = 14.413.$
- (3) counted 213 syllables in 142 words. $213/142 = 150/100.$
 $150 \times .846 = 126.9$
- (4) $14.413 + 126.9 = 141.313.$ $206.835 - 141.313 = 65.522$

1980 U.S. Census of Alaska

Table 66. Educational Characteristics: 1980

(Data are estimates based on a sample; see Introduction. For meaning of symbols, see Introduction. For definitions of terms, see appendices A and B)

**The State
Urban and Rural and Size of Place
Inside and Outside SMSA's**

SCHOOL ENROLLMENT AND TYPE OF SCHOOL

	The State	Total	Urban			Rural				
			Inside urbanized areas		Outside urbanized areas	Rural				
			Total	Central cities	Urban fringe	Places of 10,000 or more	Places of 2,500 to 10,000	Total	Places of 1,000 to 2,500	Rural form
Persons 3 years old and over enrolled in school										
Nursery school	113 692	72 104	47 682	47 682	-	10 854	13 568	41 588	8 034	221
Public	5 195	3 324	2 111	2 111	-	519	694	1 871	378	14
Church-related	3 137	1 701	980	980	-	277	444	1 436	261	6
Other private	647	573	409	409	-	68	96	74	32	-
Kindergarten	1 411	1 050	722	722	-	174	154	361	85	8
Public	7 007	4 348	2 746	2 746	-	730	872	2 659	532	23
Church-related	6 579	4 051	2 515	2 515	-	690	846	2 478	481	18
Other private	236	177	140	140	-	16	21	59	24	-
Elementary (1 to 8 years)	242	120	91	91	-	24	5	122	27	5
Public	55 520	33 700	22 690	22 690	-	4 995	6 015	21 820	4 136	82
Church-related	53 948	32 778	22 055	22 055	-	4 826	5 897	21 170	4 089	77
Other private	1 229	736	479	479	-	154	103	493	37	5
High school (11 to 14 years)	343	186	156	156	-	15	15	157	10	-
Public	27 192	16 458	10 976	10 976	-	2 463	3 019	10 734	2 182	79
Church-related	26 410	15 999	10 653	10 653	-	2 346	3 000	10 411	2 159	68
Other private	542	330	213	213	-	104	13	212	12	11
College	240	129	110	110	-	13	6	111	11	-
Public	18 778	14 274	9 159	9 159	-	2 147	2 968	4 504	806	23
Other private	17 654	13 452	8 526	8 526	-	2 041	2 885	4 202	761	23

	The State	Total	Urban			Rural				
			Total	Central cities	Urban fringe	Places of 10,000 or more	Places of 2,500 to 10,000	Total	Places of 1,000 to 2,500	Rural form
Persons 3 years old and over enrolled in school										
3 and 4 years old	4 454	2 761	1 736	1 736	-	457	568	1 693	302	14
5 and 6 years old	11 810	7 314	4 688	4 688	-	1 192	1 434	4 496	959	16
7 to 13 years old	47 292	29 193	19 752	19 752	-	4 325	5 116	18 099	3 504	89
14 and 15 years old	13 785	8 132	5 375	5 375	-	1 222	1 535	5 653	1 142	38
16 and 17 years old	13 357	8 173	5 489	5 489	-	1 208	1 476	5 184	1 009	34
18 and 19 years old	5 431	3 522	2 185	2 185	-	382	955	1 909	347	8
20 and 21 years old	2 424	1 902	1 157	1 157	-	191	554	522	91	6
22 to 24 years old	2 497	1 975	1 177	1 177	-	266	532	522	93	-
25 to 34 years old	7 485	5 450	3 481	3 481	-	1 046	923	2 035	350	7
35 years old and over	5 157	3 682	2 642	2 642	-	565	475	1 475	237	9

	The State	Total	Urban			Rural				
			Total	Central cities	Urban fringe	Places of 10,000 or more	Places of 2,500 to 10,000	Total	Places of 1,000 to 2,500	Rural form
Percent enrolled in school										
3 and 4 years old	31.2	30.7	29.4	29.4	-	31.5	34.8	32.1	28.2	41.2
5 and 6 years old	85.0	84.2	84.2	84.2	-	87.8	91.8	83.2	83.4	69.6
7 to 13 years old	97.6	97.8	97.8	97.8	-	98.5	97.4	97.3	97.6	100.0
14 and 15 years old	96.9	97.1	97.1	97.1	-	98.3	98.5	95.9	97.7	88.4
16 and 17 years old	87.3	87.2	87.1	87.1	-	84.1	90.2	87.5	81.2	85.0
18 and 19 years old	37.5	36.7	35.5	35.5	-	29.2	44.5	39.0	29.2	50.0
20 and 21 years old	14.2	15.8	15.9	15.9	-	9.9	20.8	10.4	6.8	33.3
22 to 24 years old	8.9	10.1	9.2	9.2	-	8.4	15.1	6.0	4.4	-
25 to 34 years old	8.2	9.1	8.7	8.7	-	10.6	8.9	6.6	5.3	6.4

	The State	Total	Urban			Rural				
			Total	Central cities	Urban fringe	Places of 10,000 or more	Places of 2,500 to 10,000	Total	Places of 1,000 to 2,500	Rural form
Percent 16 to 19 years old										
Armed forces	1 674	1 444	729	729	-	214	501	230	153	-
Civilian, enrolled in school	18 670	11 599	7 643	7 643	-	1 572	2 384	7 071	1 345	42
Employed	6 023	4 239	2 756	2 756	-	678	805	1 784	474	16
Unemployed	1 222	800	475	475	-	138	187	422	49	-
Not in labor force	11 425	6 560	4 412	4 412	-	756	1 392	4 865	822	26
Civilian, not enrolled in school	9 448	5 933	4 080	4 080	-	957	896	3 515	939	14
High school graduates	5 830	3 789	2 608	2 608	-	673	508	2 041	598	8
Employed	3 587	2 557	1 828	1 828	-	427	302	1 030	341	8
Unemployed	670	260	260	260	-	109	59	242	59	-
Not in labor force	1 573	804	520	520	-	137	147	769	198	-
High school graduates	3 618	2 144	1 472	1 472	-	284	388	1 474	341	6
Employed	1 241	785	543	543	-	108	134	456	118	5
Unemployed	1 653	452	334	334	-	73	75	201	67	1
Not in labor force	1 724	907	625	625	-	103	179	817	156	-

YEARS OF SCHOOL COMPLETED

includes G.E.D.

	The State	Total	Urban			Rural				
			Total	Central cities	Urban fringe	Places of 10,000 or more	Places of 2,500 to 10,000	Total	Places of 1,000 to 2,500	Rural form
Male, 25 years old and over										
Elementary	113 432	71 766	46 974	46 974	-	12 116	12 676	41 666	8 510	273
0 to 4 years	3 554	836	389	389	-	186	261	2 718	280	5
5 to 7 years	2 852	1 189	620	620	-	277	292	1 663	256	4
8 years	3 842	1 601	807	807	-	287	507	2 241	497	36
High school	9 211	5 350	3 302	3 302	-	844	1 204	3 861	817	6
1 to 3 years	42 307	26 949	17 668	17 668	-	4 435	4 846	15 358	3 271	101
4 years	25 382	17 163	11 565	11 565	-	2 662	2 936	8 219	1 785	58
College	12 469	9 093	6 341	6 341	-	1 478	1 274	3 376	801	27
1 to 3 years	13 815	9 585	6 282	6 282	-	1 947	1 356	4 230	803	36
4 or more years	82.8	87.5	89.1	89.1	-	86.8	82.1	74.8	78.3	81.3
Female, 25 years old and over										
Elementary	97 965	65 131	43 632	43 632	-	10 937	10 562	32 834	7 118	222
0 to 4 years	3 041	798	431	431	-	184	183	2 243	266	2
5 to 7 years	2 646	1 070	662	662	-	138	270	1 576	296	12
8 years	3 078	1 573	912	912	-	287	374	1 505	349	27
High school	8 717	5 382	3 510	3 510	-	835	1 037	3 335	819	11
1 to 3 years	39 873	27 592	18 570	18 570	-	4 476	4 546	12 281	2 791	80
4 years	22 340	15 945	10 984	10 984	-	2 559	2 402	6 395	1 542	46
College	10 221	7 413	5 038	5 038	-	1 364	1 011	2 808	596	14
1 to 3 years	8 049	5 358	3 525	3 525	-	1 094	739	2 691	459	30
4 or more years	82.2	86.5	87.4	87.4	-	86.8	82.4	73.6	75.7	76.6
Percent high school graduates										
Persons 25 years old and over	211 397	136 897	90 606	90 606	-	23 053	23 238	74 500	15 628	495
Less than 5 years of elementary school	3.1	1.2	0.9	0.9	-	1.6	1.9	6.7	3.5	1.4
High school graduates	82.5	87.0	88.3	88.3	-	86.8	82.2	74.3	77.1	79.2
4 or more years of college	21.1	23.0	23.4	23.4	-	25.5	18.8	17.6	17.0	21.6
Median years of school completed	12.8	12.9	13.0	13.0	-	13.0	12.8	12.7	12.7	12.8
Persons 18 to 24 years old										
High school graduates	59 454	41 116	26 165	26 165	-	6 634	8 327	18 538	4 629	69
4 or more years of college	79.2	82.5	82.5	82.5	-	83.4	81.7	71.9	78.1	89.9
3 years	3.5	3.3	3.3	3.3	-	3.7	3.8	3.6	3.4	15.9
Male, 18 to 24 years old										
High school graduates	31 743	21 702	13 443	13 443	-	3 634	4 625	10 041	2 633	54
4 or more years of college	78.3	81.8	81.8	81.8	-	80.9	82.2	71.0	78.3	92.6
3 years	3.4	3.2	3.2	3.2	-	3.4	4.0	3.5	3.1	14.8
Female, 18 to 24 years old										
High school graduates	27 911	19 414	12 722	12 722	-	2 990	3 702	8 497	1 994	15
4 or more years of college	80.2	83.3	83.2	83.2	-	84.5	81.1	72.9	78.0	80.0
3 years	3.6	3.5	3.4	3.4	-	4.0	3.6	3.7	3.9	20.0



6

April 1987

Representatives Mike Davis and Niilo Koponen have introduced House Bill 247 which would require ballot propositions and neutral summaries in voter's pamphlets to be worded on an eighth grade reading level or lower.

The Fairbanks League of Women Voters and the Literacy Council have been working for about three years on trying to ensure that these propositions and summaries are easier to read. Currently there are no standards for readability being used by the state, with the result that ballot propositions and neutral summaries are usually worded on a 12th grade through college graduate level.

According to the Literacy Council only 62% of the population can read at the 11th grade level. For many Alaskans English is a second language.

The standard proposed in HB 247 has been adopted in many states. It would require little extra staff time, and the result is that people would understand exactly what they were voting on.

The League of Women Voters of Alaska is pleased that the Fairbanks representatives have taken this step to ensure an informed voting population. We urge you to vote in favor of this bill which is so important to maintenance of a truly democratic process.

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

Bill Version : HB 247 A

Publish Date : _____

REQUEST: _____

Revision Date: _____

Title: "An Act relating to certain
election materials."

Sponsor: Representative Davis

Requestor: House State Affairs

Agency Affected: Department of Law

BRU: Legal Services

Components: Operations

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						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see attached analysis.

Richard I. Peaves

Prepared by: Richard I. Peaves, Director

Phone: 465-3672

Division: Administrative Services

Date: April 13, 1987

Approved by Commissioner: Grace Berg Schaible, Atty. Gen.

Date: April 13, 1987

Agency: Department of Law

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 #247 B
 Publish Date: 4/6/87

REQUEST: _____

Revision Date: _____
 Title: An Act relating to the readability
 of certain election materials"
 Sponsor: Davis
 Requestor: Davis

Agency Affected: Office of the Governor
 BRU: Division of Elections
 Components: II

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Linda Edgeworth
 Division: Elections

Phone: 465-4611
 Date: 2-24-87

Approved by Commissioner: Carol P. Kartzke
 Agency: Office of the Governor / Division of Elections

Date: 4/13/87

Distribution (by preparer) :

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

STATE OF ALASKA

P O BOX AA
JUNEAU 99811
(907) 465-3520

M E M O R A N D U M

OFFICE OF THE LIEUTENANT GOVERNOR

TO: Grace Schaible
Attorney General
Department of Law

FROM: Stephen McAlpine
Lieutenant Governor

DATE: March 4, 1987

SUBJECT: Attached Proposed Legislation

Attached please find information given to me by the League of Women Voters. I am in favor of legislation similar to this and would appreciate your review of their proposal. It is my understanding that this legislation will be introduced this session. However, if it is not introduced or does not pass the Legislature, I would like to see this become the policy for ballot propositions, etc. for the Division of Elections.

Attachment

cc: Sandi Stout, Division of Elections

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

C

REQUEST: _____
 Bill Version: HB 247
 Publish Date: HOUSE 4/6/87
 Revision Date: 4/13/87
 Title: An Act relating to the readability of certain election materials.
 Sponsor: Davis and Koponen
 Requestor: Representative Mike Davis
 Agency Affected: Legislative Affairs Agency
 BRU: Legislative Council
 Components: Legal Services

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						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact.

Prepared by: Pamela A. Stoops, Manager *Pamela Stoops* Phone: 465-3850
 Division: Administrative Services Date: 4/13/87
 Approved by: Warren W. Endicott, Executive Director *Warren W. Endicott* Date: 4/13/87
 Agency: Legislative Affairs Agency

Distribution (by preparer):

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

H B

2 5 3



Official Business

Alaska State Legislature

House

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

STATE AFFAIRS COMMITTEE

HOUSE BILL 253

FILE CONTENTS

1. HB 253: AN ACT RELATING TO THE ALASKA RESEARCH POLICY ACT AND THE SCIENCE AND ENGINEERING ADVISORY COMMISSION; AND PROVIDING FOR AN EFFECTIVE DATE
2. TRANSMITTAL LETTER FROM GOVERNOR COWPER
3. MEMORANDUM FROM HENRY COLE TO JOHN HALTERMAN, DATED MARCH 17, 1987
4. LETTER FROM DAVE HICKOK TO REPRESENTATIVE ULMER, DATED APRIL 21, 1987, AND PROPOSED COMMITTEE SUBSTITUTE
5. STATEMENT OF DAVID M. HICKOCK BEFORE HOUSE COMMITTEE ON STATE AFFAIRS, DATED APRIL 22, 1987

FISCAL NOTE

- A. GOVERNOR'S OFFICE, OFFICE OF MANAGEMENT AND BUDGET, DIVISION OF POLICY: \$200,000

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 253 (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 relating to the Alaska Research Policy Act
7 and the science and engineering advisory commission;
8 and providing for an effective date."

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

10 * Section 1. AS 44.19.257(a) is amended to read:

11 (a) The commission is composed of seven [FIVE] members appointed
12 by the governor as follows:

13 (1) one member is to be appointed from individuals from the
14 academic institutions of the state with expertise in areas of research
15 relating to the state including the physical, biological, health,
16 environmental, social, and behavioral sciences;

17 (2) one member is to be appointed from individuals who are
18 engaged in activities furthering the welfare of the human and physical
19 environment and who have expertise in areas of research relating to
20 the state, including the physical, biological, health, environmental,
21 social, and behavioral sciences;

22 (3) one member is to be appointed from state departments
23 with research needs; [AND]

24 (4) one member is to be appointed from individuals familiar
25 with the state and representative of the needs and interests of pri-
26 vate industry;

27 (5) one member is to be appointed from individuals with
28 experience in national and international research programs;

29 (6) one member is to be appointed from the general public;

1 (7) the senior science advisor in the governor's office,
2 who serves as chairman and director of the commission.

3 * Sec. 2. AS 44.19.263 is amended to read:

4 Sec. 44.19.263. POWERS AND DUTIES OF THE COMMISSION. The com-
5 mission shall

6 (1) with the senior science advisor, develop and recommend
7 an integrated state research policy;

8 (2) provide policy information to the governor and the
9 legislature on matters that have scientific and engineering signifi-
10 cance;

11 (3) receive scientific and engineering information from the
12 academic and industrial communities;

13 (4) act in an advocacy role for scientific and engineering
14 issues and science education important to the state that might other-
15 wise be overlooked;

16 (5) assist state agencies in assessing research needs and
17 establishing priorities among them;

18 (6) facilitate cooperation between state agencies and the
19 University of Alaska and other academic institutions and industry;

20 (7) recommend methods to improve logistical planning and
21 support for scientific and engineering research conducted in the state
22 by state, federal, or international agencies, private industry, or the
23 general public [NEEDED STATE RESEARCH];

24 (8) recommend [SUGGEST] methods for improving efficient
25 acquisition, storage, transfer, [SHARING] and dissemination of scien-
26 tific and engineering data and information in the state among inter-
27 ested public and private institutions;

28 (9) promote science education and training for young scien-
29 tists and engineers to pursue careers in the state and the Arctic;

1 (10) cooperate with the Federal Arctic Research Commission
2 in the formulation of the Arctic research policy; and

3 (11) not later than September 30 of each year, present to
4 the governor the commission's recommended research priorities of the
5 state for the next fiscal year.

6 * Sec. 3. AS 44.19.263 is amended by adding a new subsection to read:

7 (b) The commission may

8 (1) receive money from private and government sources;

9 (2) award contracts and grants to accomplish the purposes
10 of AS 44.19.251 - 44.19.265.

11 * Sec. 4. AS 44.19 is amended by adding a new section to read:

12 Sec. 44.19.264. APPROPRIATIONS. Appropriations made for the
13 purposes of AS 44.19.251 - 44.19.265 are not one-year appropriations
14 and do not lapse under AS 37.25.010.

15 * Sec. 5. Notwithstanding AS 44.19.259, the initial terms of members of
16 the science and engineering advisory commission appointed under AS 44.19.-
17 257(a)(5) and (6), enacted by sec. 1 of this Act, are for three years.

18 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).
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29

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/8/87

FURTHER REFERRALS: Finance

DATE: 4-22-87

The State Affairs Committee has considered HB 253

"An Act relating to the Alaska Research Policy Act and the science and engineering advisory commission; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 253 (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
- zero fiscal note
- zero with analysis
- same as previous fiscal note published 4/8/87
- same as previous zero fiscal note published _____

SIGNING DO PASS:

[Signature]
Cliff Davidson
P. A. Bayh
Perry Martin

SIGNING OTHER RECOMMENDATIONS:

delete "grant's authority"
from Sec 44.19.263 (b)(2)
[Signature]

[Signature]
 Chairman's signature

4/22/87

House State Affairs Committee

Committee Substitute for HB 253

Sec. 44.19.263 POWERS AND DUTIES OF THE COMMISSION. (a) the commission shall

(7) recommend methods to improve logistical planning and support for scientific and engineering research conducted in Alaska by state, federal or international agencies, private industry or the general public (needed state research);

(8) recommend (suggest) methods for improving efficient acquisition, storage, transfer (sharing) and dissemination of scientific and engineering data and information in the state among interested public and private institutions (;) and the general public;

(b) The commission may

(1) receive money from private and government sources;

(2) award contracts and grants to accomplish the purposes of AS 44.19.251 -- 44.19.265.

Revised: 265-4935
~~To Submit 276-5505~~
(~~Printed 474-7783~~)

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU



April 7, 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 two bills, a substantive measure and an appropriation bill, relating to the Alaska Research Policy Act and the science and engineering advisory commission in the Office of the Governor. AS 44.19.251 -- 44.19.265.

Section 1 of the substantive bill amends AS 44.19.257(a) to increase the size of the science and engineering advisory commission from five to seven members. Section 2 of the bill amends AS 44.19.263 to authorize the commission to receive money from private, as well as government sources, and to award grants to accomplish the purposes of the Alaska Research Policy Act. In sec. 3 of the bill, proposed AS 44.19.264 is added to the Research Policy Act to ensure that appropriations made to carry out the purposes of that Act do not lapse at the end of a fiscal year, but, instead, can be carried forward.

The appropriation bill appropriates \$100,000 to the science and engineering advisory commission to implement the Research Policy Act.

I believe that a key to the rejuvenation and redirection of Alaska's economy is the stimulation of our intellectual resources. This is necessary in order to formulate practical solutions to problems with which we are confronted. These solutions include the creation of new products from our natural resources, improvement in the understanding of our fisheries, and developing Arctic technology, as well as the resolution of a host of other questions that will arise as Alaskans seek to become players in the world markets for value-added goods and services. The expertise gained in reaching these solutions will allow us to come to the world bargaining table as an equal player.

The world's economy is moving toward more capital intensive production of goods designed to serve the mass consumer markets of Asia, Europe, and North America. Those countries and corporations that are the most successful have recognized the need to keep abreast of rapidly changing technical knowledge by investing heavily in applied and basic research. If we in Alaska are to compete, we need to follow this example by endowing a research foundation that will work with Alaska's entrepreneurs to help solve technical problems and provide basic information.

The passage of these bills will initiate a process that will, I hope, lead to a proposal for an Alaska Research Foundation. The current commission will be expanded to allow the inclusion of a member who has expertise in international research and a member from the general public. I will direct the commission to leverage the state contribution with those of federal agencies and private donors, in order to fund research projects that meet the following basic criteria:

1. The project must produce technical knowledge capable of leading to the start-up of a new industry, the improvement of an existing industry, or the understanding of an important Alaskan problem.

2. The project should lead to results within a predictable and short time period (such as within two years). A predictable time frame means that the problem has been adequately analyzed beforehand.

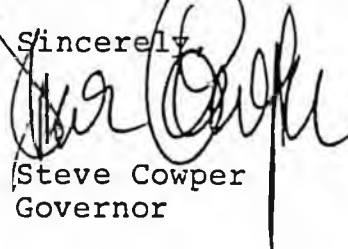
3. Even though the project leads to the solution of a practical Alaskan problem, the knowledge gained should be useful in solving related and broader scientific questions.

4. The overall size of the project should be small enough so that a relatively small amount of money could make a difference. The grant would be seed money or a necessary first step of a potentially larger effort.

5. Projects that could stimulate matching money from industry or the federal government would be desirable. In that case, other money might be obtained resulting to a greater degree of success.

Building upon its experience gained in disbursing these grants, combined with a review of successful research foundations and the advice of Alaska's business and scientific communities, the commission will propose a plan for the creation of a permanent research foundation. I hope that members of the legislature will join me in this effort to move Alaska into a more creative and productive future.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Steve Cowper
Governor

MEMORANDUM

State of Alaska

TO: John Halterman, Director
Division of Audit and Management
Services
Office of the Governor

DATE: March 17, 1987

FILE NO: 87H-10

TELEPHONE NO: 465-3568

FROM: Henry Cole, Special Assistant
for Science and Technology
Division of Policy
Office of the Governor

SUBJECT: Criteria for the Choice
of Pilot Projects for
Alaskan Applied
Research

Applied research projects which are to be selected from Alaskan Research and Developments grants need to meet certain criteria:

1. The project must produce technical knowledge capable of leading to the start up of a new industry, the improvement of an existing industry or the understanding of an important Alaskan problem.
2. The project should lead to results within a predictable and short time period (such as within 2 years). (The fact that the time frame is predictable means that the problem has been adequately analyzed beforehand.)
3. Even through the project leads to the solution of a practical Alaskan problem, the knowledge gained should be useful in solving related and broader scientific questions.
4. The overall size of the task would be small enough so that a relatively small amount of money could make a difference. The grant would be seed money or a necessary first step of what could be a larger effort.
5. Projects which could stimulate matching funds from industry or the federal government would be desirable. In that case other monies might be obtained resulting to a greater degree of success.

The reason for criteria #3 and #5 is that the existence of a related scientific question could very likely connect this local Alaskan problem to scientific questions of national or

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global interest. The National Science Foundation and National Oceanic and Atmospheric Administration have considerable interest in funding research in Alaska on basic questions of biological and chemical oceanography, the interaction of the Bering Sea ice edge with nutrients and primary productivity, ocean currents and meteorology.

Federal priorities in research in seven basic areas have been set forth in the working document of the 1984 Arctic Research Policy Act. This document serves as an important point of connection between State and federal research efforts. Federal/State coordinating committees are already assigned for the areas of fisheries, health and logistics. These areas have been identified to be of the highest priority for action by the Arctic Research Commission. In these and other areas which have been identified, federal agencies would welcome joint participation if the State would pick up some of the costs. And a mechanism for the near term release of small amounts of federal money help could be sought through our congressional delegation. Furthermore, careful initial planning, involvement and awareness by the Alaskan business and scientific communities would generate enthusiasm, lead to possible matching of funds and insure the endorsement of this grant process for future applied research and development schemes.

The execution of these proposals would be according to the following scheme: *new word ←*

1. The State contribution to this pilot project is \$100,000 which will be matched by an additional \$100,000 from private individuals.
2. The choice of a suitable project would be made by the ~~Science Advisor in consultation with the Science and Engineering Advisory Commission~~, instituted by the Alaska Research Policy Act.
3. Proposals should be less than 5 pages and include:
 - a) A statement of what is to be accomplished and the specific steps towards the goal.
 - b) A precise time frame for the steps and the final result.
 - c) A budget.

- d) A plan and provision for immediate dissemination of the research results to interested user groups and agencies.
4. The expenditures and scientific results must be clearly and accurately accountable to the Office of the Governor.

Listed below are possible candidates for study which have recently come to my attention. The actual and final choices would be based upon submitted proposals and a proper review process. These examples merely describe the projects which seem to fit the above criteria.

1. Fisheries: Fisheries return data such as overall harvest size and composition and age/size structure is essential for analyzing population status and trends. These data could be provided by a shipboard observer program. Such information permits increased harvest predictability and is necessary for long-term sustainable-yield management of the resource. In addition, such information may apply to our understanding of the overall health and stability of the ecosystem. Certain components of that ecosystem (southern and central Bering Sea), such as marine mammals, have been subject to severe population declines in recent years, for reasons which are poorly understood.
2. Fisheries: Parasitism Research: Investigations into the distribution, causes, and controlling factors of diseases and parasitism affecting commercial fish and shellfish populations could have obvious benefits in terms of increased harvests and resource stability. One such instance which would bear further investigation is the nemertean parasite which attacks crab eggs during incubation. Studies should probably concentrate efforts at possible methods of control, which would probably derive from increased understanding of the life history of the parasite and factors which control its populations.
3. Health: A pathology study on the aorta and heart tissue of atherosclerosis victims from non-native and native Alaskan populations whose diets have been documented. This study would provide a solid link between seafood diet and the characteristics of the heart tissue at death. A clear result could lead to major future federal funding of \$3m to investigate the hypothesis that a seafood diet reduces the chance of atherosclerosis.

4. Logistics: To produce a document which lists the types and utility of remote logistic sites and transportation available for field research in Alaska. More than one half the cost of field science in Alaska is logistical. Military, State agencies and the university would be sources of information.

HC/dmc

cc: Governor Cowper

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UNIVERSITY OF ALASKA--FAIRBANKS

April 21, 1987

Representative Fran Uimer
House of Representatives
P.O. Box V (Mailstop 3100)
Juneau, AK 99811

Dear Fran:

The attached version of HB 253 offers suggested changes and additions to the bill as introduced amending the Alaska Research Policy Act (A.S. 44.19.251-44.19.265).

Additionally, I have forwarded to Judy Crondoll's attention a copy of a plan for National Arctic Information Network, and I enclose here also a joint letter from former Governor Bill Sheffield and James Zumberge, chairman of the U.S. Arctic Research Commission which began the arctic/Alaska information planning process authorized by the U.S. Arctic Research and Policy Act.

In my judgment, it is very desirable for the state of Alaska and other Alaska-based organizations working together through the Council on Northern Resources Information Management (CONRIM) to maintain leadership in matters of natural resource, scientific, and engineering information management.

An opportunity exists in this legislative session to couple science and research policy with information policy as already accomplished within the federal law. SB 232 in the Senate seeks this objective. SD 232 and HB 253 may be readily combined along the lines I indicate. If this is done, Alaska can meaningfully demonstrate partnership with federal Alaska/U.S. Arctic interests in the concepts that science and technology may really serve societal interests. It is an opportunity also for Governor Cowper to support information management policies which reflect his pronounced ideas of the ways information services and systems may be supportive of enhanced economic progress in Alaska. This coupling of science and related information policy is the thrust of my suggested amendments to HB 253.

I will also offer some minor suggestions based upon my long experience in science policy matters.

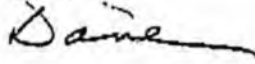
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Representative Fran Ulmer
April 21, 1987
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I look forward to the opportunity to speak to the committee Wednesday at 3 p.m.

Thank you for your considerations

Sincerely,



David M. Hickok
Director

DMH:jlh
11G/308

Enclosures

cc: Representative H.A. "Red" Boucher
Dr. Henry Cole, Science Advisor
Judy Crondoll
Senator Joe Josephson
Wendy Redman