

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5519 SSTA SB 157 - SB 171

1891

SB

157



A Sealaska Company



Rhonda

George W. Easley
President

157
[Handwritten initials]

June 26, 1987

JUN 30 1987

Senator Mitchell Abood
P.O. Box V
Juneau, Ak. 99811

Senator Abood:

Please understand that for me and thousands of other people doing business in Alaska, the FY88 capital budget is the most important piece of legislation needing your support this year.

I am sure you have, as I have, many friends and associates whose ability to do business in Alaska has been eliminated because of our current economic conditions. We also have a number of friends whose hopes of remaining in business rests primarily on the work created by the FY88 capital budget.

Please consider the importance of a capital budget to Alaska's economy and people. Since statehood, we've always had a capital budget. Consider the capital budget on its own merits and address it separately from other issues.

We feel the priorities on line items within the budget should include: (1) adequate funds to match all Federal monies; (2) those projects which will do the most to stimulate our economy.

All Alaskans are relying on your ability to work together in dealing with this most important issue. Thank you for your time. If I can be of any assistance to you, don't hesitate to ask.

Kindest personal regards,

*Thanks Mitch - Good fishing
this summer -*

[Handwritten signature]

Dave Choquette
Business Operations & Development

DC:sm

INTRODUCTION OF BILLS, (House)

Oil & Gas Properties HOUSE BILL NO. 164, by the Rules Committee by Request of the Governor. See SB 158, this report, identical.

Production Tax
(amendments to) Introduced March 4 and referred to Resources; Finance.

Bradley Lake Appropriation HOUSE BILL NO. 165, by the Rules Committee by Request of the Governor. See SB 159. this report, identical.

(amending)
Introduced March 4 and referred to Resources; Finance.

FY '87 Budget Deficit HOUSE BILL NO. 166, by the Rules Committee by Request of the Governor. See SB 157, this report, identical.

(appropriating from budget reserve acct.)
Introduced March 4 and referred to Finance.

Seat Belts HOUSE BILL NO. 167, by Reps. Cotten, Ulmer, Koponen, Collins, Brown, Donley, Ellis, Gruenberg, Vanley, Hudson, Phillips and Davidson. Rewrites current law relating to mandatory use of seat belts so that ". . . a person may not occupy a motor vehicle while in operation unless restrained by a safety belt." Currently children under the age of seven are required to wear seat belts, and children under the age of four must be properly secured in a child safety device meeting federal Dept. of Transportation standards. Children between four and six have to be properly secured in a child safety device for the age and size. The standards that currently apply to children would be the same under this bill. The law would not apply to passengers in school buses or emergency vehicles; to operators of mail or newspaper delivery vehicles; children with physical or medical conditions that have been exempted by regulation; cars that are not equipped with seatbelts; and motor vehicles that are not subject to state registration requirements. Persons could not remove seatbelts from cars solely to be exempted from requirements.

Changes penalty section so that a person convicted of a seat belt violation could be fined up to \$15, in addition to being assessed demerit points (as current law provides).

Does not provide an effective date (bill becomes law 90 days after being signed by the governor).

Introduced March 6 and referred to State Affairs; Judiciary.

Public Employees
(protection) HOUSE BILL NO. 168, by the Labor & Commerce Committee. Relates to protection of public employees. Prohibits a public employer from discharging, threatening, or otherwise discriminating against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because (1) the employee, or a person acting on his/her behalf, reports to a public body a violation of state, federal, or municipal law, regulation or ordinance; a substantial and specific danger to public health or safety; or mismanagement, a gross waste of funds, or an abuse of authority; or (2) the employee is requested by a public body to participate in a court action or in an investigation, hearing, or inquiry held by that public body.

BILLS PASSED BY THE HOUSE (cont'd)

CSHB 120 (FIN) (TITLE AM), (cont'd)

The effective date clause was adopted. Rep. Barnes gave notice of reconsideration.

On March 13 reconsideration was taken up. Amendment 3 by Brown and Gruenberg was adopted, changing the bill's title. The bill then passed the House on reconsideration, 32-5-3. Nays: Barnes, Furnace, Hanley, Martin, Shultz. Excused: Donley, Pearce, Taylor.

Eklutna Highway HOUSE CONCURRENT RESOLUTION NO. 1 (AM S), (see pages 80; 113;143;160;206;244;276). On March 9 the House concurred in Senate amendments (final action) to the resolution, 39-0-1. Absent: Shultz.

Alaskan Seafood CS FOR HOUSE JOINT RESOLUTION NO. 17 (L&C), (see pages 221; 227;254;299). On March 9 the Labor & Commerce substitute was adopted (see page 299). The resolution then passed the House, 40-0.
Products
(trade names)

Seafood HOUSE RESOLUTION NO. 4, (see introductions, this report).
Marketing Passed the House March 13, 37-0-3. Excused: Donley, Pearce,
(application Taylor.
for funds)

State Militia SENATE BILL NO. 90, (see pages 91;164;187;300). Passed
(eligible age) the House March 9, 40-0. The effective date clause was adopted. Rep. Cotten gave notice of reconsideration.

On March 11 Rep. Cotten brought up reconsideration and the bill was held until the March 16 calendar.

OTHER ACTION IN THE HOUSE

FY '87 Budget HOUSE BILL NO. 166, (see page 284). On March 9 the Speaker
Deficit added a referral to the State Affairs Committee. The bill
(appropriating was taken from Finance and sent to State Affairs. It will be
from budget sent to Finance again after State Affairs.
reserve fund)

Bd. of Electrical SENATE BILL NO. 111, (see pages 147;275;289). On March 9
Examiners the Labor & Commerce referral was waived by the Speaker. To
(extending) Finance.

Div. of Mining EXECUTIVE ORDER NO. 64, (see pages 83;206). On March 9 a
& Geology message was received from the governor WITHDRAWING the execu-
tive order:

I am today withdrawing Executive Order No. 64, which would have consolidated the Department of Natural Resources' division of mining and division of geological and geophysical surveys and named the consolidated unit the division of mining and geology.

The plan to merge the division of mining into the division of geological and geophysical surveys was conceived in response to the perceived efficiencies of the consolidation and the cost savings that would result. We have continued to analyze the possible benefits, detriments, and alternatives.

COMMITTEE REPORTS (House, cont'd)

HB 156, (cont'd)

to use the amount to make appropriations to the oil and hazardous substance release response fund. An additional one percent would be accounted for, and the legislature could use it to make appropriations to the dept. of environmental conservation for implementation of the state's air quality control implementation plan in nonattainment areas designated by the federal EPA for carbon monoxide emissions. The balance of the revenue would be deposited in the existing special highway fuel tax account for use by the legislature for appropriations for maintenance of highways, construction of highway projects and ferries.

Public Assistance
(misc. ams.)

HOUSE BILL NO. 157, (see page 280). Reported back to the House May 1 by Health, Education & Social Services recommending it be replaced with a substitute and without recommendation. concurring: Ellis and Koponen (Co-Chairs), Hudson, Donley, Hanley and Phillips. Not concurring: Gruenberg recommends it do pass. To Finance.

The HESS substitute completely rewrites the bill. It adds a new section to AS 47.25.455 (Interim Assistance) that would require a person, as a condition of receiving payments, to sign an agreement to refund the department any payment received by the person during a month for which the person receives payment under the federal law. Adult public assistance payments would begin in the month after the month in which it is determined a person is eligible for federal benefits.

FY '87 Budget Deficit
(appropriating from budget reserve fund)

HOUSE BILL NO. 166, (see pages 284;334). Reported back to the House April 28 by State Affairs recommending it be replaced with a State Affairs substitute and as follows: Ulmer (Chair) and Boucher recommend it do pass; Donley recommends it do not pass; Martin and Davidson had no recommendation. To Finance.

The State Affairs substitute completely rewrites the bill. Under the State Affairs version \$250 million is appropriated from the earnings reserve account of the Alaska Permanent Fund to the Budget Reserve Fund. Provides Act takes effect July 1, 1987.

Workers' Comp 2nd Injury Fund
(use of)

HOUSE BILL NO. 177, (see pages 322;477). Reported back to the House April 27 by Judiciary recommending it be replaced with a Judiciary substitute and that it do pass. Concurring: Sund (Chair), Ulmer, Barnes, Taylor, Gruenberg. Not concurring: Cotten had no recommendation. To Finance.

The Judiciary substitute adds a new section rewriting AS 23.30.015(c) (Alaska Workers' Compensation Act. Compensation Where Third Persons Are Liable) so that payment of compensation into the second injury fund within six months after the date of death operates as an assignment to the employer, for a period of six months after payment, of all rights of the deceased's representative to recover damages from the third person. If payment is not made within six months after the death, or if the employer does not file a lawsuit against the third person within

HOUSE BILLS RECEIVED IN THE SENATE (cont'd)

- State Land (survey reqs.) CS FOR HOUSE BILL NO. 111 (RES), (see pages 167;530 & House action, this report). Received in the Senate May 17 and referred to Resources; Finance. On May 18 the Resources referral was waived. To Finance.
- International Airport Bonds (issuance) HOUSE BILL NO. 123, (see pages 175;618 & House action, this report). Received in the Senate May 11 and referred to Transportation; Finance.
- Future of the Permanent Fund (establishing commission) CS HOUSE BILL NO. 160 (FIN) (AM), (see pages 282;535 & House action, this report). Received in the Senate May 18 and referred to State Affairs; Judiciary; Finance.
- FY '87 Budget Deficit (appropriating from budget reserve fund) CS FOR HOUSE BILL NO. 166 (RULES), (see pages 284;334;665 & House action, this report). Received from the House May 18 and referred to State Affairs; Finance.
- State Loan programs (repealing/ changing) CS FOR HOUSE BILL NO. 185 (FIN) (AM), (see pages 355 & House action, this report). Received in the Senate May 13 and referred to Labor & Commerce; Judiciary; Resources; Finance.
- Geographic Pay Differentials CS FOR HOUSE BILL NO. 187 (FIN) (AM), (see pages 361;477 & House action, this report). Received in the Senate May 17 and referred to Finance.
- Weapons Used in a Crime (forfeiture) CS FOR HOUSE BILL NO. 203 (FIN), (see pages 412;722 & House action, this report). Received in the Senate May 15 and referred to Judiciary; Finance.
- Occupational & Phys. Therapy (regulating) CS FOR HOUSE BILL NO. 205 (HESS) (AM), (see pages 412;582; 722 & House action, this report). Received in the Senate May 13 and referred to Labor & Commerce; Finance.
- Leave of Absence w/o Pay (credited service for) HOUSE BILL NO. 215, (see pages 416;537;723 & House action, this report). Received in the Senate May 13 and referred to State Affairs; Labor & Commerce; Finance.
- Game Farming (license fees) HOUSE BILL NO. 216, (see pages 416;666 & House action, this report). Received in the Senate May 15 and referred to Labor & Commerce; Resources; Finance.
- Employment Rights (pregnancy, childbirth & adoption) CS FOR HOUSE BILL NO. 224 (JUD) (AM), (see pages 420;629;667; 724 & House action, this report). Received in the Senate May 17 and referred to Health, Education & Social Services; Labor & Commerce; Finance.
- Insurance Premium Tax (increasing) CS FOR HOUSE BILL NO. 230 (FIN), (see pages 462;620;680;725 & House action, this report). Received in the Senate May 11 and referred to Labor & Commerce; Judiciary; Finance.

BILLS & RESOLUTIONS PASSED BY THE HOUSE (cont'd)

CSHB 160(FIN)(AM), (cont'd)

governor and the legislature on the investment policy for the principal and the use that should be made of the income of the Permanent Fund.

Judiciary would require the commission to report to the governor and legislature by February 1, 1988 (was 1989). Would repeal the Act February 2, 1988.

Reported back to the House May 15 by Finance recommending it be replaced with a Finance substitute and that it do pass. Concurring: Adams (Chair), Pourchot, Swackhammer, Boyer, Frank, Davis, Brown. Not concurring: Larson, Rieger and Goll have no recommendation. Wallis signed "adopt State Affairs Committee."

The Finance substitute would have the commission gather testimony concerning the use that should be made of the income from the fund - it would not gather testimony concerning the investment policy. Deletes language, "The commission may also comment on changes in the management of the fund that may be needed as a result of its recommendations."

On May 16 Rep. Koponen added his name as co-sponsor.

On May 17 the House Finance substitute was adopted. Amendment 1 by Boucher was adopted. It provides that the members of the commission appointed by the governor be six members of from the public (was five appointees of the governor and listed what sectors of the state the members had to represent). The bill then failed to advance to third reading.

On May 18 the bill was automatically before the House in third reading. It passed the House, 26-13-1. Nays: Barnes, Collins, Furnace, Hanley, Hudson, Martin, Menard, Pearce, Pettyjohn, Phillips, Shultz, Taylor, Zawacki. Absent: Goll. The effective date clause was adopted.

FY '87 Budget
Deficit
(appropriating
from earnings
& budget res.
accounts)

CS HOUSE BILL NO. 166 (RULES), (see pages 284;334;665). Reported back to the House May 11 by Finance recommending it be replaced with a Finance substitute and without recommendation. Concurring: Goll, Davis, Boyer, Brown, Frank, Rieger. Not concurring: Adams (Chair), Pourchot, Wallis, Swackhammer and Larson recommend it do pass. To Rules.

The Finance substitute appropriates to the budget reserve fund in the general fund the balance of the earnings reserve account of the Permanent Fund after subtracting the amount to pay dividends in 1987 and to pay for 1987 inflation proofing.

If the unexpended and unobligated balance of the general fund is insufficient to pay obligations of the general fund under appropriations at any time during fiscal year 1988, the amount required to pay those obligations will be appropriated from the budget reserve fund in the general fund to the general fund. Provides Act takes effect July 1, 1987.

BILLS & RESOLUTIONS PASSED BY THE HOUSE (cont'd)

CSHE 166(RULES), (cont'd)

Reported back to the House May 16 by Rules recommending it be replaced with a Rules substitute and that it do pass. Concurring: Navarre (Chair), Grussendorf, Gruenberg, Hoffman. Not concurring: Pettyjohn, Gruenberg and Boucher have no recommendation.

The House Rules substitute is completely different. It states (in its entirety): "If the 'Available Fund Equity/Balance' for the general fund as reported for June 30, 1988, on the 'State of Alaska, All Fund Types and Account Groups, Combines Balance Sheet' in the state's 'Annual Financial Report' for fiscal year 1988, published under AS 37.05.210(2) is a positive amount, that amount is appropriated from the general fund to the budget reserve fund (AS 37.05.156)."

On May 16 the Rules substitute was adopted. The bill failed to advance to third reading, lacking the necessary two-thirds vote. On May 17 the bill was automatically before the House in third reading. Passed the House, 26-14. Nays: Barnes, Collins, Frank, Furnace, Hanley, Hudson, Martin, Menard, Miller, Pearce, Pettyjohn, Shultz, Taylor, Zawacki. Rep. Pearce gave notice of reconsideration. Reconsideration was taken up May 18, and the bill again passed the House, 26-12-2. Nays: Barnes, Collins, Furnace, Hanley, Hudson, Martin, Menard, Pearce, Pettyjohn, Shultz, Taylor, Zawacki. Absent: Frank, Miller.

Individual
Tax Credits
(repealing)

HOUSE BILL NO. 184 (AM S), (see pages 355;499;536;541;606;802). On May 15 the House concurred in Senate amendments (see page 802), 38-2. Nays: Collins, Phillips.

State Loan
Programs
(repealing/
changing)

CS HOUSE BILL NO. 185 (FIN) (AM), (see page 355). Reported back to the House May 11 by Finance recommending it be replaced with a Finance substitute and without recommendation. Concurring: Goll, Swackhammer, Boyer, Rieger, Frank, Davis. Not concurring: Adams (Chair), Pourchot, Larson, Wallis, Brown. To Rules.

The Finance substitute makes the following changes:

—all principal and interest payments and all money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under the salmon enhancement loan fund would be paid into the salmon enhancement revolving loan fund.

—deletes language from AS 16.10.510 (Fisheries Enhancement Loan Program - renamed the Salmon Enhancement Loan Program under this bill) that allows the commissioner of commerce to establish the rate of interest for loans not to exceed nine and a half percent a year. Under this bill, the department of commerce would establish loan terms.

—deletes subsection (d) under "Loan Terms." That subsection said the department could defer principal and interest payments up to 10 years for the purpose of allowing the borrower to establish



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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

May 14, 1987

TO: File
FROM: David Teal, Director *Teal*
RE: Permanent Fund Projections
Research Request 87.174

Several runs of worksheet PF174 were produced for Representative Ulmer during the past month. No memos were written because the tables were self-explanatory. Files have been purged of older runs because the runs:

- were exploratory;
- were revised to accommodate changes to hold harmless provisions;
- can be easily reproduced in their corrected versions; and
- are subject to change with each new financial statement and revenue forecast.

The latest version (attached) is a comparison of a 50 percent split--to dividends and the General Fund/Budget Reserve--of earnings after full inflation proofing with the 40/30/30 split proposed by the Senate. The Senate plan is inaccurately modeled in that capital gains are treated as earnings instead of as additions to principal. There is no way to project capital gains with any confidence and the Permanent Fund Corporation was unable to clarify whether or not current projections of earnings include capital gains. The model will be kept for future use.

Attachments

cc: Representative Ulmer

TABLE B
PERMANENT FUND BALANCE, RESERVES AND DIVIDEND PROJECTIONS
(in millions of nominal dollars)

% of earnings to dividends: 40.0% 30% REVENUE FORECAST, 40%-30%-30% SPLIT TO DIVIDENDS, INFLATION PROOFING AND RESERVES
 cutting on dividends: none
 inflation proofing priority: 3
 inf. prf. % (if priority=3): 30.0%
 dividends smoothed; On: 0
 reserves to Gen fund; On: 1

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U |
|-------------|------------------|---------------|--------------------|------------------|---------------|-------------------------|--------------|--------------------|------------------------|------------------|------------------|------------------------|---------------|------------------|------------|----------------------------|---------------------|----------------|-----------------|--------------------|
| Fiscal Year | FUND BALANCE | | | PERM FUND AS IS: | | DISPOSITION OF EARNINGS | | | | RESERVE ACCOUNT | | RESERVE ACCOUNT AS IS: | | DIVIDEND PROGRAM | | | | | DIVIDEND AS IS: | Potential Transfer |
| | Starting Balance | Contributions | Inflation Proofing | Final Balance | Final Balance | Total Earnings | To Dividends | Inflation Proofing | Available for Reserves | Starting Balance | Reserve Transfer | Final Balance | Final Balance | From Earnings | Admin Cost | Available for Distribution | Thousands of Checks | Each PFD Check | Each PFD Check | General Fund |
| 1978 | 0 | 54 | 0 | 54 | 54 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- |
| 1979 | 54 | 84 | 0 | 139 | 139 | 8 | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- |
| 1980 | 135 | 344 | 0 | 483 | 483 | 32 | 12 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- |
| 1981 | 483 | 1,285 | 0 | 1,768 | 1,769 | 150 | 28 | 0 | 122 | 0 | 59 | 59 | 59 | 12 | -- | 0 | -- | -- | -- | -- |
| 1982 | 1,769 | 1,201 | 0 | 2,969 | 2,969 | 368 | 71 | 0 | 297 | 59 | 185 | 244 | 244 | 28 | -- | 0 | -- | -- | -- | -- |
| 1983 | 2,969 | 821 | 231 | 4,021 | 4,021 | 471 | 108 | 231 | 132 | 244 | 110 | 354 | 354 | 71 | 3.4 | 478 | 478.0 | \$1,000 | \$1,000 | -- |
| 1984 | 4,021 | 666 | 151 | 4,839 | 4,839 | 530 | 175 | 151 | 204 | 354 | 204 | 558 | 558 | 108 | 3.1 | 198 | 486.0 | \$386 | \$386 | -- |
| 1985 | 4,839 | 668 | 235 | 5,741 | 5,741 | 658 | 217 | 235 | 206 | 558 | 206 | 764 | 764 | 175 | 3.0 | 160 | 471.1 | \$331 | \$331 | -- |
| 1986 | 5,741 | 321 | 216 | 6,281 | 6,281 | 1,021 | 303 | 216 | 501 | 764 | (764) | 0 | 0 | 217 | 7.5 | 211 | \$26.9 | \$404 | \$404 | -- |
| 1987 | 6,281 | 1,414 | 148 | 7,842 | 7,842 | 1,016 | 391 | 148 | 507 | 0 | 507 | 507 | 507 | 303 | 7.7 | 295 | 536.4 | \$556 | \$556 | -- |
| 1988 | 7,842 | 167 | 235 | 8,244 | 8,383 | 786 | 314 | 236 | 236 | 0 | 236 | 236 | 539 | 391 | 11.6 | 360 | 527.2 | \$720 | \$720 | 507 |
| 1989 | 8,244 | 188 | 239 | 8,672 | 8,987 | 798 | 319 | 239 | 239 | 0 | 239 | 239 | 522 | 314 | 12.1 | 302 | 525.6 | \$575 | \$794 | 236 |
| 1990 | 8,672 | 208 | 267 | 9,147 | 9,737 | 892 | 357 | 267 | 267 | 0 | 267 | 267 | 456 | 319 | 12.9 | 306 | 528.0 | \$580 | \$855 | 239 |
| 1991 | 9,147 | 196 | 282 | 9,625 | 10,523 | 939 | 376 | 282 | 282 | 0 | 282 | 282 | 413 | 357 | 13.6 | 343 | 530.2 | \$647 | \$914 | 267 |
| 1992 | 9,625 | 213 | 297 | 10,134 | 11,371 | 989 | 395 | 297 | 297 | 0 | 297 | 297 | 391 | 376 | 14.4 | 361 | 532.4 | \$678 | \$913 | 282 |
| 1993 | 10,134 | 227 | 313 | 10,674 | 12,287 | 1,043 | 417 | 313 | 313 | 0 | 313 | 313 | 364 | 395 | 15.1 | 380 | 534.5 | \$712 | \$923 | 297 |
| 1994 | 10,674 | 232 | 330 | 11,235 | 13,262 | 1,098 | 439 | 330 | 330 | 0 | 330 | 330 | 326 | 417 | 15.9 | 401 | 536.7 | \$748 | \$991 | 313 |
| 1995 | 11,235 | 231 | 357 | 11,822 | 14,332 | 1,188 | 475 | 357 | 357 | 0 | 357 | 357 | 280 | 439 | 16.7 | 423 | 538.8 | \$784 | \$1,071 | 330 |
| 1996 | 11,822 | 230 | 375 | 12,427 | 15,468 | 1,250 | 500 | 375 | 375 | 0 | 375 | 375 | 222 | 475 | 17.5 | 458 | 540.9 | \$846 | \$1,154 | 357 |
| 1997 | 12,427 | 232 | 394 | 13,053 | 16,677 | 1,313 | 525 | 394 | 394 | 0 | 394 | 394 | 151 | 500 | 18.3 | 482 | 543.0 | \$887 | \$1,244 | 375 |
| 1998 | 13,053 | 232 | 414 | 13,699 | 17,361 | 1,379 | 552 | 414 | 414 | 0 | 414 | 414 | 64 | 525 | 19.1 | 506 | 545.1 | \$929 | \$1,340 | 394 |
| 1999 | 13,699 | 229 | 434 | 14,362 | 19,261 | 1,446 | 579 | 434 | 434 | 0 | 434 | 434 | 0 | 552 | 19.8 | 532 | 547.1 | \$972 | \$1,442 | 414 |
| 2000 | 14,362 | 224 | 450 | 15,036 | 20,592 | 1,500 | 590 | 450 | 450 | 0 | 450 | 450 | 0 | 579 | 20.7 | 558 | 549.1 | \$1,016 | \$1,550 | 434 |
| 2001 | 15,036 | 217 | 471 | 15,723 | 21,947 | 1,565 | 628 | 471 | 471 | 0 | 471 | 471 | 0 | 600 | 21.6 | 578 | 551.1 | \$1,049 | \$1,653 | 450 |
| 2002 | 15,723 | 215 | 492 | 16,430 | 23,385 | 1,640 | 656 | 492 | 492 | 0 | 492 | 492 | 0 | 628 | 22.4 | 595 | 553.1 | \$1,094 | \$1,759 | 471 |
| 2003 | 16,430 | 210 | 514 | 17,154 | 24,895 | 1,714 | 685 | 514 | 514 | 0 | 514 | 514 | 0 | 656 | 23.2 | 627 | 555.2 | \$1,140 | \$1,870 | 492 |
| 2004 | 17,154 | 208 | 536 | 17,895 | 26,493 | 1,788 | 715 | 536 | 536 | 0 | 536 | 536 | 0 | 685 | 24.0 | 661 | 557.2 | \$1,187 | \$1,995 | 514 |
| 2005 | 17,899 | 205 | 555 | 18,663 | 28,171 | 1,865 | 742 | 555 | 555 | 0 | 555 | 559 | 0 | 715 | 24.9 | 680 | 559.2 | \$1,234 | \$2,107 | 536 |
| 2006 | 18,553 | 202 | 574 | 19,428 | 29,915 | 1,944 | 778 | 574 | 574 | 0 | 574 | 583 | 0 | 746 | 25.7 | 720 | 561.3 | \$1,283 | \$2,239 | 555 |
| 2007 | 19,428 | 194 | 597 | 20,219 | 31,751 | 2,028 | 810 | 597 | 597 | 0 | 607 | 607 | 0 | 778 | 26.5 | 751 | 563.1 | \$1,330 | \$2,375 | 574 |
| 2008 | 20,219 | 193 | 632 | 21,044 | 33,746 | 2,109 | 843 | 632 | 632 | 0 | 632 | 632 | 0 | 810 | 27.4 | 783 | 565.4 | \$1,384 | \$2,516 | 597 |
| 2009 | 21,045 | 190 | 658 | 21,892 | 35,803 | 2,191 | 877 | 658 | 656 | 0 | 658 | 658 | 0 | 843 | 28.3 | 815 | 567.5 | \$1,436 | \$2,668 | 632 |
| 2010 | 21,892 | 183 | 684 | 22,760 | 37,965 | 2,281 | 912 | 684 | 684 | 0 | 684 | 684 | 0 | 877 | 29.2 | 848 | 569.6 | \$1,489 | \$2,826 | 656 |
| 2011 | 22,760 | 168 | 711 | 23,666 | 40,279 | 2,370 | 948 | 711 | 711 | 0 | 711 | 711 | 0 | 912 | 30.0 | 882 | 571.8 | \$1,543 | \$2,991 | 684 |
| 2012 | 23,559 | 149 | 738 | 24,556 | 42,596 | 2,460 | 984 | 738 | 738 | 0 | 738 | 738 | 0 | 948 | 30.9 | 917 | 573.7 | \$1,598 | \$3,164 | 711 |
| 2013 | 24,556 | 117 | 765 | 25,438 | 45,057 | 2,550 | 1020 | 765 | 765 | 0 | 765 | 765 | 0 | 984 | 31.8 | 952 | 575.8 | \$1,653 | \$3,345 | 738 |
| 2014 | 25,438 | 103 | 792 | 26,334 | 47,637 | 2,641 | 1056 | 792 | 792 | 0 | 792 | 792 | 0 | 1,020 | 32.7 | 987 | 577.9 | \$1,708 | \$3,534 | 765 |

Source: Alaska Permanent Fund Corporation February 25, 1917 Financial Statement
 Department of Revenue, 30% Revenue Forecast, March 1997

CORRECTION

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



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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

May 14, 1987

TO: File
FROM: David Teal, Director *Teal*
RE: Permanent Fund Projections
Research Request 87.174

Several runs of worksheet PF174 were produced for Representative Ulmer during the past month. No memos were written because the tables were self-explanatory. Files have been purged of older runs because the runs:

- were exploratory;
- were revised to accommodate changes to hold harmless provisions;
- can be easily reproduced in their corrected versions; and
- are subject to change with each new financial statement and revenue forecast.

The latest version (attached) is a comparison of a 50 percent split--to dividends and the General Fund/Budget Reserve--of earnings after full inflation proofing with the 40/30/30 split proposed by the Senate. The Senate plan is inaccurately modeled in that capital gains are treated as earnings instead of as additions to principal. There is no way to project capital gains with any confidence and the Permanent Fund Corporation was unable to clarify whether or not current projections of earnings include capital gains. The model will be kept for future use.

Attachments

cc: Representative Ulmer

TABLE A
PERMANENT FUND BALANCE, RESERVES AND DIVIDEND PROJECTIONS
(in millions of nominal dollars)

% of earnings to dividends: 50.0% 30% REVENUE FORECAST; 50% TO DIVIDENDS, 50% TO GF AFTER FULL INFLATION PROOFING
 ceiling on dividends: none
 inflation proofing priority: 1
 inf. prf. % (if priority=3): 0.0%
 dividends smoothed: 0=no
 reserves to Gen Fund: 0=no

| A Fiscal Year | B FUND BALANCE | | D PERM FUND AS IS: | | G DISPOSITION OF EARNINGS | | | | K RESERVE ACCOUNT | | | M RESERVE ACCOUNT AS IS: | | O DIVIDEND PROGRAM | | | | | S DIVIDEND AS IS: | T Potential Transfer to General Fund | |
|------------------|-------------------|---------------|-----------------------|---------------|------------------------------|----------------|--------------|-----------------------|---------------------------|------------------|------------------|-----------------------------|---------------|-----------------------|------------|--------------------------|-----------|----------------|----------------------|---|----------------|
| | Starting Balance | Contributions | Inflation Proofing | Final Balance | Final Balance | Total Earnings | To Dividends | To Inflation Proofing | To Available For Reserves | Starting Balance | Reserve Transfer | Final Balance | Final Balance | From Earnings | Admin Cost | Q Available Thousands | | | | | Each PFD Check |
| | | | | | | | | | | | | | | | | for Distribution | of Checks | Each PFD Check | | | |
| 1978 | 0 | 54 | 0 | 54 | 54 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- | -- |
| 1979 | 54 | 84 | 0 | 138 | 138 | 8 | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- | -- |
| 1980 | 138 | 344 | 0 | 482 | 482 | 32 | 12 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- | -- |
| 1981 | 482 | 1,285 | 0 | 1,767 | 1,767 | 150 | 28 | 0 | 122 | 0 | 59 | 59 | 59 | 12 | -- | 0 | -- | -- | -- | -- | -- |
| 1982 | 1,767 | 1,201 | 0 | 2,968 | 2,968 | 368 | 71 | 0 | 297 | 59 | 185 | 244 | 244 | 28 | -- | 0 | -- | -- | -- | -- | -- |
| 1983 | 2,968 | 821 | 231 | 4,021 | 4,021 | 471 | 108 | 231 | 322 | 244 | 110 | 354 | 354 | 71 | 3.4 | 478 | 478.8 | \$1,000 | \$1,000 | -- | -- |
| 1984 | 4,021 | 666 | 151 | 4,839 | 4,839 | 530 | 175 | 151 | 204 | 354 | 204 | 558 | 558 | 100 | 3.1 | 180 | 486.8 | \$286 | \$386 | -- | -- |
| 1985 | 4,839 | 668 | 235 | 5,741 | 5,741 | 650 | 217 | 235 | 206 | 558 | 206 | 764 | 764 | 175 | 3.0 | 160 | 483.1 | \$331 | \$331 | -- | -- |
| 1986 | 5,741 | 323 | 216 | 6,281 | 6,281 | 1,021 | 303 | 216 | 501 | 784 | (764) | 0 | 0 | 217 | 7.5 | 217 | 520.9 | \$404 | \$404 | -- | -- |
| 1987 | 6,281 | 1,414 | 148 | 7,842 | 7,842 | 1,046 | 391 | 148 | 507 | 0 | 507 | 507 | 507 | 303 | 7.7 | 295 | 536.4 | \$556 | \$556 | -- | -- |
| 1988 | 7,842 | 167 | 375 | 8,383 | 8,383 | 786 | 385 | 375 | 26 | 0 | 26 | 26 | 539 | 381 | 11.6 | 380 | 527.2 | \$720 | \$720 | 507 | 507 |
| 1989 | 8,383 | 188 | 416 | 8,987 | 8,987 | 811 | 371 | 416 | 25 | 0 | 25 | 25 | 522 | 385 | 12.1 | 373 | 525.8 | \$709 | \$794 | 26 | 26 |
| 1990 | 8,987 | 208 | 544 | 9,739 | 9,739 | 924 | 342 | 544 | 38 | 0 | 38 | 38 | 456 | 371 | 12.9 | 358 | 528.0 | \$678 | \$855 | 25 | 25 |
| 1991 | 9,739 | 196 | 589 | 10,523 | 10,523 | 999 | 278 | 589 | 134 | 0 | 134 | 134 | 413 | 342 | 13.6 | 328 | 530.2 | \$619 | \$914 | 38 | 38 |
| 1992 | 10,523 | 212 | 636 | 11,371 | 11,371 | 1,080 | 214 | 636 | 230 | 0 | 230 | 230 | 391 | 278 | 14.4 | 263 | 532.4 | \$694 | \$913 | 134 | 134 |
| 1993 | 11,371 | 227 | 689 | 12,287 | 12,287 | 1,169 | 222 | 689 | 259 | 0 | 259 | 259 | 364 | 214 | 15.1 | 199 | 534.5 | \$773 | \$923 | 230 | 230 |
| 1994 | 12,287 | 232 | 744 | 13,262 | 13,262 | 1,263 | 235 | 744 | 284 | 0 | 284 | 284 | 326 | 222 | 15.9 | 206 | 536.7 | \$883 | \$991 | 259 | 259 |
| 1995 | 13,262 | 231 | 839 | 14,332 | 14,332 | 1,401 | 254 | 839 | 308 | 0 | 308 | 308 | 280 | 235 | 16.7 | 218 | 538.8 | \$404 | \$1,071 | 284 | 284 |
| 1996 | 14,332 | 210 | 906 | 15,468 | 15,468 | 1,513 | 274 | 906 | 333 | 0 | 333 | 333 | 222 | 254 | 17.5 | 236 | 540.9 | \$437 | \$1,154 | 308 | 308 |
| 1997 | 15,468 | 232 | 977 | 16,677 | 16,677 | 1,632 | 296 | 977 | 359 | 0 | 359 | 359 | 151 | 274 | 18.3 | 256 | 543.0 | \$471 | \$1,244 | 333 | 333 |
| 1998 | 16,677 | 232 | 1,052 | 17,961 | 17,961 | 1,758 | 320 | 1,052 | 386 | 0 | 386 | 386 | 84 | 296 | 19.1 | 277 | 545.1 | \$509 | \$1,340 | 359 | 359 |
| 1999 | 17,961 | 229 | 1,131 | 19,322 | 19,322 | 1,893 | 346 | 1,131 | 416 | 0 | 416 | 416 | 64 | 320 | 19.9 | 300 | 547.1 | \$549 | \$1,442 | 386 | 386 |
| 2000 | 19,322 | 224 | 1,194 | 20,739 | 20,739 | 2,013 | 373 | 1,194 | 446 | 0 | 446 | 446 | 3 | 346 | 20.7 | 325 | 549.1 | \$591 | \$1,550 | 416 | 416 |
| 2001 | 20,739 | 217 | 1,280 | 22,237 | 22,237 | 2,160 | 401 | 1,280 | 478 | 0 | 478 | 478 | 0 | 373 | 21.6 | 351 | 551.1 | \$637 | \$1,653 | 446 | 446 |
| 2002 | 22,237 | 215 | 1,372 | 23,884 | 23,884 | 2,315 | 431 | 1,372 | 512 | 0 | 512 | 512 | 0 | 401 | 22.4 | 379 | 553.1 | \$685 | \$1,759 | 478 | 478 |
| 2003 | 23,884 | 210 | 1,468 | 25,562 | 25,562 | 2,479 | 463 | 1,468 | 547 | 0 | 547 | 547 | 0 | 431 | 23.2 | 408 | 555.2 | \$735 | \$1,870 | 512 | 512 |
| 2004 | 25,562 | 208 | 1,571 | 27,281 | 27,281 | 2,655 | 497 | 1,571 | 585 | 0 | 585 | 585 | 0 | 463 | 24.0 | 439 | 557.2 | \$788 | \$1,966 | 547 | 547 |
| 2005 | 27,281 | 205 | 1,679 | 29,165 | 29,165 | 2,837 | 531 | 1,679 | 625 | 0 | 625 | 625 | 0 | 497 | 24.9 | 472 | 559.2 | \$844 | \$2,107 | 585 | 585 |
| 2006 | 29,165 | 202 | 1,794 | 31,151 | 31,151 | 3,032 | 570 | 1,794 | 667 | 0 | 667 | 667 | 0 | 533 | 25.7 | 507 | 561.3 | \$903 | \$2,238 | 625 | 625 |
| 2007 | 31,151 | 194 | 1,916 | 33,261 | 33,261 | 3,278 | 610 | 1,916 | 712 | 0 | 712 | 712 | 0 | 570 | 26.6 | 544 | 563.3 | \$965 | \$2,375 | 667 | 667 |
| 2008 | 33,261 | 193 | 2,045 | 35,509 | 35,509 | 3,457 | 651 | 2,045 | 760 | 0 | 760 | 760 | 0 | 610 | 27.4 | 583 | 565.4 | \$1,030 | \$2,519 | 712 | 712 |
| 2009 | 35,509 | 190 | 2,181 | 37,879 | 37,879 | 3,649 | 697 | 2,181 | 810 | 0 | 810 | 810 | 0 | 652 | 28.3 | 624 | 567.5 | \$1,100 | \$2,668 | 760 | 760 |
| 2010 | 37,879 | 183 | 2,326 | 40,388 | 40,388 | 3,934 | 744 | 2,326 | 864 | 0 | 864 | 864 | 0 | 697 | 29.2 | 668 | 569.6 | \$1,172 | \$2,826 | 810 | 810 |
| 2011 | 40,388 | 169 | 2,478 | 43,035 | 43,035 | 4,193 | 794 | 2,478 | 921 | 0 | 921 | 921 | 0 | 744 | 30.0 | 718 | 571.6 | \$1,249 | \$2,991 | 864 | 864 |
| 2012 | 43,035 | 149 | 2,639 | 45,822 | 45,822 | 4,466 | 847 | 2,639 | 980 | 0 | 980 | 980 | 0 | 794 | 30.9 | 763 | 573.7 | \$1,331 | \$3,164 | 921 | 921 |
| 2013 | 45,822 | 117 | 2,807 | 48,746 | 48,746 | 4,753 | 903 | 2,807 | 1,043 | 0 | 1,043 | 1,043 | 0 | 847 | 31.8 | 816 | 575.8 | \$1,416 | \$3,345 | 980 | 980 |
| 2014 | 48,746 | 103 | 2,985 | 51,834 | 51,834 | 5,055 | 963 | 2,985 | 1,108 | 0 | 1,108 | 1,108 | 0 | 903 | 32.7 | 871 | 577.9 | \$1,507 | \$3,534 | 1,043 | 1,043 |

Source: Alsea Permanent Fund Corporation February 28, 1987 Financial Statement
 Department of Revenue, 30% Revenue Forecast, March 1987

TABLE B
PERMANENT FUND BALANCE, RESERVES AND DIVIDEND PROJECTIONS
(in millions of nominal dollars)

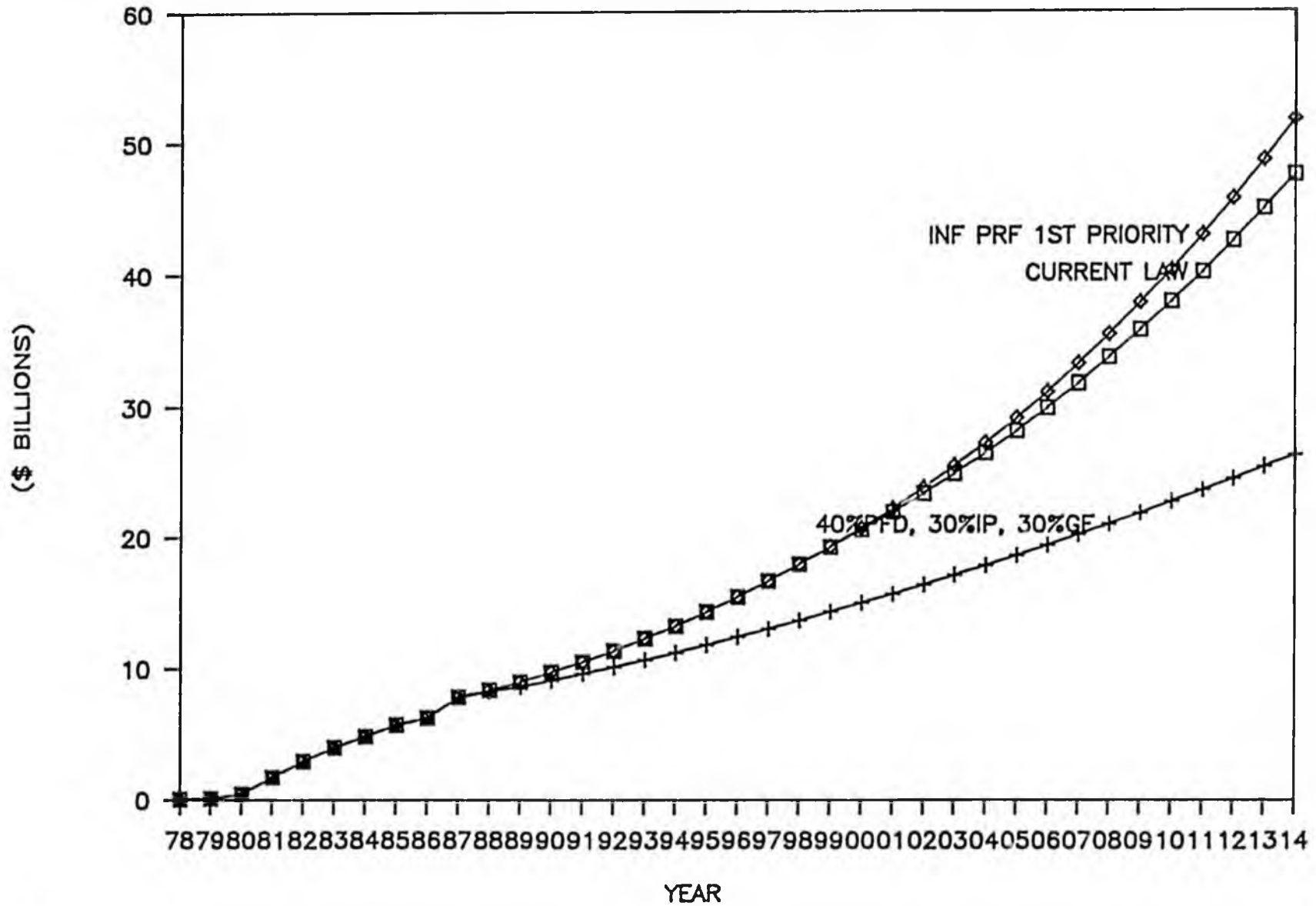
% of earnings to dividends: 40.0% 30% REVENUE FORECAST, 40%-30%-30% SPLIT TO DIVIDENDS, INFLATION PROOFING AND RESERVES
 calling on dividends: none
 inflation proofing priority: 3
 inf. pref. % (if priority=3): 30.0%
 dividends smoothed: 0
 reserves to Gen Fund: 3-no: 1

| Fiscal Year | FUND BALANCE | | | | | PERM FUND AS IS: | DISPOSITION OF EARNINGS | | | | RESERVE ACCOUNT | | | | RESERVE ACCOUNT AS IS: | DIVIDEND PROGRAM | | | | | DIVIDEND AS IS: | Potential Transfer to General Fund |
|-------------|------------------|---------------|--------------------|---------------|---------------|------------------|-------------------------|--------------|--------------------|------------------------|------------------|------------------|---------------|---------------|------------------------|---------------------|------------|--------------|------------|-------------------|-----------------|------------------------------------|
| | Starting Balance | Contributions | Inflation Proofing | Final Balance | Final Balance | | Total Earnings | To Dividends | Inflation Proofing | Available For Reserves | Starting Balance | Reserve Transfer | Final Balance | Final Balance | | Available Thousands | | | | | | |
| | | | | | | | | | | | | | | | | From Earnings | Admin Cost | Distribution | for Checks | of Each PFD Check | | |
| 1978 | 0 | 54 | 0 | 54 | 54 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- | -- | |
| 1979 | 54 | 84 | 0 | 139 | 139 | 8 | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -- | -- | -- | -- | -- | |
| 1980 | 139 | 244 | 0 | 483 | 483 | 32 | 12 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | -- | 0 | -- | -- | -- | -- | -- | |
| 1981 | 483 | 1,285 | 0 | 1,768 | 1,769 | 150 | 28 | 0 | 122 | 0 | 59 | 59 | 59 | 12 | -- | 0 | -- | -- | -- | -- | -- | |
| 1982 | 1,769 | 1,201 | 0 | 2,969 | 2,969 | 368 | 71 | 0 | 297 | 59 | 185 | 244 | 244 | 28 | -- | 0 | -- | -- | -- | -- | -- | |
| 1983 | 2,969 | 821 | 231 | 4,021 | 4,021 | 471 | 108 | 231 | 132 | 244 | 110 | 354 | 354 | 71 | 3.4 | 478 | 478.0 | \$1,000 | \$1,000 | -- | | |
| 1984 | 4,021 | 666 | 151 | 4,839 | 4,839 | 530 | 175 | 151 | 204 | 354 | 204 | 558 | 558 | 108 | 3.1 | 188 | 486.0 | \$386 | \$386 | -- | | |
| 1985 | 4,839 | 668 | 235 | 5,741 | 5,741 | 658 | 217 | 235 | 206 | 558 | 206 | 764 | 764 | 175 | 3.0 | 160 | 483.1 | \$331 | \$331 | -- | | |
| 1986 | 5,741 | 323 | 216 | 6,281 | 6,281 | 1,021 | 303 | 216 | 501 | 764 | (764) | 0 | 0 | 217 | 7.5 | 211 | 520.8 | \$404 | \$404 | -- | | |
| 1987 | 6,281 | 1,414 | 188 | 7,842 | 7,842 | 1,046 | 391 | 188 | 507 | 0 | 507 | 507 | 507 | 303 | 7.7 | 295 | 538.4 | \$556 | \$556 | -- | | |
| 1988 | 7,842 | 167 | 236 | 8,244 | 8,383 | 785 | 314 | 236 | 236 | 0 | 236 | 236 | 539 | 39 | 11.6 | 360 | 527.2 | \$720 | \$720 | 507 | | |
| 1989 | 8,244 | 188 | 239 | 8,672 | 8,987 | 798 | 319 | 239 | 239 | 0 | 239 | 239 | 522 | 31 | 12.1 | 302 | 525.8 | \$579 | \$734 | 236 | | |
| 1990 | 8,672 | 208 | 267 | 9,147 | 9,739 | 892 | 357 | 267 | 267 | 0 | 267 | 267 | 456 | 319 | 12.9 | 306 | 528.0 | \$580 | \$855 | 239 | | |
| 1991 | 9,147 | 196 | 282 | 9,625 | 10,523 | 939 | 378 | 282 | 282 | 0 | 282 | 282 | 413 | 357 | 13.6 | 343 | 570.2 | \$667 | \$914 | 267 | | |
| 1992 | 9,625 | 213 | 297 | 10,134 | 11,371 | 989 | 395 | 297 | 297 | 0 | 297 | 297 | 391 | 376 | 14.4 | 361 | 532.4 | \$679 | \$913 | 282 | | |
| 1993 | 10,134 | 227 | 313 | 10,674 | 12,287 | 1,043 | 417 | 313 | 313 | 0 | 313 | 313 | 364 | 395 | 15.1 | 386 | 534.5 | \$712 | \$923 | 297 | | |
| 1994 | 10,674 | 232 | 330 | 11,234 | 13,262 | 1,098 | 439 | 330 | 330 | 0 | 330 | 330 | 326 | 417 | 15.9 | 401 | 536.7 | \$748 | \$991 | 313 | | |
| 1995 | 11,235 | 231 | 357 | 11,822 | 14,332 | 1,188 | 475 | 357 | 357 | 0 | 357 | 357 | 280 | 439 | 16.7 | 423 | 538.8 | \$784 | \$1,071 | 330 | | |
| 1996 | 11,822 | 230 | 375 | 12,427 | 15,468 | 1,250 | 500 | 375 | 375 | 0 | 375 | 375 | 222 | 475 | 17.5 | 458 | 540.9 | \$846 | \$1,154 | 357 | | |
| 1997 | 12,427 | 232 | 394 | 13,053 | 16,677 | 1,313 | 525 | 394 | 394 | 0 | 394 | 394 | 151 | 500 | 18.3 | 487 | 543.0 | \$887 | \$1,244 | 375 | | |
| 1998 | 13,053 | 232 | 414 | 13,699 | 17,961 | 1,379 | 552 | 414 | 414 | 0 | 414 | 414 | 61 | 525 | 19.1 | 506 | 545.1 | \$929 | \$1,340 | 394 | | |
| 1999 | 13,699 | 229 | 434 | 14,362 | 19,281 | 1,446 | 578 | 434 | 434 | 0 | 434 | 434 | 0 | 552 | 19.9 | 532 | 547.1 | \$972 | \$1,442 | 414 | | |
| 2000 | 14,362 | 224 | 450 | 15,036 | 20,582 | 1,500 | 590 | 450 | 450 | 0 | 450 | 450 | 0 | 579 | 20.7 | 558 | 549.1 | \$1,016 | \$1,550 | 434 | | |
| 2001 | 15,036 | 217 | 471 | 15,723 | 21,647 | 1,565 | 628 | 471 | 471 | 0 | 471 | 471 | 0 | 600 | 21.6 | 578 | 551.1 | \$1,049 | \$1,653 | 450 | | |
| 2002 | 15,723 | 215 | 492 | 16,430 | 23,385 | 1,640 | 656 | 492 | 492 | 0 | 492 | 492 | 0 | 628 | 22.4 | 594 | 553.1 | \$1,091 | \$1,759 | 471 | | |
| 2003 | 16,430 | 210 | 514 | 17,154 | 24,996 | 1,714 | 685 | 514 | 514 | 0 | 514 | 514 | 0 | 656 | 23.2 | 633 | 555.2 | \$1,140 | \$1,870 | 492 | | |
| 2004 | 17,154 | 208 | 536 | 17,895 | 26,493 | 1,790 | 715 | 536 | 536 | 0 | 536 | 536 | 0 | 685 | 24.0 | 661 | 557.2 | \$1,187 | \$1,936 | 514 | | |
| 2005 | 17,895 | 205 | 555 | 18,663 | 28,173 | 1,865 | 742 | 555 | 555 | 0 | 555 | 559 | 0 | 715 | 24.9 | 690 | 559.2 | \$1,234 | \$2,017 | 536 | | |
| 2006 | 18,555 | 202 | 574 | 19,329 | 29,935 | 1,941 | 778 | 574 | 574 | 0 | 574 | 574 | 0 | 746 | 25.7 | 720 | 561.3 | \$1,283 | \$2,109 | 555 | | |
| 2007 | 19,329 | 194 | 592 | 20,115 | 31,765 | 2,017 | 807 | 592 | 592 | 0 | 592 | 592 | 0 | 778 | 26.5 | 751 | 563.3 | \$1,333 | \$2,205 | 574 | | |
| 2008 | 20,115 | 193 | 612 | 21,015 | 33,744 | 2,102 | 843 | 612 | 612 | 0 | 612 | 612 | 0 | 810 | 27.4 | 783 | 565.4 | \$1,384 | \$2,312 | 592 | | |
| 2009 | 21,015 | 190 | 638 | 21,843 | 35,803 | 2,189 | 877 | 638 | 638 | 0 | 638 | 638 | 0 | 843 | 28.3 | 815 | 567.5 | \$1,436 | \$2,426 | 612 | | |
| 2010 | 21,843 | 183 | 664 | 22,790 | 37,965 | 2,281 | 912 | 664 | 664 | 0 | 664 | 664 | 0 | 877 | 29.2 | 848 | 569.6 | \$1,489 | \$2,546 | 638 | | |
| 2011 | 22,790 | 188 | 711 | 23,669 | 40,229 | 2,370 | 948 | 711 | 711 | 0 | 711 | 711 | 0 | 912 | 30.0 | 887 | 571.6 | \$1,543 | \$2,669 | 664 | | |
| 2012 | 23,555 | 149 | 738 | 24,442 | 42,596 | 2,460 | 984 | 738 | 738 | 0 | 738 | 738 | 0 | 948 | 30.9 | 917 | 573.7 | \$1,598 | \$2,794 | 711 | | |
| 2013 | 24,442 | 117 | 765 | 25,324 | 45,057 | 2,550 | 1020 | 765 | 765 | 0 | 765 | 765 | 0 | 984 | 31.8 | 952 | 575.8 | \$1,653 | \$2,924 | 738 | | |
| 2014 | 25,324 | 103 | 792 | 26,219 | 47,637 | 2,641 | 1056 | 792 | 792 | 0 | 792 | 792 | 0 | 1,020 | 32.7 | 987 | 577.9 | \$1,708 | \$3,054 | 765 | | |

Source: Alaska Permanent Fund Corporation February 25, 1987 Financial Statement
 Department of Revenue, 30% Revenue Forecast, March 1987

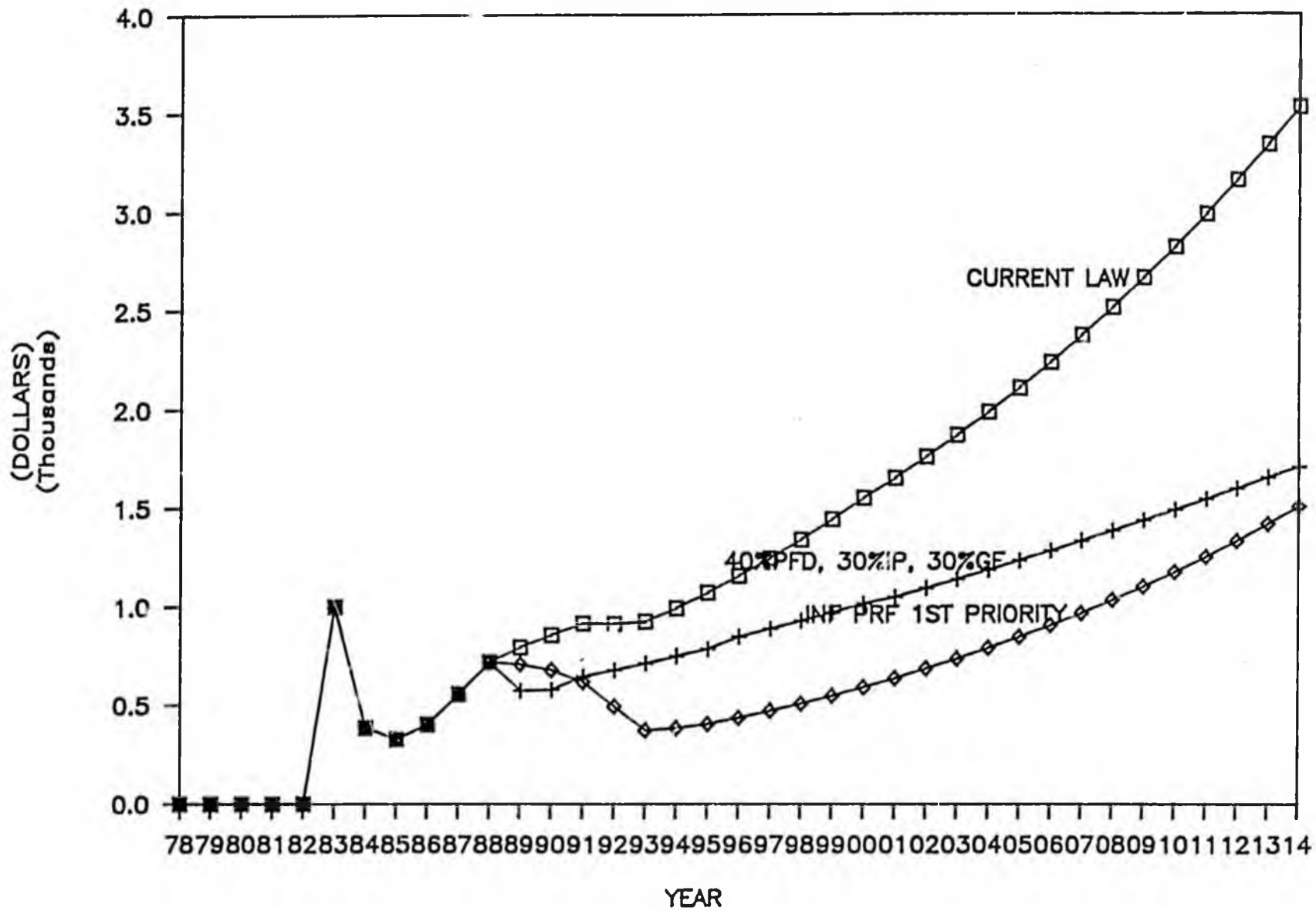
PERMANENT FUND BALANCE

30% Revenue Forecast



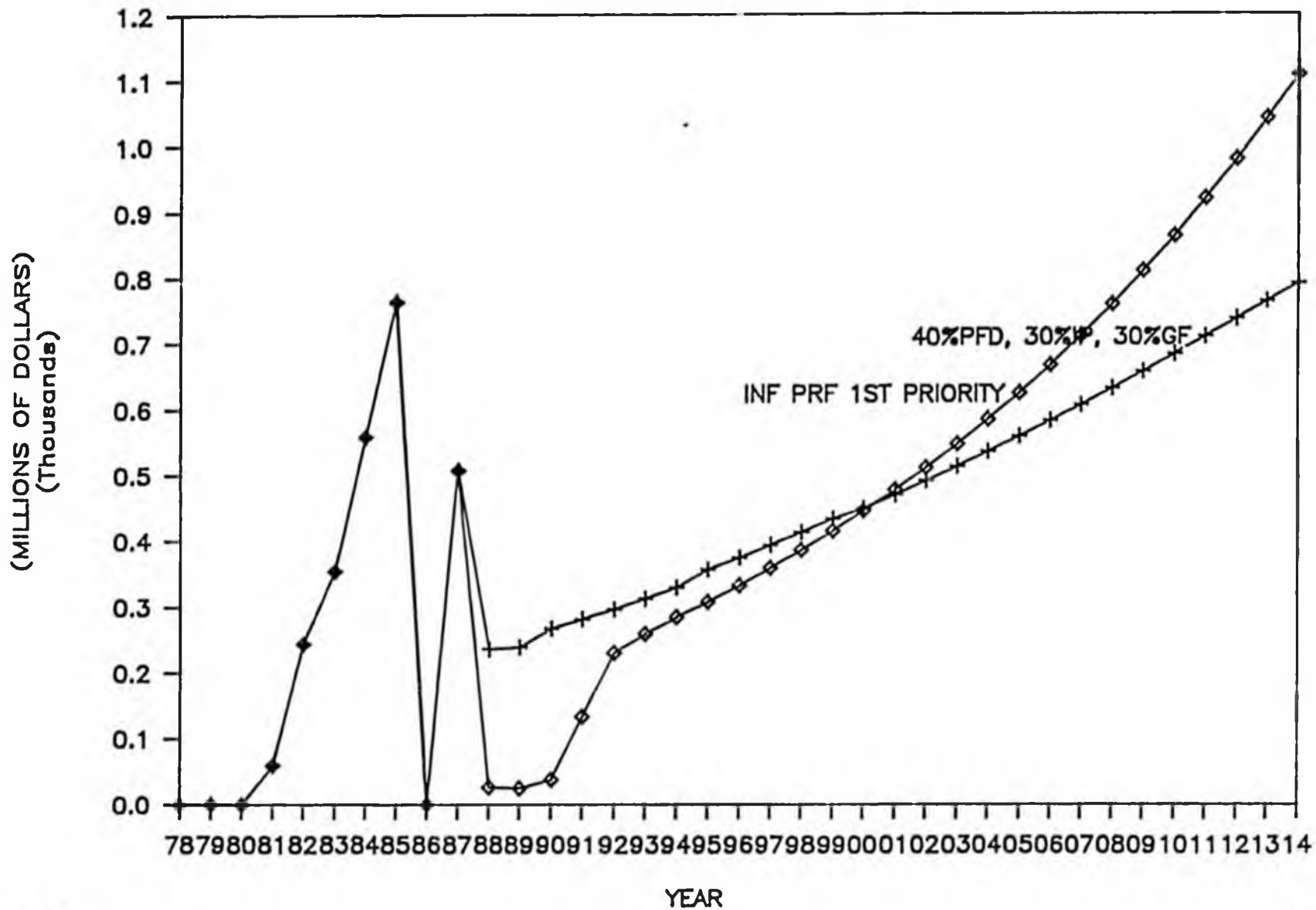
PERMANENT FUND DIVIDENDS

30% Revenue Forecast



PERMANENT FUND RESERVE TRANSFERS

30% Revenue Forecast



IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

SENATE BILL XX

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making an appropriation to the Budget Reserve Fund and balancing the budget; and providing for an effective date."

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

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

* Section 2. The lesser of the following two amounts is appropriated from the earnings reserve account of the Alaska permanent fund (AS 37.13.145) to the general fund: (1) an amount sufficient to offset any negative amount in the "Available Fund Equity/Balance" for the general fund as reported for June 30, 1988 on the "State of Alaska, All Fund Types and Account Groups, Combined Balance Sheet" in the State of Alaska's "Annual Financial Report" for fiscal year 1988, published under AS 37.05.210(2); or (2) the unencumbered balance in the earnings reserve account of the Alaska permanent fund as of July 1, 1988.

Section 3. This act takes effect immediately under AS 01.10.070(c).

JUN 22 1987

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
BIENAU ALASKA 99511
907-365-1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 19, 1987

SUBJECT: Consideration of vetoes during a special session

TO: Senator Jan Faiks
Senate President

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

You have asked whether bills vetoed by the governor after adjournment of the first regular session may be reconsidered by the legislature during the special session. There is no doubt that the legislature has the power to take up vetoes during the special session called by the governor. In 1976 the state constitution was amended to specifically provide for that. Article II, Section 9 now provides in pertinent part:

At special sessions called by the governor, legislation shall be limited to subjects designated in his proclamation calling the session, to subjects presented by him, and the reconsideration of bills vetoed by him after adjournment of the last regular session.

The statutes contain almost identical language in AS 24.-05.100(1). A more difficult question is whether the legislature must take up a veto during the special session or lose its opportunity to reconsider the bill. During 1976 Article II, Section 16 was also amended so that it now provides in part:

Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature sitting as one body no longer than the fifth day of the next regular or special session of that legislature.

This language is ambiguous in that it could be construed to permit the legislature to take up a veto by the fifth day of the next regular session or the fifth day of the next special session, at its choice, or it could be construed to require the legislature to take the matter up by the fifth day of the first session that next occurs, whether it be regular or special. It is also uncertain whether the legislature may consider a veto during the next regular session if the special session lasts less than five days. The ambiguity of this provision has been recognized by the Attorney General in Opinion No. J-66-863-81, copy attached.

It is my opinion that the legislature will run substantial legal risk of losing its opportunity to reconsider a veto if the matter is not taken up during the special session. While this is a strict construction of the provision, I believe that it is possible that the court could decide that the legislature must take a veto up at the next session, whether regular or special, and that it has five days or until it adjourns, whichever occurs first, in which to act. To avoid legal questions and inevitable litigation on the matter, it is my recommendation that the legislature reconsider vetoes during the upcoming special session and that this be done on or before the fifth day of that session.

This conclusion is supported by the history of the constitutional amendment to Article II, Section 16. A constitutional amendment is only proposed by the legislature. It is adopted by the voters. Evidence of the intent of the legislature is not given the weight it is normally given. Nevertheless, that intent is worth some consideration. The question was presented at the 1976 general election as Proposition No. 1. There was no statement in opposition to the proposition. The statement in favor was by Representative Mike Miller and stated in its entirety:

At present there is some question as to whether the legislature, during a special session called by the governor for another reason, can properly take up a veto which came down from the governor after the adjournment of a regular legislative session. This question should be resolved and will be resolved if the voters approve this proposed constitutional amendment. The amendment states without ambiguity that if a special legislative session is called by the governor (or by the legislature itself) for any reason, such vetoed bills will be considered during the first five days of

Senator Jan Faiks
Page 3
June 19, 1987

the session. (Emphasis added; see also Uniform Rule
45)

TBC:mi
wkmi1/070

Enclosure

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, GOVERNOR

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

July 7, 1981

Hon. Richard W. Halford
Alaska State Legislature
P.O. Box 66
Chugiak, AK 99567

Re: Time in which legislature may
act on a post-adjournment veto
Our file: J-66-863-81

Dear Representative Halford:

You have asked whether and how the days spent by the legislature in the upcoming special session will be counted in determining when the time for the legislature to act on any post-adjournment vetoes has passed. Because of an absence of authority on the subject, our answer must be tentative.

The short answer appears to be that the time to act on a veto does not begin to run until the vetoed bill is in the legislature's possession when it is in session. Once it is, the legislature has five days or until it adjourns in which to act, whichever occurs first.

The constitution provides in relevant part as follows:

Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature sitting as one body no later than the fifth day of the next regular or special session of that legislature.

Alaska Const., art. II, § 16.

A search of the digests for a century and more reveals but one recorded case in which there was a ruling on the time for a legislature to act on a veto. In Woessner v. Bullock, 93 N.E. 1057 (Ind. 1911), the court held that, where a bill was vetoed after adjournment and the constitution provided for action on the veto by the legislature "at its next session," the failure of the legislature to act at a special

session held after a bill was vetoed precluded its acting on the vetoed bill at a subsequent regular session.

Here, the constitution provides for action on a veto by the legislature "[u]pon receipt of a veto message at a regular session" Alaska Const., art. II, § 16. Receipt of a veto message by the legislature at a special session is not expressly prescribed by the constitution; however, it is necessarily implied. The legislature cannot reasonably be expected to act on a veto when it has not been advised that there has been a veto and when the vetoed bill is not in the legislature's possession. Indeed, it is hornbook law that the legislature cannot act on a bill which is not in its possession. Accordingly, the time for it to act cannot begin until the bill is returned to its house of origin. Alaska Const., art. II, §§ 15-16.

Under article II, section 17, of the Alaska Constitution, the time in which the governor must act to approve or veto a bill begins "after its delivery to him." McPhail v. Latouche Packing Co., 8 Alaska 297 (1931). In order to establish the time in which the chief executive must act on a bill under that type of provision, the court must begin on the day after the bill is presented. Taylor v. United States, 116 F. Supp. 439 (D. Minn. 1953); cf., Sheets v. Seldon's Lessee, 69 U.S. (2 Wall) 177 (1865). No reason occurs why the rule with respect to the running of the legislature's time for acting on a veto should differ from the rule for the chief executive to act. Accordingly, we conclude that the time runs from the legislature's receipt of the vetoed bill, with the day after receipt to be counted as day number one.

The answer to your question then is that any time spent in special session before a vetoed bill is returned to its house of origin will not count toward the five-day limit for the legislature's acting on the veto.

There is a possibility that a vetoed bill might be returned to its house of origin during a special session (thereby starting the time in which the five-day limit will run) and that the legislature could, less than five days later, adjourn without acting on the veto. The question then is whether the legislature may take up the veto at its next session.

Assuming that the court will interpret the words of article II, section 16, of the constitution: "no later than the fifth day of the next regular or special session," to mean the fifth day following the receipt of a vetoed bill by its house of origin, there are three possible results.

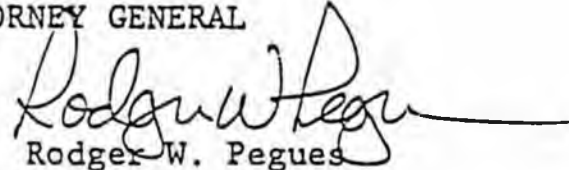
July 10, 1981

One, the days spent in special session after the day a vetoed bill is returned will be counted in establishing the time remaining for the legislature to act on the veto when it reconvenes at the next regular or special session. Two, those days will not be counted, and a new count will begin on the first day of the next regular or special session. Three, the failure to act during the time remaining in the special session will preclude the legislature's acting at a subsequent regular or special session. We were unable to find any cases at all on point, and therefore, are unable to predict with any authority which result the courts might choose. However, a failure to act on a vetoed bill returned to the legislature during the closing hours of a regular session precludes action at a subsequent session. It seems likely that, by analogy, the same result will occur if there is a failure to act when a vetoed bill is returned to the legislature during the closing hours of a special session.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By:



Rodger W. Pegues
Assistant Attorney General

RWP/pjg

cc: Hon. Jalmar Kerttula
President of the Senate

Hon. Joe Hayes
Speaker of the House

Hon. Fred Brown
Minority Leader
House of Representatives

Keith Specking
Legislative Assistant
Office of the Governor

JUN 23 1987

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 1600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 24, 1987

SUBJECT: Consideration of vetoes during a special session

TO: Senator Jan Faiks
Senate President

FROM: Tamara Brandt Cook ^{TBC}
Director
Division of Legal Services

You have asked whether the legislature must take up a veto during the special session or lose its opportunity to reconsider the bill. During 1976 Article II, Section 16 was amended so that it now provides in part:

Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature sitting as one body no later than the fifth day of the next regular or special session of that legislature.

This language is ambiguous in that it could be construed to permit the legislature to take up a veto by the fifth day of the next regular session or the fifth day of the next special session, at its choice, or it could be construed to require the legislature to take the matter up by the fifth day of the first session that next occurs, whether it be regular or special. It is also uncertain whether the legislature may consider a veto during the next regular session if the special session lasts less than five days. The ambiguity of this provision has been recognized by the Attorney General in Opinion No. J-66-863-81.

It is my opinion that the legislature will run substantial legal risk of losing its opportunity to reconsider a veto if the matter is not taken up during the special session. While this is a strict construction of the provision, I believe that it is more likely than not that the court would decide that the legislature must take a veto up at the next

session, whether regular or special, and that it has five days or until it adjourns, whichever occurs first, in which to act. To avoid legal questions and inevitable litigation on the matter, it is my recommendation that the legislature reconsider vetoes during the upcoming special session and that this be done on or before the fifth day of that session.

You have also asked what the procedure is for reconsideration of a veto by the legislature. Uniform Rule 51 provides in part:

A joint session may be called by agreement of the presiding officers of both houses or by either house by motion adopted by a majority vote of the full membership of the house. If a joint session is called by a house, the house calling the session shall propose a time for the session. The other house may agree to meet in joint session at the time proposed or set another time within the three-day period following the time proposed.

In the past both methods have been used for calling a joint session to reconsider a veto. (See attached House Journal, May 15, 1984, page 3850 and Senate Journal, March 30, 1984, Page 2584.)

Lastly, you have asked whether one body of the legislature can force the other body into convening into a joint session for the purpose of taking up a veto. While it is clear that the governor has the authority to convene the legislature into joint session under Article III, Section 17 (Abood v. Gorsuch, 703 P.2d 1158 (Alaska 1985)), I can find no authority to support the proposition that one body can force the other to convene in special session. The constitution does, in Article II, Section 10, contain a specific mechanism whereby one legislative body can force the other to convene. However, there is no specific mechanism provided whereby one body can force the other into convening into a joint session.

Nevertheless, it is possible that action taken by the legislature in joint session where actual notice of the session is provided and a quorum of 31 legislators attends will be upheld, even if one body does not formally agree to meet in joint session. (Anjerson v. Krupsak, 353 N.E.2d 822 (New

Senator Faiks
June 24, 1987
Page 3

York)) Under Uniform Rule 51 a joint session may be called by either house by majority vote. The other house is given only the option of accepting for the designated time or naming another time within three days of the time proposed by the first house. The President of the Senate presides over a joint session and it is not necessary for the Speaker of the House to be present. (See Abood v. Gorshuch, supra) Furthermore, Article II, Section 16 provides that a veto "shall" be reconsidered by the legislature.

While the matter has not been considered by a court in this state, it may be that the court would find that the President of the Senate has the power to convene a joint session required to be held by law upon providing actual notice of the session to the House.

TBC:lmb
C8/061

Enclosure

SB

158

see HB 164
folder

Questions and Answers On The ELF
with related
Briefing Materials

April 21, 1987

Office of the Governor

Office of Management and Budget Division of Policy

STATE OF ALASKA

Department of Revenue

Petroleum Research Section

JB 158
See 48164 folder

April 14, 1987

To: Vincent D. Wright, Chief of Research

From: Charles Logsdon, Petroleum Economist *CL*

Subject: CSHB164

We have recently made another run of the Petrev model to prepare estimates of the fiscal impact of CSHB164 passed by the House of Representatives. The only change made in this legislation not examined in prior fiscal notes was allowing either the taxpayer or the department to rebut the 300 barrels per well day presumed production at the economic limit (PEL). The fiscal note we prepared for the original CSHB164 fixed the PEL at 300 barrels per well day.

The fiscal impact of the final version is almost exactly the same as with the PEL fixed at 300 (Table 1). As might be expected, the lower PEL (department rebuts) dominates the higher PEL (company rebuts) in both the 30% or downside risk case and the mean except for the near term when very low prices are a distinct possibility. That is, we would expect severance taxes to be higher the higher the price of oil because the PEL would be lower and consequently the ELF would be higher. In general however it turns out that given our assumptions about the probability distribution of oil prices, the higher PELs and lower PELs tend to offset each other with the result that the final outcome at both the Mean and 30% levels is not that much different than if the PEL were fixed at 300.

The revenue and production effects of the final version of CSHB164 as well as a comparison of effective tax rates by field for current law and CSHB164 are found in the following tables.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 3, 1987

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the oil and gas properties production tax. The primary effect of the bill is to postpone the application of the "true" economic limit factor (ELF) to the Prudhoe Bay field. The bill also amends the economic limit factor provisions applying to all oil fields so that the ELF is not sensitive to changes in the value of oil.

Existing AS 43.55.011(a) provides that an oil producer must calculate its production (severance) tax by multiplying the nominal rate calculated under AS 43.55.011(b) and (c) by the economic limit factor determined under AS 43.55.013. The ELF is a formula that has the effect of reducing the severance tax rate. In 1981, the legislature made several changes in oil and gas taxes: the income tax was changed to substitute modified apportionment for separate accounting; the nominal rate of the severance tax was increased for some fields; and the application of the ELF to a lease or property with an ELF of more than .7 was suspended until after that lease or property had been in commercial production for 10 years. Ch. 116, SLA 1981. Suspension of application of the ELF was accomplished by providing that, if the ELF was more than .7, then the ELF was considered to be "one." AS 43.55.013(b)(3). Thus, when multiplying the severance tax rate by the ELF, the full amount of the tax is the product.

Only the Prudhoe Bay and Lisburne fields currently have an ELF greater than .7. The Lisburne ELF is expected to fall below .7 after fiscal year 1988, but the Prudhoe Bay ELF is expected to remain about .7 for a number of years. Prudhoe Bay will have been in production for 10 years in June, 1987; thus, absent an amendment to AS 43.55.013(b)(3), the "true" ELF, as calculated under AS 43.55.013(b)(1), will begin to apply to that field at that time.

The fiscal note on the 1981 legislation did not include projections beyond FY 1985, but an analysis by the Legislative Finance Division showed that application of the "true" ELF provision would cause state revenue to fall precipitously in FY 1988. Governor Hammond noted this possibility, but expressed "full confidence in the ability of the legislature to deal at that time" with adverse revenue consequences, should they prove to be serious. Statement of Governor Hammond on signing FCCSSB 524 (ch. 116, SLA 1981); see July 27, 1981 press release on oil and gas legislation, fourth page.

Application of the "true" ELF to Prudhoe Bay would result in serious consequences for the state in the coming fiscal year: state severance collections would be reduced by over 15 percent, and FY 1988 revenue would fall by \$93,000,000 (already accounted for in the official "mean" forecast). Section 1 of the attached bill would prevent this precipitous decline in revenue by amending AS 43.55.013(b)(3) to delay the applicability of the true ELF to Prudhoe Bay for an additional five years. Section 1 of the bill also makes a conforming amendment to AS 43.55.013(b)(2) and (4). So long as the "true" ELF does not apply, the severance tax rate will be the full 15 percent of value, or \$.80 a barrel, whichever is greater, subject to the adjustment in AS 43.-55.012.

The bill also changes the ELF provisions for all oil fields to remove the sensitivity of the ELF to price fluctuations. An element of the ELF calculation is the "PEL," or "production at the economic limit." The PEL represents the number of barrels a producer must produce in order to recover the costs of production. Currently, the PEL is presumed to be 300 barrels per well per day, but the taxpayer may rebut this presumption at a hearing before the Department of Revenue. At the hearing, the PEL would be calculated by dividing the cost of production into the value of the oil. AS 43.55.013(d). If the price of oil drops, the producer may be able to prove an entitlement to a PEL in excess of 300 barrels; if so, the ELF for that producer will go down. Thus, if prices fall drastically, the state loses severance tax revenue not only because the severance tax is applied against a lower value of oil, but also because the severance tax rate itself goes down as the result of a PEL hearing. Earlier in 1986, because of low prices, we were faced with the possibility that the state might suffer from this double reduction in severance tax revenue.

ab-158

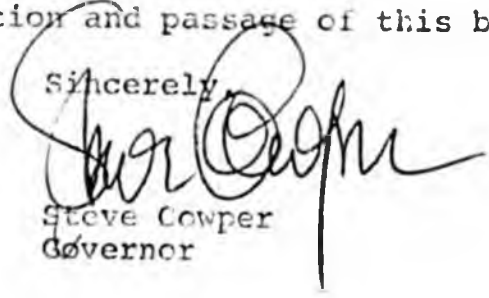
Hon. Jan Faiks

Page 3

Section 2 of the attached bill deals with that problem by repealing the portion of existing law that provides for a hearing to change the PEL. The PEL is then simply set at 300 barrels per day. As a result, the ELF will be sensitive to changes in the amount of production, but will no longer be sensitive to fluctuations in price or the costs of production. Section 3 of the bill repeals two subsections in AS 43.55.013 dealing with the two elements of the hearing: costs and values. These changes do not apply to the production of gas.

I urge your early consideration and passage of this bill.

Sincerely,



Steve Cowper
Governor

SB158

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

REQUEST:
Revision Date: _____
Title: An Act Relating to the Oil and Gas Properties Production Tax
Sponsor: Rules/Governor
Requestor: Rules

Bill Version: SB158
Publish Date: 3-3-87

Agency Affected: Revenue
BRU: _____
Components: _____

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 | | | | | | |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|----------|----------|----------|----------|-----------|
| REVENUE | | 76,730.0 | 91,950.0 | 98,480.0 | 99,850.0 | 105,610.0 |
|---------|--|----------|----------|----------|----------|-----------|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED ANALYSIS
Vincent Wright

Prepared by: Chuck Loesdon
Division: Revenue/Research

Phone: 276-5364
Date: March 2, 1987

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: 3/2/87

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

Revenue Impact of Extend5 (Million \$)

| Fiscal Year | Delta 30% | Delta Mean |
|----------------|--------------|---------------|
| 1987 | 0 | 0 |
| 1988 | 76.73 | 96.26 |
| 1989 | 91.95 | 118.06 |
| 1990 | 98.48 | 128.33 |
| 1991 | 99.85 | 132.92 |
| 1992 | 105.61 | 139.09 |
| 1993 | 5.73 | 7.3 |
| 1994 | 3.9 | 7.64 |
| 1995 | 3.66 | 6.56 |
| 1996 | 4.55 | 5.28 |
| 1997 | 3.67 | 5.55 |
| 1998 | 2.01 | 3.91 |
| 1999 | 2.53 | 2.62 |
| 2000 | -.16 | 2.08 |
| 2001 | -.1 | 2.79 |
| 2002 | -.82 | 2.68 |
| 2003 | -.73 | 2.28 |
| 2004 | .53 | 2.1 |
| 2005 | .49 | 1.87 |

Production Impact of Extend5 (Million bbls/yr)

| Fiscal Year | Prudhoe Bay | Kuparuk | Milne Point | Endicott | Lisburne | West Sak | Other Onshore | Other Offshore | Total |
|-------------|-------------|---------|-------------|----------|----------|----------|---------------|----------------|--------|
| 1987 | 0 | 0 | 0 | 0 | -.01 | 0 | 0 | 0 | -.01 |
| 1988 | -.77 | -.12 | -.04 | -.02 | -.02 | 0 | 0 | 0 | -.97 |
| 1989 | -.69 | -.12 | -.07 | -.04 | -.03 | 0 | 0 | 0 | -.95 |
| 1990 | -.6 | -.12 | -.11 | 0 | -.03 | 0 | 0 | 0 | -.86 |
| 1991 | -.57 | -.11 | -.15 | -.03 | -.05 | 0 | 0 | 0 | -.91 |
| 1992 | -.52 | -.1 | -.15 | -.06 | -.05 | 0 | 0 | 0 | -.88 |
| 1993 | -.49 | -.09 | -.14 | -.06 | -.06 | 0 | 0 | 0 | -.84 |
| 1994 | -.44 | -.11 | -.14 | -.04 | -.07 | 0 | 0 | 0 | -.8 |
| 1995 | -.39 | -.07 | -.09 | -.05 | -.05 | 0 | 0 | 0 | -.65 |
| 1996 | -.35 | -.06 | -.12 | -.05 | -.05 | 0 | 0 | 0 | -.63 |
| 1997 | -.32 | -.08 | .01 | -.04 | -.06 | 0 | 0 | 0 | -.49 |
| 1998 | -.43 | -.05 | .03 | -.03 | -.09 | 0 | 0 | 0 | -.57 |
| 1999 | -.25 | -.04 | .02 | -.01 | -.02 | 0 | -.02 | 0 | -.32 |
| 2000 | -.22 | -.03 | -.02 | -.01 | -.03 | 0 | -.02 | 0 | -.33 |
| 2001 | -.2 | -.03 | .02 | 0 | -.02 | 0 | -.02 | 0 | -.25 |
| 2002 | -.18 | -.02 | .01 | 0 | -.02 | 0 | -.02 | 0 | -.23 |
| 2003 | -.16 | -.01 | -.01 | 0 | -.01 | 0 | -.01 | 0 | -.2 |
| 2004 | -.19 | 0 | .04 | 0 | -.01 | 0 | -.01 | 0 | -.17 |
| 2005 | -.13 | .01 | .04 | 0 | 0 | 0 | -.01 | 0 | -.09 |
| | | | | | | | | | 0 |
| | | | | | | | | | 0 |
| Total | -6.9 | -1.15 | -.87 | -.44 | -.68 | 0 | -.11 | 0 | -10.15 |

MEMORANDUM

STATE OF ALASKA

Department of Revenue

Petroleum Research Section

February 27, 1987

To: Vincent D. Wright, Chief of Research

From: Charles Logsdon, Petroleum Economist



Subject: More ELF

Per your request, I have examined the revenue and production impact of extending the 10 year period during which the ELF is subject to the .7 or greater test to 15 years and fixing the value of the Production at the Economic Limit (PEL) at 300 barrels per well per day. Prudhoe Bay and Lisburne are the fields currently producing with a calculated ELF greater than .7 and thus would be directly impacted by this change in the State severance tax law. On average, the calculated ELF for Prudhoe is not expected to fall below 0.7 over the next 5 years. We expect the Lisburne ELF to fall below 0.7 in FY 1989 and subsequent years.

By setting the PEL at 300, the ELF no longer would be sensitive to the price of oil or the cost of producing oil and would be totally dependent on per barrel productivity for a producing lease or property. Over the next 5 years as Prudhoe Bay production begins to decline the only reason for an ELF less than 0.7 would be if a significantly greater than expected number of additional wells were drilled. For example we currently expect Prudhoe to produce on average, 0.984 million barrels per day in 1992 from 465 wells providing an ELF of .7911. If this same amount of oil were produced from 705 wells, the ELF would be equal to .6906.

The following tables illustrate the revenue impact and production impact of extending the ELF time line to 15 years and fixing the value of PEL at 300. These results are generated by the DOR revenue simulation model using the December 1986 input assumptions. The most significant result other than the revenues generated is that there is almost no average expected effect on North Slope production.

SB

160

ALASKA RAILROAD CORPORATION



P.O. Box 7-2111 • Anchorage, Alaska 99510-7069

March 24, 1987

C
SB 160
M

Honorable Mitch Abood, Chairman
Senate State Affairs Committee
P.O. Box V
Juneau, Alaska 99811

Re: SB No. 160, An Act Relating to Land Owned by the
Alaska Railroad Corporation

Dear Senator Abood,

Thank you for this opportunity to present a position paper by the Alaska Railroad Corporation ("ARRC") on SB 160. The bill proposes to modify the Alaska Railroad Corporation Act ("ARCA"). As our position paper explains, we oppose the legislation. To the extent the bill's concerns are satisfied by existing ARCA provisions, management practices, and Board rules, the proposals are duplicative and, we believe, unnecessary. Other changes endanger the vision charted by state leaders of a self-sustaining railroad operated by an experienced board based upon sound business management practices.

Our fiscal note is still being developed and we hope to have it to you soon. In this regard, please note that the bill recommends new inventory, planning, and reporting requirements which we are not presently staffed to provide. In addition, limitations on the corporation's flexibility in the real estate marketplace will mean a loss of business which should also be projected.

Thank you very much.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Larry D. Wood".

Larry D. Wood
General Counsel

cc: Senator Rick Uehling
F. G. Turpin, President & CEO

RECEIVED
MAR 30 1987

4033L

SENATE BILL NO. 160:
AN ACT RELATING TO LAND OWNED BY
THE ALASKA RAILROAD CORPORATION

I. Introduction

SB 160 is a modification of CSHB 47. Senator Uehling's bill emphasizes the public interest, hearings, land, and natural resources aspects of the House legislation originally sponsored by Representatives Brown, Ellis, and Boyer.

This proposal amends the Alaska Railroad Corporation Act ("ARCA") and:

1. Requires the Board of Directors of the Alaska Railroad Corporation ("ARRC") to manage rail land in "the best interest of the people of the state;"

2. Requires the Board to approve conveyances of interests in land which exceed one year;

3. Prohibits leases which exceed 35 years in duration unless they are approved by the legislature;

4. Prohibits Board discussion of land disposal proposals in executive session;

5. Requires the Board to conduct public hearings on lease proposals which exceed five years or land transactions which involve \$1,000,000 in corporate assets or receipts.

6. Requires the Board to annually inventory land interests and natural resources and to describe development plans, pending lease proposals, and proposed land and natural resources disposals.

ARRC is adamantly opposed to SB 160 and its parent legislation, CSHB 47. Both contain provisions which are duplicative and unnecessary in light of Board rules and management practices or significantly alter the legislature's original vision of a viable, self-sustaining public corporation operating the railroad according to sound business management practices.

II. Discussion

A. ARRC's Marching Orders

When the State of Alaska purchased The Alaska Railroad in January, 1985, it agreed to many sale terms. For instance, it

has ensured that the railroad is a rail carrier generating, retaining, and managing its own revenues to better serve Alaska's transportation and development needs. In framing the public corporation's operating characteristics in ARCA to conform to this expectation, state leadership gave ARRC enough independence to conduct its activities as a separate and viable economic entity.

Exemptions from laws which apply to state agencies mean generally that ARRC receives and manages its own revenues, supplies, equipment, facilities, and real estate; establishes its own personnel policies, compensation systems, and employment agreements; promulgates its own rules to govern all internal and external affairs; and controls its own purchasing, financing, and budgeting needs. On the other hand, a recognition of ARRC's state ownership and governmental functions led to public accountability requirements manifested by open meetings, governor-appointed Board members, financial and management audits, annual reports, oversight reports, legislative approval of land disposals, and long-range capital improvement and program plans.

This blend of substantial financial and operations independence subject to state oversight results in a quasi-public, quasi-private railroad armed with the flexibility it needs to quickly react to changing markets and operational and financial conditions pending its eventual transfer to the private sector.

The key to the success of this working model is ARRC's Board of Directors which is responsible for the management of the corporation and for the exercise of its powers. It must provide for that level of transportation service which best satisfies the needs of the people of the state and for the prudent operation of the railroad according to sound business management practices on a self-sustaining basis.

B. SB 160's Fundamental Modifications of the ARRC Model

The model of a publicly-accountable, but economically viable, railroad developed by committed state leaders is slated for change by SB 160. Despite an earlier delegation of rule-making authority to ARRC's Board to carry out its functions and purposes, including rules to safeguard corporate property, the bill proposes restrictions to legislate a particular point of view of rail land leasing and natural resources development.

This point of view is based upon a false premise. If the Railroad is to be economically independent, its land and natural resources cannot be managed in the same fashion as other publicly-owned properties in Alaska. As is especially

true with all western railroads, ARRC viability depends upon a healthy, aggressive land leasing program developed to support railroad operations. In turn, those operations provide the levels of safe, efficient, and economical transportation which will meet the state's overall needs.

Thus, to manage rail land "in the best interest of the people" and to require such determinations blindly adopts standards best reserved for state land agencies. The economic best interests of a self-sustaining railroad are not always identical with standards which are more pertinent to the "best interest" determinations applied to state-owned land. Since ARRC depends heavily upon the sensible and profitable development of its real estate to assure railroad economic viability, its focus is fixed upon careful, but decisive, marketing of its leaseable lands.

ARCA has previously directed that the corporation provide for the level of transportation service which best satisfies the needs of the people of the state. This emphasis underscores a statement which helps explain state motivations in purchasing the railroad: "the Alaska Railroad is an essential part of the state transportation network that may, unless preserved by state action, cease to be a transportation option in Alaska."

In searching out the transportation needs of Alaska and its people, ARRC's Board has not been insensitive to individual concerns and considerations. Management authority guides and Board leasing rules require public notice of leasing actions and Board approval of proposed leases which exceed 3 years in duration. Board meetings provide meaningful public hearing opportunities for individuals to voice comments or complaints. Yet, the mechanisms which provide those opportunities are carefully balanced with a corporate need to react quickly in changing real estate markets.

Without a careful balance of corporate and individual needs in the substantive and procedural aspects of rail land leasing activities, the early vision of a self-sustaining railroad will be largely defeated. SB 160 has not considered that this balance has already been struck in the comprehensive model of a quasi-public, quasi-private railroad framed by ARCA and managed by a seasoned Board, sensitive to individual needs but committed to a financially independent organization.

Finally, ARCA's requirement that leases be made at fair market value also insures that transactions will promote the state's ownership interest and achieve a fair return to ARRC.

C. Other Concerns

SB 160 prohibits leases which exceed 35 years unless they are approved by the legislature. In contrast, ARCA allows ARRC to lease land for a period in excess of 35 years if the corporation reserves a right to terminate such leases if affected lands are needed for railroad purposes. The ARCA language must be preserved if the railroad corporation is to meaningfully compete with a majority of long-term leases which exceed 35 years in duration.

Anchor tenants and quality improvements depend upon long-term financing to amortize the cost of doing business in a competitive market environment. In turn, financial institutions require substantial tenant equity in leased properties before financing will be made available. Despite the handicap of a reservation of termination rights provision which concerns some tenants and banks, ARRC has found that that its long-term leases can be competitive. However, experience demonstrates that a flat prohibition of lease periods which exceed 35 years is an artificial limitation which needlessly damages corporate vitality in the land leasing markets.

SB 160 also prohibits confidential Board discussions of land disposals and requires an extensive and expensive annual inventory of land interests and natural resources.

The delay and intense public scrutiny suggested by elimination of any discussion of land disposals in Board executive sessions would unnecessarily discourage potential land purchasers who are reluctant to prematurely reveal their financial affairs, ideas, and proposals in public. ARCA and Board requirements that any ultimate disposal decisions be approved by the Board and legislature in public, and with advance notice, adequately safeguard individual concerns and protect the public's confidence in railroad management decisions.

SB 160 also requires a detailed inventory of land, interests in land, and natural resources in ARRC's annual report to the legislature. This detailing of inventory, future development plans, known resource development potential, pending lease proposals, and proposed land and natural resources disposals calls for extraordinary research, development, and planning efforts which ARRC is presently not funded or staffed to provide. Of course, specific land use planning for large industrial areas must be and is being developed to respond effectively to market needs. However, the comprehensive land and natural resources planning called for here can only compel the commitment of dwindling personnel and financial resources to less vital activities.

Railroad real estate staff is already committed to careful management of leasing resources. As noted, site specific and area planning is pursued to best position the corporation in the marketplace. Land management planning is already supplemented by the Board's long-range or five-year capital improvement and program plan and its yearly updates which are intended by ARCA to explain the manner in which the corporation will accomplish its purposes. Oversight of railroad land and natural resources management is also provided by ARCA's annual performance audit requirement. The audit insures that the railroad is being managed and operated effectively and efficiently. Finally, ARCA's oversight reports also duplicate the oversight aspects of SB 160's proposals by requiring the corporation to report to the governor and legislature before undertaking significant and permanent changes in services. Presumably, proposed large-scale development of natural resources are contemplated by the section since these services were not provided upon the date of transfer.

Finally, the Board has already construed ARCA to allow less than fair market leases of rail land to state political subdivisions (municipalities) for public purposes and has adopted an appropriate rule. SB 160's clarification of ARCA therefore also appears unnecessary.

III. Conclusion

SB 160 proposes modifications to ARCA which measurably change the corporation's flexibility to react meaningfully in highly competitive real estate markets. To the extent Board management has led to the adoption of land rules which substantially alleviate the concerns addressed by the legislation, the bill is also largely duplicative. The focus set by ARCA's framers upon a viable, self-sustaining railroad should not be re-oriented. Experience has shown that the prudent operation of the railroad by an experienced Board according to sound business management practices offers the most promise for the corporation's financial success. To that end, the balance the legislature and the Board have already drawn between public accountability and railroad flexibility will most assuredly lead to safe, efficient, and economical rail transportation in Alaska. We respectfully submit that SB 160 detracts from this important formula.

4030L

THE ALASKA RAILROAD LEASEHOLDERS ASSOCIATION

Representative Cato

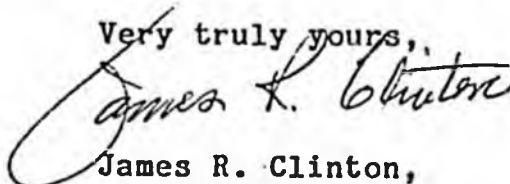
Page 2

March 10, 1987

What happens to the Alaska Railroad has its effect on every Alaskan.

We have been reviewing H. B. 47. This bill appears to us to add a layer of regulation with its inevitable attendant bureaucracy to the administration of railroad land. In the light of the new leasing policy our association does not believe this additional regulation to be necessary or desirable. We urge you to eliminate the provisions of H. B. 47 which would require further additional time and effort in the administration of railroad lands beyond what is presently required.

Very truly yours,

A handwritten signature in cursive script that reads "James R. Clinton". The signature is written in dark ink and is positioned above the typed name.

James R. Clinton,
President

SB

165

BILL NO: SB 165

DATE: March 17, 1987

TITLE: An Act relating to release of certain permanent fund dividend and drivers' license information to the United States Selective Service System

CONTACT: Bill Brown 465-4335

DEPARTMENT OF PUBLIC SAFETY

Section 1 of this bill is the only portion which will affect the Department of Public Safety. It requires the department to release data to the Selective Service, and requires the department to add a statement on driver license applications.

The department does not object to releasing the data to the Selective Service, however, is opposed to the last sentence of Section 1, which requires the statement on the application. The requirement to print the statement on a driver's license application, and make it meaningful would require revamping of the present driver licensing process, making it more time consuming, which we object to. Also, Federal Government recognized the importance of the SSN as an identifier and passed a law in 1976, authorizing the use of the SSN by a state in four situations. One of those was the administration of a driver's license law. In 1986, Congress passed a law concerning licensing of commercial vehicle operators. Part of that law requires an information system to identify commercial operators. At this time the federal DOT is proposing to use the SSN, along with name, DOB, etc., as identifiers in that system. Thus, the wording of the last sentence in Section 1 may make Alaska law conflict with federal law.

The department does not support this bill, however, would change to a neutral position if the last sentence of Section 1 were deleted.

William R. Nix
WILLIAM R. NIX
Acting Commissioner

RECEIVED
MAR 21 1987

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

REQUEST: _____

Bill Version: SB 165
Publish Date: _____

Revision Date: _____

Agency Affected: Public Safety

Title: An Act relating to release of certain permanent fund dividend and ...

BRU: Motor Vehicles

Sponsor: Duncan

Components: _____

Requestor: Senate State Affairs

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 | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact.

JNR
3/19/87

Prepared by: Bill Brown
Division: Motor Vehicles

Phone: 465-4335
Date: 3-19-87

Approved by Commissioner: [Signature]
Agency: Public Safety

Date: 3/19/87

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 165

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: Release of PFD information to
the Selective Service System

Sponsor: Duncan

Requestor: State Affairs

Agency Affected: Revenue

BRU: Permanent Fund Dividend

Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |
| TOTAL | - | - | - | - | - | - |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ervin B. Jones

Division: Administrative Services

Phone: 465-2313

Date: 3/23/87

Approved by Commissioner: [Signature]

Agency: Revenue

Date: 3/27/87

Distribution (by Agency preparing fiscal note):

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

page ____ of ____



Selective Service System

510 Sixth Street
Juneau, AK 99801-1092
April 6, 1987

Senator Mitchell Abood, Chairman
Senate State Affairs Committee
P. O. Box V
Juneau, AK 99801

Dear Senator Abood

Subject: SB 165 - Release of Information from Permanent Fund
Dividend and Drivers' License Information
of 18-to-25-Year-Old Males to the United States
Selective Service System

Enclosed is a brief summary concerning the purpose, use and benefits which will be derived from passage of Senate Bill 165.

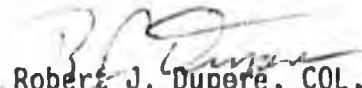
For those who may wish to dig deeper into the Selective Service Program, the following are enclosed:

1. News Release February 11, 1987 -- reference additional efforts of States to assist in the Selective Service registration program.
2. News Release March 1987 -- reference Federal Student Aid, Job Training Benefits and Federal Employment.
3. News Release - Last Opportunity for Men Turning 26 to Register.
4. INS Language -- reference alien registration.
5. Selective Service System Today.
6. State Selective Service Laws -- Outline of steps other States have taken to encourage registration.

Also enclosed are Attorneys General opinions which outline the need for legislation if the State is going to cooperate with the Selective Service Agency in this report:

1. Opinion dated June 30, 1983
2. Opinion dated July 16, 1986

Sincerely


Robert J. Dupere, COL, Retired
State Director Selective Service

cc: Senator Jim Duncan

SENATE BILL 165

The information to be released to Selective Service will be used to match the file of those residents of Alaska who have a statutory responsibility to register with Selective Service -- all males between the ages of 18 - 25 years of age (born after June 1, 1960).

If these names do not appear on the Selective Service list of registrants, they will be sent a letter informing them of their suspected violation and giving them an opportunity to register or explain why they do not have to register. If a young man does not respond to this letter, he is sent two more. Thereafter, his name is forwarded to the Department of Justice for possible prosecution.

In addition, while in a delinquent status, the 18 through 25 year olds who have not registered are denied the following Federal benefits:

1. Student financial aid under Title IV.
2. Participation under the Joint Training Partnership Act.
3. Appointment in an executive agency of the Federal government.

If the individual slips through the cracks without registering, upon reaching 26 years of age he is permanently denied the above benefits.

While Selective Service has a continuing program of advertising on the statutory requirement of registration, we know from our experience in Alaska that many in the rural area will not get the word, or may not be readily accessible to a post office; or, as in the case of many youths, may put it off, forget, and think it is too late to comply.

Thus, supplying this data to Selective Service from the permanent fund recipients or drivers' licenses will help get to these Alaskans information which will not only contribute to our national security interest but also to life-long Federal benefits.

Selective Service System

NATIONAL HEADQUARTERS • 1023 31st STREET • WASHINGTON, DC 20545

70213-000082

CAPT H.W. WALLS
SELECTIVE SERVICE SYSTEM
BLDG. 7, RM 160 TREASURE ISLAND
SAN FRANCISCO, CA 94130-5052

MEMO TO ASSIGNMENT EDITORS

February 11, 1987

The formal signing of House Bill 542 will take place in the Carvel State Office Building, 820 French St., Wilmington, Del., on Feb. 26, 1987, at 11:00 a.m. Governor Michael N. Castle, Rep. Roger P. Roy (R-20th District), primary sponsor of the legislation, and Selective Service System Acting Director Wilfred L. Ebel will attend the ceremony.

House Bill 542 makes registration with Selective Service (for those men required to so register) a pre-condition for state employment, or for any program supported by the General Fund to provide educational assistance to residents of Delaware or any other state.

This legislation is modeled after federal legislation. The intent of both federal and state legislation is two-fold. It increases public awareness of the registration requirement and it ensures that recipients of taxpayers' funds are in compliance with the law. Delaware joins nine other states with similar legislation.

Men are required to register with Selective Service within 30 days of their 18th birthday. Failure to register may lead to conviction as a felon and as such, may be punishable by a fine of up to \$250,000 or up to five years imprisonment, or a combination of both.

For further information, contact:

Dallas Winslow
(302) 654-6428

*D. Info copy/sample
to RFC's
of APPS use
AW*

NEWS RELEASE

FEDERAL STUDENT AID, JOB TRAINING BENEFITS AND FEDERAL EMPLOYMENT

Three measures enacted by Congress link Selective Service registration to eligibility for certain federal benefits. The legislative intent was to increase public awareness of the registration requirement and to ensure that recipients of Federal funds were in compliance with the law. The student aid and job training benefits have become known as the "Solomon Amendments" after Rep. Gerald Solomon (R-NY), who introduced the bills.

Public Law 97-252, signed on September 8, 1982, provides that persons required to register with Selective Service be in compliance before receiving student financial aid under Title IV of the Higher Education Act. Included are the popular Pell Grants and Guaranteed Student Loans. Applicants are asked to sign a statement of compliance which is part of the application form for financial aid.

An agreement between the Department of Education and the Selective Service System signed in January 1986 provides for computer matching of Pell Grant applicants and recipients with Selective Service's registrant file. The names of suspected nonregistrants are furnished to the Department of Education which flags the records of those students and will not issue them grants until they prove they are in compliance with the law.

On October 13, 1982, Public Law 97-300 amended the Job Training Partnership Act (JTPA) to impose similar requirements on applicants for job training. The basic provisions of this amendment also require registration as a condition of eligibility. However, because of differences in the two programs, the method of implementing the JTPA is different from that for Title IV student aid.

Job training benefits do not involve any payment of money to the applicant — the agency furnishing the training receives the funds. Therefore, only the training agency can be held financially liable if the applicant does not meet all the eligibility requirements.

To protect the training agencies, most procedures require applicants of registration age to furnish written proof or verbal verification of their registration from Selective Service rather than simply signing a statement of compliance.

Selective Service and the Department of Labor are attempting to assist applicants in obtaining the proof they need to apply for job training benefits. Men not yet registered can fill out registration forms at most job training centers as part of the application process. Men who have misplaced the proof of registration (Selective Service Acknowledgement Letter) may obtain a duplicate by contacting Selective Service, either by mail or by calling, toll free, 1-800-621-5388. This service is available to anyone who is in need of verification of registration.

FACT SHEET

On November 8, 1985, President Reagan signed Public Law 99-145 which is commonly known as the Thurmond Amendment to the Defense Authorization Bill. Offered by Senator Strom Thurmond (R-SC), this law denies appointment to federal jobs to men who have not registered with Selective Service. This law not only applies to men seeking permanent employment, but also to young men seeking temporary summer employment with a federal agency, or department, or the U.S. Postal Service.

The intent of his legislation is twofold. First, it is intended to increase public awareness of the registration requirement. And, second, it ensures that recipients of federal funds (federal paychecks) are in compliance with the law.

The Office of Personnel Management administers the provisions of these regulations.

Selective Service System

NATIONAL HEADQUARTERS • 1023 31st STREET • WASHINGTON, DC 20435

FOR IMMEDIATE RELEASE

LAST OPPORTUNITY FOR MEN TURNING 26 TO REGISTER

The Selective Service System reaches an important milestone in the registration of young men on January 1, 1986.

Beginning on this date, men who were required in 1980 to register with Selective Service will be turning 26. Selective Service does not have the authority to accept registrations of men after they turn 26. Men who failed to register will have permanently forfeited their right to certain Federal student aid and job training benefits as well as Federal employment. Additionally, registration with Selective Service is a requirement in some states for various employment opportunities, such as law enforcement agencies and permission to practice law.

Men born in 1960 who have registered, will reach age 26 in 1986 and, under present law, will no longer be eligible for selection for induction. Over 15 million men, age 18 through 25, have registered with Selective Service since President Carter initiated registration in 1980.

Many of the men who are nonregistrants may be unaware of the requirement or do not understand the importance of the obligation to register. Some have served in the military but failed to register either before entering the Armed Forces or after leaving active duty. Others may have been incarcerated at the time of their 18th birthday and not realized they were required to register if released from custody prior to age 26.

Men age 18 to 25 who have not yet registered should register promptly to avoid prosecution and/or loss of benefits. Registration takes only five minutes at any post office. Failure to register is a felony, punishable by a fine of up to \$250,000 and/or up to 5 years imprisonment.

1-800-621-5388
Verification of Registration

For further information, contact:
Joan Lamb
Assistant Director for Public Affairs
(202) 724-0790

NEWS RELEASE

INS LANGUAGE

Males 18 through 25 years of age who are planning on applying for legalization under the Immigration Reform Act must register with the Selective Service System, if they have not already done so.

The Selective Service System is an independent agency of the federal government responsible for supplying untrained manpower to the armed forces in time of emergency. By law, every male citizen of the United States, and every other male person residing in the United States—including alien parolees and refugees, and aliens illegally residing in this country—who is 18 through 25 years of age must register. A man who does not comply with Selective Service law may be denied legal alien status.

Although there is no draft now, peacetime registration develops a list of names and addresses of men who might be called upon if a return to the draft is authorized...but peacetime registration does not imply that a return to the draft is imminent.

The registration process is a simple one. All a young man need do is fill out a simple form at any U.S. post office. The form will ask for his name, address, date of birth, social security number and telephone number. Registration forms will be accepted without social security number and/or telephone number if these are unavailable or non-existent.

Within 90 days the young man will receive an acknowledgement letter from Selective Service showing his assigned Selective Service Registration Number. This acknowledgement form will verify that the individual is registered, and may be used as documentation in the legalization procedure.

A man who does not register with Selective Service also risks prosecution as a felon with a fine of up to \$250,000 and a jail sentence of up to five years, or a combination of both. In addition, non-registrants forfeit eligibility for certain federal benefits including student financial aid, job training and employment opportunities.

For further information about Selective Service registration, contact your local INS office or call the Registration Information Office toll free on 1-800-621-5388, or write to Selective Service System, National Headquarter, Washington, D.C. 20435.

SELECTIVE SERVICE SYSTEM TODAY

It couldn't be done. In a "deep standby" status, Selective Service could not supply inductees to the Department of Defense in enough time to allow men to be properly trained before they were needed to support the regular armed forces, the Guard, and the Reserves. The country was in jeopardy — the men were in jeopardy.

In 1980, President Carter requested a revitalization of the Selective Service System and called for a return to peacetime registration.

Today the results of that revitalization are:

1. A system that is fair, just and equitable, and able to respond in a timely fashion to the Department of Defense;
2. Board members who are trained and representative of the public they serve;
3. An organized Alternative Service for conscientious objectors; and
4. A 99 percent compliance rate among the nation's draft-eligible population, or those men between the ages of 20-25.

Peacetime registration is merely that. It would take an act of Congress to return to the draft. The Military Selective Service Act states that male U.S. citizens and male aliens between the ages of 18 and 26 residing in the U.S. must register with Selective Service within 30 days of their 18th birthday. This law applies to men born on or after January 1, 1960.

Registration is a simple process, a man goes to any area post office (embassy or consular office for those residing outside the U.S.), and fills out a form that asks for his name, address, Social Security Number, telephone number and date of birth.

Since there are no inductions, there is no need to classify. However, classifications have been simplified and exist on paper should the need arise. The system has few causes for deferments and exemptions — thus all share in the duty of defending their country.

Selective Service registration is a requirement for several federal benefits including student financial aid under Title IV of the Higher Education Act (the Guaranteed Student Loan and Pell Grant programs, among others), job training benefits provided under the Job Training Partnership Act, and federal employment.

Following the federal lead, many states have passed legislation linking Selective Service registration to state financial student aid. Illinois was the first state to enact such legislation and was soon followed by Tennessee, Mississippi and Massachusetts. Other states enacting similar legislation now include Louisiana, North Carolina, Florida, Georgia and, most recently, Ohio.

Some of these states have taken the federal legislation a step further. In Tennessee, a man must be registered with Selective Service to attend state-funded colleges and universities. In Ohio, a man must be registered if he wants to be eligible for the reduced resident tuition rate.

The trend is apparent. In addition to the requirements listed above, some states require registration for jobs in law enforcement agencies, or for permission to practice law. Segments of the private sector have also followed the federal and state lead.

Failure to register is a felony, and the penalty can be up to \$250,000 in fines, five years in prison, or both.

The revitalization of Selective Service has been a success. Young men today are readily accepting their responsibility. Since registration was reinstated in 1980, more than 16 million young men have registered with Selective Service.

President Reagan has stated, "if a young man is enjoying all the rights and privileges associated with living in this great country of ours, he should also willingly assume the obligations of membership in that society." Registration is meant to insure peace. Registration is quick, it's easy, and it's the law.

###

STATE SELECTIVE SERVICE LAWS

| States | Deny State Financial Aid | Deny Entry To All State Schools | Require Out Of State Tuition Fee | Deny Civil Service Employment | Other |
|----------------|--------------------------------|---------------------------------------|--|-------------------------------------|----------------|
| Florida | X | | | | |
| Georgia | X | | | | |
| Illinois | X | | | | |
| Louisiana | | X | | X | |
| Massachusetts | X | | | | |
| Mississippi | X | | | | |
| North Carolina | | | | | X ¹ |
| Ohio | X | | X | | |
| Tennessee | | X | | | |
| Delaware | X | | | X | |

1. SSS registration made a condition for two minor veterans' dependents financial aid programs.

MEMORANDUM

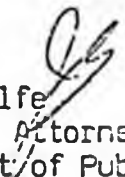
State of Alaska

TO: Charles Hosack, Deputy Director
Division of Motor Vehicles
Department of Public Safety

DATE: June 30, 1983

FILE NO.

TELEPHONE NO: 269-5581

FROM:  Joseph Balfe
Assistant Attorney General
Department of Public Safety

SUBJECT: Driver Record
Information

With reference to your memo dated June 28, 1983, concerning the release of records under AS 28.15.151(c), a careful reading of the entire section shows a legislative intent to protect and keep confidential records maintained by the Department under this section, but, for two exceptions.

First, such records are available to the individual driver or his designee inasmuch as they compose an abstract of the driver's record or the original copy of the computer printed record of the driver's record.

The other exception is upon request from a municipality, state or federal administrative or judicial agency for the abstract of the driving record of a driver (emphasis added.)

It is my opinion that AS 28.15.151(c) must be read to restrict the release of such records to abstracts of driving records only, and such requests must be made for named individuals and not for a particular class.

cc: Commissioner Robert J. Sundberg ✓
Robert Rowan
Bill Brown

xc: Charlie Smith, HSPA

GD - 7/07/83

RECEIVED
JUL 07 1983

HIGHWAY SAFETY

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER'S OFFICE

Juneau, Alaska

JUL 05 1983

MEMORANDUM

State of Alaska

TO All Directors
Department of Public Safety

DATE: January 27, 1983

FILE NO.

TELEPHONE NO. 465-4322

R.S.B.
FROM Robert J. Sundberg
Commissioner
Department of Public Safety

SUBJECT: 6 AAC 95.900
Public Information

Regulations regarding the availability of State records for public usage were recently promulgated. Incorporated within those regulations are certain requirements that relate to having requests in writing on forms provided [6 AAC 95.040(a)], logged [6 AAC 95.060(a)], and response made [6 AAC 95.070 et. al.].

Since the State has not provided, nor does it appear that it plans to, general forms to meet the requirements, this department has developed the necessary forms to comply.

These forms have been prepared to meet the requirements.

1. Request for Public Information - Form (12-010)
2. Public Information Request Log - Form (12-012)
3. Public Information Non-Compliance Notification - Form (12-011)

This regulation also stipulates in 6 AAC 95.040(b) and 6 AAC 95.060(b), that information routinely provided need not require formal application or logging.

This office is not in a position to determine what areas or the respective quantity of requests received by divisions, councils, boards, or commissions, that would require the formal process to be implemented. Therefore, a minimum amount of each of the three types of forms are being provided. For the most part, they are reproducible through photocopy process, with only one (Form 12-011) being two (2) sided. Also provided is the full text of 6 AAC 95.

You will be left to your own devices in developing compliance procedures and distribution of the form, in quantity necessary, and copies of the related Administrative Code area to the various effected segments under your management control, as well as ensuring compliance.

From this vantage point, it appears that there will not be a need for large quantities of any of the forms, but, if that is not the case, please notify this office and production quantities will be provided.

Attachments: a/s

(1) "beaches" means the area affected by wave action directly from the sea;

(2) "marine coastal water" means water adjacent to shorelines which contains a measurable quantity of seawater, including sounds, bays, lagoons, bayous, ponds and estuaries, and the living resources which are dependent on these bodies of water;

(3) "council" means the Alaska Coastal Policy Council;

(4) "district" means a coastal resource district as defined in AS 46.40.210(2);

(5) "district program" means a district coastal management program;

(6) "islands" means bodies of land surrounded by water on all sides; interior portions of major islands may be excluded from the coastal area if uses of these islands do not cause direct and significant impacts on coastal waters;

(7) "saltwater wetlands" has the same meaning as that contained in 6 AAC 80.900(19);

(8) "transitional and intertidal areas" means areas subject to periodic or occasional inundation by tides, including coastal floodplains, storm surge areas, tsunami and hurricane zones, and washover channels;

(9) "feasible and prudent" has the same meaning as in 6 AAC 80.900;

(10) "including" has the same meaning as in 6 AAC 80.900; and

(11) "significant amendment" has the meaning provided in 6 AAC 80.900(23). (Eff. 7/18/78, Reg. 67; am 8/18/79, Reg. 71; am 9/9/81, Reg. 79)

Authority: AS 44.19.160
AS 46.40.010(c)(2)
AS 46.40.040
AS 46.40.060
AS 46.40.070

PART 7.
GOVERNOR

CHAPTER 95.
PUBLIC INFORMATION

Section

- 10. Policy on disclosure of agency records
- 20. Request for records
- 30. Where requests for agency records may be filed
- 40. Form of request
- 50. Requests which do not reasonably describe records sought
- 60. Initial action upon receipt of a request
- 70. Response to request; time limits
- 80. Deletion of nondisclosable information
- 90. Denials of requests
- 100. Appeal from denial; manner of making
- 110. Appeal determinations; time allowed; by whom made
- 120. Contents of determination denying appeal
- 130. Copies and fees
- 140. Conversion of information
- 150. Disclosure to litigants or their agents
- 900. Definitions

6 AAC 95.010. POLICY ON DISCLOSURE OF AGENCY RECORDS. (a) It is the policy of the executive branch of government to disclose agency records and to provide copies of those records in an expeditious manner. It is the purpose of this chapter to ensure that requests for disclosure are handled in a timely, reasonable, and responsive manner, without infringing on the rights of any person or other entity, and without impairing the functioning of any agency.

(b) All agency records are disclosable to the public unless nondisclosure is authorized by a valid Alaska or federal statute or regulation, or by a privilege, exemption, or principle recognized by the courts, or by an agency protective order authorized by law.

(c) All disclosable records must be made available for inspection upon request, regardless of whether any justification or need for those records has been shown.

(d) This chapter prescribes procedures for disclosure, denial, reconsideration, and appeal

regarding agency records. It does not purport to prescribe substantive standards of what information and records are disclosable or nondisclosable. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.020. REQUEST FOR RECORDS.

(a) Every request to an agency for records is governed by this chapter. However, if a different procedure is prescribed by a state statute or a federal statute or regulation with respect to particular records, that procedure must be followed.

(b) Every request to an agency for records prepared by the agency for routine public distribution free of charge (such as pamphlets, copies of speeches, press releases, educational materials, blank forms, and applications) must be honored and the information supplied in reasonable quantities free of charge. No individual determination under 6 AAC 95.070 - 6 AAC 95.090 is necessary in such cases, since preparation of the records for routine public distribution itself constitutes a determination that the records are disclosable. Copies must be furnished with reasonable promptness in response to the request.

(c) Records which are readily available for public inspection (such as unrestricted state archives, library books, books still in print, statutes, case law reporters, magazines, journals, published regulations, treatises) are not subject to the procedures of this chapter. (Eff. 10/4/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.030. WHERE REQUESTS FOR AGENCY RECORDS MAY BE FILED. Requests for agency records may be filed at the

nearest office of the appropriate agency. (Eff. 10/4/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16,
and 24, Alaska Const.

Editor's Note: Addresses of principal agency offices are listed in the Directory of State Officials, compiled by the Legislative Affairs Agency semiannually.

6 AAC 95.040. FORM OF REQUEST. (a) Except as noted in (b) of this section, a request for an agency record must be in writing. It must describe the record in a manner sufficient to allow its identification and location by the agency. Request forms must be kept available, but no request may be denied because it is not on such a form. If a request includes a stamped, addressed postcard, the agency shall promptly use it to give a dated acknowledgement of receipt of the request.

(b) An informal request may be made verbally, in person, or by telephone. An informal request must be granted or denied within five working days after the office responsible for maintaining the requested records receives the request, excluding the request day and including the following five working days. If the request is not granted within that time, it is considered denied. The decision to deny an informal request is within the sole discretion of the agency. A requestor's only remedy is to make a request in accordance with (a) of this section and, if the written request is then denied, to pursue appeal steps set out in 6 AAC 95.100 - 6 AAC 95.120. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.050. REQUESTS WHICH DO NOT REASONABLY DESCRIBE RECORDS SOUGHT. (a) If the agency determines, within reasonable time after receiving a request, that the description of the records sought by the request is not sufficient to allow the agency to identify and locate the requested records, the agency shall promptly notify the requestor that the request cannot be further processed until

additional information is furnished. Time limits set out in this chapter do not begin to run until a sufficient description of the records is received in the office responsible for maintaining the records.

(b) The agency shall make every reasonable effort to assist in the identification and description of records sought, and to assist the requestor in formulating the request. If records are described in general terms (for example, all records concerning the environment), the agency shall attempt to communicate with the requestor with a view toward both speeding the response to the request and lessening the administrative burden of processing a broad request. These attempts may not be used as a means to discourage requests but rather as a means to help identify with more specificity the records actually sought. (Eff. 10/8/82, Reg. S4)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.060. INITIAL ACTION UPON RECEIPT OF A REQUEST. (a) Except as provided in (b) of this section, the agency receiving a request shall maintain a log of each written request it receives, whether at the central office, a regional office, or the specific office responsible for maintaining the requested record. This log must include the date the request was received by that office, whether notice of receipt was sent to the requestor under 6 AAC 95.040(a), and the date additional information, if required, was requested under 6 AAC 95.050(a). The receiving office will promptly forward the request to the office responsible for maintaining the requested records.

(b) A log entry need not be made for requests for information which is routinely disclosed. (Eff. 10/8/82, Reg. S4)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.070. RESPONSE TO REQUEST: TIME LIMITS. (a) Except as otherwise provided in this section, as soon as practicable, but

not later than the 10th working day after the date the office responsible for maintaining the requested records receives the written request, that office shall

(1) furnish all requested records that are disclosable; and

(2) indicate to the requestor which of the requested records are nondisclosable and the authority supporting nondisclosure.

(b) There will be excluded from the period of 10 working days (or any extension of that period) any time which elapses between the time that a requestor is sent notice that processing his request will generate chargeable fees and the time that the requestor makes suitable arrangements for payment of those charges under 6 AAC 95.130.

(c) The agency may extend the basic 10-working-day period established under (a) of this section for a period not to exceed 10 additional working days (except as provided in (d) of this section) by sending written notice to the requestor within the basic 10-working-day period. This notice must state the reasons for the extension and the date by which the office expects to be able to furnish the requested records or issue a determination that they are not disclosable. The notice must include a statement that the extension is not interposed for purposes of delay. The basic 10-day period may be extended only when one or more of the following circumstances require the extension:

(1) there is a need to search for and collect the requested records from field facilities or other establishments that are separate from the office responsible for maintaining the records;

(2) there is a need to search for, collect, and examine a voluminous amount of separate and distinct records which are sought in a single request;

(3) there is a need for consultation with an officer or employee who is absent on approved leave;

(4) the basic response period comes during a seasonal peak-service period when compliance with the basic 10-day requirement would

substantially impair the functioning of the agency or office responsible for maintaining the records; or

(5) there is a need to consult with legal counsel to insure that protected interests of private or government persons or entities are not infringed.

(d) If the scope of the search or copying task is such that it will, within the 10-day period and any authorized extension under (c) of this section, substantially impair the functioning of the agency or its office responsible for maintaining the requested records, the agency head may request approval of an additional extension from the attorney general. Following the request for approval of an additional extension, the attorney general shall promptly give the requestor and the agency an opportunity to be heard and render a speedy decision. The attorney general may grant the approval only in extraordinary circumstances and only for the minimum period determined by the attorney general to be required to complete the search or copying without substantial impairment of the agency or office function.

e) An agency shall give a written response granting or denying a written request within the prescribed time limit. However, if a response is not received by a requestor within a reasonable time after the expiration of the time limit, the requestor may consider the request denied and pursue an appeal. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16, and 24, Alaska Const.

6 AAC 95.080. DELETION OF NONDISCLOSABLE INFORMATION. If a record contains both disclosable and nondisclosable information, the nondisclosable information will be deleted and the disclosable information will be disclosed. If the disclosable portions cannot reasonably be segregated from nondisclosable portions in a manner which will allow meaningful information to be disclosed, the records shall

not be disclosed. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16 and 24, Alaska Const.

6 AAC 95.090. DENIALS OF REQUESTS.

(a) A request may be denied only for the following reasons:

(1) the record is not known to exist;

(2) the record is not in the agency's possession;

(3) the record has been destroyed in accordance with applicable record-retention schedules;

(4) a valid Alaska or federal statute or regulation, or a privilege, exemption, or principle recognized by the courts, or an agency protective order authorized by law authorizes nondisclosure of the record;

(5) the record is believed to exist in the agency's possession but, has not yet been located, in which case the agency shall proceed under (g) of this section.

(b) The only Alaska regulations which authorize nondisclosure under (a)(4) of this section are regulations which are

(1) authorized by a statute which specifically empowers an agency to exempt records from disclosure by regulation, policy, or decision; or

(2) authorized by a general statutory grant of rulemaking power and consistent with a privilege, exemption, or principle of nondisclosure recognized by the courts.

(c) Requests may be denied by the agency head or by those agency officers or employees occupying positions to which denial authority has been delegated by the agency head.

(d) An initial determination to deny a written request must be in writing, must state the reason for the denial, and must be dated and signed by the person making the determination.

(e) A denial of a written request, in whole or

in part, must state that the requestor may appeal the denial by complying with the procedures in 6 AAC 95.100. A copy of 6 AAC 95.100 must be enclosed with the denial.

(f) A denial of a written request is considered to be issued at the time the denial is either delivered to the U.S. Postal Service for mailing or is hand-delivered to the requestor by an agent of the agency other than a post office employee.

(g) When a written request is denied because the record has not yet been located (although it is believed to exist in the agency's possession), the office responsible for maintaining the record shall continue to search until it is located or it appears that the record does not exist or is not in the agency's possession, and shall periodically inform the requestor of the office's progress. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.100. APPEAL FROM DENIAL: MANNER OF MAKING. (a) A requestor whose written request has been denied, in whole or in part, whether by the agency head or a subordinate, may ask for reconsideration of that denial by addressing a written appeal to the agency head.

(b) An appeal must be mailed or hand-delivered to the agency head within 30 days after the denial is issued.

(c) An appeal must contain a reference to the date of the denial and the name and address of the person responsible for the denial. The appeal must also indicate what records to which access was denied are still sought and are the subject of the appeal. If the requestor has received no response within a reasonable time after the expiration of the time limit prescribed in 6 AAC 97.070, the appeal must so state, must identify the records sought, and must state the agency to which the request was directed and the date of the request.

(d) The 30 days within which an appeal must be filed begin to run upon the issuance of the denial or the expiration of the time period

within which the agency should have responded. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16
and 24, Alaska Const.

6 AAC 95.110. APPEAL DETERMINATIONS: TIME ALLOWED; BY WHOM MADE. (a) As soon as practicable, but not later than the 10th working day after the date the agency head receives an appeal, the agency head or his or her designee shall issue a written determination stating which of the records that are the subject of the appeal will be disclosed and which will not be disclosed.

(b) The agency head may delegate authority and duties under (a) of this section to any full time employee of the agency not involved in the denial and not subordinate to the person responsible for the denial. The delegate may not subdelegate his or her authority or duties to another person. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16
and 24, Alaska Const.

6 AAC 95.120. CONTENTS OF DETERMINATION DENYING APPEAL. A determination denying an appeal under 6 AAC 95.110(c) must be in writing, must state the law, regulation, or court decision which is the basis for the denial, and must state briefly the reason for the denial. A denial must further state that the requestor may obtain judicial review of the denial by commencing an action in superior court. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16
and 24, Alaska Const.

6 AAC 95.130. COPIES AND FEES. (a) The office responsible for maintaining the records sought shall provide copies of records only at the request of the requestor and at the requestor's expense. The agency shall prescribe in writing the standard unit charges for copies. The charge for copies may not exceed the cost to the

agency. Payments for copies must be received before making the copies, except in the case of a request from an employee or agent of a news organization.

(b) Copying charges of \$5 or less may be waived where the cost to the agency of contacting the requestor to arrange payment exceeds the copying charges.

(c) Searches must be conducted as a public service, free of charge. However, if one or more requests by a single requestor or agent of a requestor within a calendar month require more than 10 person-hours to complete search and copying tasks, the agency head may ask the commissioner of administration for authority to require the requestor to pay costs for the period in excess of 10 hours. The costs may not exceed the unit cost of salary and benefits for the searching and copying employee. Except in the case of news organizations, authorized search costs must be paid before the records are disclosed, and the agency may require payment in advance of the search. If requests from a news organization or its agents require more than 10 person-hours to complete, the commissioner may grant authority to require payment of search costs by the news organization only when requests are unreasonable or in bad faith, or require extraordinary expenditure of state resources.

(d) Agencies or offices with a primary function of performing records searches and which have customarily charged a fee for searches, including the Bureau of Vital Statistics, the District Recorder, and the Division of Banking, Securities, and Corporations, may continue to do so in accordance with written standard search charges. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.140. CONVERSION OF INFORMATION. (a) It is the responsibility of the requestor to translate, transcribe, decode, or otherwise convert information in records into a form useable by the requestor. The agency shall make available records to assist in this conversion if those records are disclosable.

(b) Nothing in this chapter requires an agency to organize, coordinate, collate, modify, create, interpret, or program records requested. Only a literal or verbatim record need be provided. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.150. DISCLOSURE TO LITIGANTS OR THEIR AGENTS. If the requestor or the requestor's principal is in litigation with an agency in a judicial or administrative forum, disclosure of any agency's records relevant to that litigation or reasonably likely to lead to the discovery of relevant evidence is governed by the rules or orders in that forum and not by this chapter. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110

AS 09.25.120

AS 44.17.030

Art. III, secs. 1, 16,
and 24, Alaska Const.

6 AAC 95.900. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "agency" means an executive-branch department, board, commission, or authority;

(2) "agency head" means the principal executive officer of an executive-branch department, board, commission, or authority;

(3) "news organization" has the same meaning as in AS 09.25.220(4);

(4) "record" means any existing document, paper, memorandum, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, punched card, or other item of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business by an agency and preserved as evidence of the organization, function, policies, decisions, procedures, operations, or other activities of the agency or because of the informational value in them; it also includes staff manuals and instructions to staff that directly or indirectly affect the public;

(5) "request" means a request for the disclosure of records;

(6) "requestor" means any individual, public or private corporation, political subdivision, government agency, municipality, industry, partnership, association, firm, trust, estate, or any other entity whatsoever which has submitted a request to an agency;

(7) "working day" means every day except Saturday, Sunday, or a legal holiday. (Eff. 10/8/82, Reg. 84)

Authority: AS 09.25.110
AS 09.25.120
AS 44.17.030
Art. III, secs. 1, 16,
and 24, Alaska Const.



STATE OF ALASKA
DEPARTMENT OF PUBLIC SAFETY

REQUEST FOR PUBLIC INFORMATION

READ

UNDER STATE REGULATIONS, YOU AS A INDIVIDUAL, PUBLIC OR PRIVATE CORPORATION, POLITICAL SUBDIVISION, GOVERNMENT AGENCY, MUNICIPALITY, INDUSTRY, PARTNERSHIP, ASSOCIATION, FIRM, TRUST, ESTATE, OR ANY OTHER ENTITY WHATSOEVER HAVE THE RIGHT TO SUBMIT A REQUEST TO THIS STATE AGENCY FOR PUBLIC INFORMATION.

THIS STATE AGENCY'S RECORDS MUST BE DISCLOSED TO THE REQUESTER IN A TIMELY MANNER PROVIDED THE REQUESTED RECORDS ARE NOT:

1. COVERED UNDER A VALID ALASKA OR FEDERAL STATUTE OR REGULATION, OR BY PRIVILEGE, EXEMPTION, OR PRINCIPLE RECOGNIZED BY THE COURTS, OR BY AN AGENCY PROTECTIVE ORDER AUTHORIZED BY LAW.
2. INFRINGING ON THE RIGHTS OF ANY OTHER PERSON OR ENTITY.
3. IMPAIRING THE FUNCTIONS OF ANY AGENCY.

YOUR REQUEST MUST REASONABLY DESCRIBE THE RECORDS SOUGHT AND MUST BE FILED AT THE NEAREST APPROPRIATE AGENCY OFFICE.

COPIES OF THE RECORDS ARE PROVIDED AT THE REQUESTERS EXPENSE.

FILL IN

NAME _____

ADDRESS _____

PHONE # _____

I AM REQUESTING THE FOLLOWING PUBLIC INFORMATION

SIGNATURE _____

DATE _____

RECEIVED BY _____ DATE _____

AUTHORITY BASED ON
6 AAC 95

STATE OF ALASKA

DEPARTMENT OF REVENUE

BILL SHEFFIELD, GOVERNOR

STATE OFFICE BUILDING
POUCH SA
JUNEAU, ALASKA 99811


July 16, 1986

Raymond Coxe
Section Chief
Selective Service System
Alaska State Headquarters
Pouch L
Juneau, AK 99811

Dear Mr. Coxe:

Enclosed is the Attorney General's response to our request for an opinion on disclosure of information from the Permanent Fund Dividend file to the Selective Service System. As you can see, the Department of Law has opined that we may not release PFD information to the Selective Service System. We will therefore be unable to honor your request.

Sincerely,


Ervin Jones, Director
Administrative Services

EJ:ms

Enclosure

cc: Dick Roundtree, Director
Department of Military Affairs

MEMORANDUM

State of Alaska

TO: Richard Monkman
Deputy Commissioner
Department of Revenue

DATE: June 16, 1986

FILE NO.: 663-86-0502

THRU:

TELEPHONE NO.: 465-3600

Harold M. Brown
Attorney General

SUBJECT: Release of PFD
Application Information

FROM:

By: *[Signature]*
Jeffrey W. Bush
Assistant Attorney General

You have sent us two opinion requests regarding the disclosure of PFD application information. The first request, dated May 9, 1986, asks if the information may be released to the Selective Service System; the second request, dated June 6, 1986, asks the same question with respect to the Veterans' Administration. Attached are copies of these requests.

With respect to the Selective Service System, this question was specifically answered by Diane Colvin in an informal opinion on September 14, 1984. I have also attached a copy of this memorandum. This memo addresses the general approach with respect to PFD disclosures -- that disclosure to federal agencies is not permitted unless specifically authorized under AS 43.05.230.

I will close our opinion request file at this time.

JWB/11b

Attachments

cc to dept
- Ervin
- Sally Smith
original back to me

RECEIVED
ALASKA DEPARTMENT OF REVENUE

JUN 16 1986

OFFICE OF THE COMMISSIONER

MEMORANDUM

State of Alaska

TO Bruce Botelho
Acting Commissioner
Department of Revenue

DATE September 14, 1984

FILE NO 366-050-85

TELEPHONE NO 465-3600

FROM Norman C. Gorsuch
Attorney General

SUBJECT Release of PFD
application
information

By: Diane T. Colvin
Assistant Attorney General

DTC

You requested advice on three situations in which you have been asked to or wish to release PFD application information. These are:

1. Release of complete PFD applicant information to the Internal Revenue Service for tax collection purposes.
2. Release of selected PFD applicant information to the Selective Service System.
3. Publication of the names of PFD recipients whose warrants have been returned to the department and cancelled.

In our opinion, you may release the information shown on the PFD application to the Internal Revenue Service (IRS), but may not release the information requested by the Selective Service System (SS). We also conclude that you may publish the names of PFD recipients whose warrants have been cancelled. The reasons for these conclusions are set forth below.

First, in regard to the IRS, you have been asked to supply certain information shown on the PFD application, such as phone numbers and names of employers, for use in tax collection. This would be in addition to the information you are already required to report to the IRS regarding PFD's: the amount of payment and the name, address and social security number of each recipient. You state that since most of the information the IRS has requested is not data-captured, the only practical way to respond would be to provide the IRS with microfilm copies of the applications.

AS 43.05.230 makes confidential information set out or disclosed in a report or return made under Title 43. AS 43.23, the chapter establishing the permanent fund dividend program, does not deal with confidentiality, but the department has

Bruce Botelho, Acting Commissioner
Department of Revenue
366-050-85

September 14, 1984
Page 2

traditionally treated an application filed under AS 43.23 as a report or return and consequently as confidential. This position is supportable, we believe, since no exception to the confidentiality provisions is made for PFD applications, either under AS 43.05.230 or AS 43.23.

AS 43.05.230 does not prevent exchange of returns and reports between the state and the IRS for tax purposes. This is expressly authorized by AS 43.05.230(c). This exception provides adequate authority, in our opinion, for the department to release copies of PFD applications to the IRS for the purpose of tax collection. Since the applications themselves are treated as reports and returns and, as a consequence, held confidential, it follows that they may be released under subsection (c) for legitimate tax collection purposes. Further, since their confidentiality will be preserved by the IRS, no applicant's privacy interest will be jeopardized.

The SS has asked for more limited information than the IRS: names, addresses, dates of birth, and social security numbers for males born in 1964, 1965 and 1966. This information would, obviously, not be used by the SS for tax purposes, but rather in ensuring that all males subject to the Selective Service Act comply with registration requirements. Thus, subsection (c) discussed above, would not apply, nor would any of the other exceptions found in sec. 230. See AS 43.05.230(a)(1) -- 43.05.230(a)(4), 43.05.230(d), and 43.05.230(e).

AS 09.25.100 also makes confidential information in the possession of the Department of Revenue. The exceptions made in this section, for production required in official investigations and court proceedings, do not apply to the SS request.

Since no exceptions to the confidentiality provisions apply, the only information that could be supplied to the SS is the information you supply to the court system under AS 09.20.050(b), names and mailing addresses of adult PFD applicants. This information, when released to the court system, becomes part of the public record and thereby loses the confidentiality conferred upon it by AS 43.05.230. See 1984 Inf. Op. Att'y Gen. (July 12; 366-627-84). Thus, you may supply this same information to the SS, since the reason it seeks the information constitutes a legitimate public purpose. Id.

We recognize that this information may not be useful to the SS, since it needs a more selective list, adult males born in certain years. We do not believe, however, that you can provide dates of birth and other specific information to the SS, since

Bruce Botelho, Acting Commissioner
Department of Revenue
366-050-85

September 14, 1984
Page 3

this information is not now subject to disclosure and remains, therefore, confidential.

Finally, you wish to publish names of PFD applicants whose PFD warrants were returned to the department and cancelled. These are individuals who applied for a dividend and were found eligible, but whose warrants were returned to the department as undeliverable at the address supplied to the department by the applicant. You now wish to publish the names of these persons in an attempt to locate them. For those who are located through this process, you will re-issue the warrants. For those whom you are unable to locate, you hope, following this public notice, to close the file and thus reduce the liability outstanding for payment of permanent fund dividends.

For those applicants whose names and addresses have already been supplied to the court system, there is no problem, as indicated above, with publishing applicant names and addresses, since this information is already a matter of public record. For those that have not been supplied to the court, and thereby remain confidential, there may be some question about the authority to publish. In our opinion, you may proceed with publication. There are a number of reasons supporting this conclusion.

First, the department has the statutory duty under AS 43.23 to distribute permanent fund dividend checks to eligible individuals. Publication of applicant names would be for the express purpose of fulfilling this statutory obligation. Further, it is in the public interest to reduce the potential liability now outstanding, by locating as many individuals as possible and redistributing those checks, and then closing the files, after the notice by publication, on those individuals not contacted. The public interest in locating eligible individuals and in reducing state liability probably outweighs any privacy interest that may be involved. See Falcon v. A.P.O.C., 570 P.2d 469 (Alaska 1977).

Second, the information disclosed by publication will be minimal. Therefore, it can be argued that no violation of AS 43.05.230 will occur. None of the confidential content of the application itself will be revealed. See Opinion of Justices, 303 A.2d 752 (N.H. 1973).

It may also be argued that any privacy claim that these dividend recipients possess has been waived by their failure to provide the department with information on their location. See Strveker's Bay Apartments, Inc. v. Walsh, 323 N.Y.S.2d 563 (1971). 15 AAC 23.625(c), applicable to 1983 and subsequent

Bruce Botelho, Acting Commissioner
Department of Revenue
366-050-85

September 14, 1984
Page 4

years, places an affirmative duty on each applicant to provide the department with a current address at the time of application and with any change in address prior to payment.

Finally, we look by way of analogy to AS 43.05.230(e), which authorizes the department to publish lists of names of delinquent taxpayers for purposes of tax collection. While the dividend payment is obviously not a tax, it is in the nature of a tax credit, and the administration of the program, assigned to the Department of Revenue, bears similarities to the administration of the various taxes the department is charged with collecting. It is obvious from subsection (e) that the legislature did not intend that the department be hindered in tax collection by the confidentiality provisions. In the same manner, we do not believe the legislature intended to prevent the department from distributing dividends to eligible applicants by not excepting PFD applications from the confidentiality provisions.

We note that AS 43.05.230(e) authorizes the department to publish names and "other relevant information which in the opinion of the department may assist in the collection of delinquent taxes". We believe "other relevant information", such as last known address, may be included in your PFD publication list. You should, however, first make a determination that the information will actually assist in the location of the PFD applicant. If you are not reasonably certain that additional information of this nature will be of assistance, we recommend that you limit the list to names only.

We hope the above information is adequate for dealing with the three situations now pending. Please contact us, if you wish further assistance.

DTC:cct

SB

171

January 16, 1987

Jim Behlke
Box 82230
Fairbanks, AK 99708

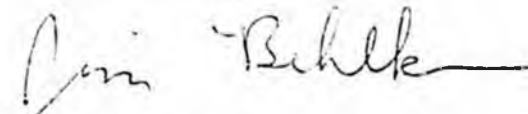
Tom Moyer c/o Senator Bettye Fahrenkamp
Box V
Juneau, AK 99811

Dear Tom:

Thanks for hearing my ideas on new public art legislation. I am enclosing my thoughts on how the old statutes might be altered. I am not trying to write a new statute. Instead, I hope that this outline will be useful in giving people ideas of what changes could be included in a new law.

Thanks for your time.

Sincerely,


Jim Behlke

I will go down thru the old statute, and show how I might change the sections:

Old--

Sec. 35.27.010. Purpose. The State recognizes its responsibility to foster culture and the arts and the necessity for the viable development of its artists and craftsmen. The legislature declares it to be a state policy that a portion of appropriations for capital expenditures be set aside for the acquisition of works of art to be used for state buildings and other public facilities.

New:

Purpose: The state recognizes its responsibility to foster culture and the arts and the necessity for the viable development of its artists and craftsmen. The legislature declares it to be a state policy that a portion of appropriations for capital expenditures shall be appropriated to the Art in Public Places Fund for the creation or expansion of public art exhibitions in state buildings and other public facilities.

Purpose of changes--

- a. Remove term "set aside" which is the State's justification for non-compliance.
- b. Appropriate money into Alaska State Council on the Arts' Art in Public Places Fund, instead of DOT or some other state agency.
- c. Allow money to spent for a variety of public art projects, instead of being one-percent formula-funded for each project.

Sec. 35.27.020. Art requirements for public buildings and facilities.

Old:

a. A building or facility constructed after June 30, 1975, or reroofed or renovated after June 30, 1975, shall include works of art, including but not limited to sculptures, paintings, murals, or objects relating to native arts.

New: Same

Old:

a. The department, before preparing plans and specifications for buildings and facilities, shall consult with the Alaska State Council on the Arts regarding the desirability of inclusion of works of art.

New: Same

Old:

c. At least one percent or, in the case of a rural school facility, at least one-half of the percent of the construction cost of a building or facility provided for construction by the legislature after September 1, 1975, shall be reserved for the

following purposes: the design, construction, mounting and administration of works of art in a school, office building, court building, vessel of the marine highway system, or other building or facility which is subject to substantial public use.

New:

At least one percent or, in the case of a rural school facility, at least one-half of one percent of the construction cost of a building or facility approved for construction by the legislature after July 1, 1987, shall be deposited into the Art in Public Places Fund, and spent on the following: the design, construction, mounting and administration of works of art in a school, office building, court building, vessel of the marine highway system, or other building or facility. The commissioner of the department responsible for the design and construction of a building or facility shall deposit into the art in public places fund one percent (or in the case of rural schools one-half percent) of the construction costs of that building or facility, before completion of construction of the building or facility.

Within two years of the completion and acceptance of construction of a state building or facility, the Arts Council shall appropriate, from the Art in Public Places Fund, one percent (or in the case of rural schools one-half of one percent) of the construction costs of that building or facility, for the following purposes:

1. The design, construction, and mounting of works of art in the public building or facility.
2. The maintenance and conservation of works of art in public buildings and facilities.
3. The administration of the design, construction, mounting, maintenance and conservation of works of art in public buildings and facilities.

Purpose of changes:

- a. Remove usage of the word "preserved."
- b. Instruct commissioner or other state official to deposit money into Art in Public Places Fund, instead of "preserving" money for public art.

Remove usage of term "subject to substantial public use." AS 14.27.10, the authorizes that provisions to the requirements by AS 14.27.11 place funds into the Art in Public Places Fund, and there is no usage of the term "subject to substantial public use" in AS 14.27.11 or AS 14.27.12.

AS 14.27.11, the commissioner of the department responsible for the design and construction of a building or facility shall deposit into the art in public places fund, before the completion and acceptance of the construction of the building or facility,

- c. Require that the art council spend this money within two years.