

# SB 6: Eliminate Daylight Saving Time:

## Impact by Department

### Alaska Permanent Fund Corporation:

- **Position:** Neutral
- **Fiscal Impact:** Indeterminate
- **Analysis:**

SB 6 would exempt Alaska from Observing Daylight Saving Time, increasing the time displacement from the financial markets. This would require APFC fixed income traders to arrive at work at 3:45 am for the eight months that Daylight Saving Time is observed. There are also accounting and IT support staff that arrive shortly after the markets open in order to provide support to the fixed income officers, and they would be affected by this change as well.

APFC already faces the challenge of recruiting fixed income traders away from the financial markets for public sector wages. This change could affect the ability to retain and recruit quality employees for these positions, potentially requiring the APFC to outsource some or all of the fixed income trading to Outside firms. A rough estimate of the cost of outsourcing the portfolios presently managed in-house is \$14 million, though this would be offset by reductions in the \$2.7 million internal program.

Opening an APFC trading office in a more favorable time zone might maintain costs closer to the present internal program, without the time displacement from the financial markets.

### Department of Administration:

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

This bill exempts the State of Alaska from daylight saving time and provides an effective date of January 1, 2017. The bill further indicates the state shall observe the standard time that is otherwise applicable during that period. The Department of Administration, Division of General Services does not anticipate any programmatic effects or impacts related to the facilities managed and operated by the department as a result of this legislation.

No operational benefit to SOA agencies. Potential office hour conflicts across Alaska statewide agencies.

### **Department of Commerce Community and Economic Development:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

Bills to exempt Alaska from Daylight Savings Time have been introduced fairly regularly since Rep. Vic Kohring introduced HB 4 in 1999. The arguments for and against the various iterations of the bills introduced since then have tended to divide along geographical regions of the state. Those communities in the southeast tend to be against dropping daylight savings time as they feel it puts them further out of synch with Seattle, a city they do a significant amount of business with (Juneau was the first city in Alaska to adopt DST). Communities in other parts of the state tend to be supportive so that they can have their daylight hours at more reasonable times of day. Little Diomed, whose sun reaches its zenith at 3:20 pm in the winter and 4:20 pm in the summer, went so far as to unilaterally create “Little Diomed Time” in 1993 and set all of their clocks back three hours (a year later they moved back to Alaska time after confusion from shippers and others regarding time differences).

As far as economic impacts go, there are some economic development and business development organizations in the state that think eliminating DST would provide Alaska with an advantage when doing business with Asia and Europe. If Alaska eliminated DST and didn’t move our base time zone to Pacific between March and November it would be 2pm in Alaska when it was 8am in Japan, while in Pacific Time it would be 4pm. This would also present an opportunity for Alaskan based customer service or call center facilities that service Asia, Russia or Europe, or for financial sector businesses that with the Asian or European exchanges. Financial services are unlikely to support being 5 hours apart from New York.

It’s difficult to say what the actual economic impact would be from implementing this bill. Alaska has gone through several changes during its long history in regards to time zones, daylight savings and even “war time” which was instituted during WWII nationwide and was the early precursor to Daylight Savings Time. Through the changes from three time zones to five time zones back to one time zone and then to daylight savings, Alaskan businesses have proven resilient and adaptable. While there is no doubt that there will be a period of adjustment that will need to take place if this bill passes, eventually Alaska’s citizens and businesses will adapt.

### **Department of Environmental Conservation:**

- **Position:** Neutral
- **Fiscal Impact:** Zero

- **Analysis:**

This bill seeks to eliminate Daylight Savings Time in Alaska. The main concern in the Department is in regard to communication with the East Coast.

SB 6 could further isolate Alaska from the rest of the country by further limiting the already short window when employees in Alaska and on the East Coast are in the office at the same time. For example, many of our staff are involved in national workgroups or regularly teleconference with counterparts in other states and staff from USDA, FDA, or EPA offices in Washington D.C. If Alaska lagged 5 hours behind, staff might have to call-in for a teleconference at 4:00 am or forego participation. While SB 6 will increase inconvenience, it has minimal impact to the Department.

### **Department of Fish and Game:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

The elimination of daylight savings time will not have an impact on the duties and responsibilities of DF&G.

*Do you think you will have any fiscal challenges or issues?*

After consulting the divisions within DF&G they did not identify any fiscal challenges or issues associated with eliminating daylight savings time.

*Do you manage any facilities and do you foresee any challenges?*

DF&G does manage facilities but we don't anticipate any challenges associated with managing those facilities if daylight savings time is eliminated

*Other pertinent details/analysis?*

With the elimination of daylight savings time the daylight hours will shift so people may choose to hunt and fish earlier and end sooner than usual.

### **Department of Natural Resources:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

Overall, no impact from this potential change, and no increased costs. No concern about the facilities we manage either.

There will be some required updating to the IT infrastructure because the current systems automatically change the time for daylight savings.

The biggest concern that Division of Mining, Land, and Water can identify is that this may adversely affect operations that deal with East Coast contacts. This change will place a larger time difference between Alaska and the East Coast during part of the year. There is already limited availability of meeting times when trying to intersect working hours of regular employees from both coasts. Currently, staff sometimes have to come in early mornings to have meetings with the East Coast contemporaries or attend scheduled online training sessions. If we understand this action, it would further reduce that available meeting time by one more hour during half the year.

Time management will require some adjustment but isn't a major change. National Conference Calls rarely pick early morning or late afternoon times to account for time differences.

### **Department of Labor and Workforce Development:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

Aside from the time differentials between Alaska and the rest of the nation, there are no impacts on Labor Standards & Safety.

If not on daylight savings, Alaska will be 2 hours behind West coast and 5 hours behind East coast for the summer months. This will make business meetings and travel outside Alaska a little more difficult during these months.

It would make more sense for Alaska to be on daylight savings time year round. If we didn't fall back one hour, Alaska would be on the same time as the West coast and just 3 hours behind the East coast for the winter months.

### **Department of Law:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

No legal issues

### **Department of Education and Early Development:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

*Do you think you will have any fiscal challenges or issues?*

The department does not anticipate fiscal challenges as a result of this legislation. The only issues will be in working with other states, or with agencies in Washington, D.C. on agency related business, because for the time period of the current Daylight Savings period we will have a five rather than a four hour time difference with Eastern Standard Time.

*Do you manage any facilities and do you foresee any challenges?*

The department manages facilities, but does not anticipate a challenge as a result of this legislation.

*Are there any other issues that you would like us to be aware of that will affect your department?*

This change may have a positive impact on timely school attendance for one to two days after the change normally takes place in March and November if DST is eliminated, for students and families that struggle with the time change.

### **Department of Health and Social Services:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

This bill would exempt Alaska from observation of daylight saving time, under which clocks are currently advanced one hour between 2a.m. the second Sunday of March and 2 a.m. the first Sunday of November. This period coincides with the brighter part of the year when Alaska receives more hours of daylight per day. The practical effect of elimination of daylight saving time would be to increase daylight hours in the morning and decrease them in the evening. Alaska summer mornings come very early, due to the northerly latitude, and under this proposed legislation, sunrise at the peak of Summer Solstice would occur an hour earlier, at approximately 2:50a.m.

Since the rest of the country continues to observe daylight saving time, this legislation would also mean that for those nearly eight months of the year, the time zone difference between Alaska and more easterly states would be reduced by one hour, possibly making it easier to conduct business with the East Coast.

The department has considered potential impacts to DHSS facilities' utility usage, client safety and comfort, facility construction and maintenance, and does not anticipate either significant or adverse effects under this proposal. Facility staffing would be slightly simplified and costs very slightly reduced, in that a pay accommodation for the "extra" hour worked at the transition back to standard time would no longer be necessary.

A study of data from Sweden, an arctic region, showed increased rates of heart attacks in the period after the change to daylight savings time. Another study suggests an increase in motor vehicle accidents the day after changing to daylight savings time. This is not unlike the effect of traveling East from Alaska which typically is harder than when traveling West. In regards to the seasonality of suicide in the winter months, suicide rates are high year round but peak in the mid-summer and fall around November. Causation has not been established related to suicide rates and the change back to standard time from daylight savings time.

### **Department of Military and Veterans' Affairs:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

*Do you think you will have any fiscal challenges or issues?*

The DMVA will not have any fiscal challenges or issues.

*Do you manage any facilities and do you foresee any challenges?*

The DMVA does not foresee any challenges with its facilities management with this legislation.

*Does your Department oppose, support, or take a neutral stance?*

The DMVA is neutral on the proposed legislation.

*Are there any other issues that you would like us to be aware of that will affect your department?*

The DMVA foresees no other issues with this legislation.

### **University of Alaska:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

UA operates over 400 facilities around the State. We do not foresee any implementation challenges related to our facility inventory. We do not anticipate any fiscal issues resulting from passage of this legislation.

Because of the large amount of Federal funds received by UA and the substantial regulatory burden that the Federal Government imposes on postsecondary institutions, UA employees regularly interact with the offices of Alaska's congressional delegation and with Federal regulatory agencies in Washington, D.C. This legislation will increase the time difference

between Alaska and Washington, D.C. for part of the year, and may require some employees to adjust their work schedules to maximize the time available to do business.

**Department of Corrections:**

- **Position:** Neutral
- **Fiscal Impact:** Zero
- **Analysis:**

This legislation would exempt the state from daylight saving time, keeping the entire state on standard time.

The Department of Corrections manages correctional facilities, probation and parole offices, and administrative offices around the state. This legislation would have no impact on the operations of our facilities.