

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

March 29, 2001

3:40 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Drue Pearce
Senator Rick Halford
Senator Bettye Davis

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 147

"An Act relating to nongovernmental activities of state departments; and providing for an effective date."

MOVED SB 147 OUT OF COMMITTEE

SENATE BILL NO. 146

"An Act relating to the primary election; and providing for an effective date."

MOVED CSSB 146 (STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

SB 147 - No previous action recorded.

SB 146 - See State Affairs minutes dated 3/22/01.

WITNESS REGISTER

Annette Deal
Staff to Senator Cowdery
Alaska State Capitol, Room 101
Juneau, AK 99801-1182

POSITION STATEMENT: Introduced SB 147

Brad Pierce
Senior Economist
Department of Administration
Office of Management and Budget
PO Box 110200

Juneau, AK 99811-0200

POSITION STATEMENT: Testified on SB 147

Alison Elgee
Deputy Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811-0200

POSITION STATEMENT: Answered questions on SB 147

Joe Balash
Staff to Senate State Affairs Committee
Alaska State Capitol, Room 121
Juneau, AK 99801-1182

POSITION STATEMENT: Testified on CS for SB 146

Gail Fenumiai
Election Program Specialist
Office of the Lieutenant Governor
Division of Elections
P.O. Box 110017
Juneau, AK 99811-0017

POSITION STATEMENT: Answered questions on SB 146

ACTION NARRATIVE

TAPE 01-17, SIDE A

Number 001

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 3:40 p.m. Present were Senators Phillips, Pearce and Chairman Therriault.

The first order of business was SB 147.

#SB 147

SB 147-STATE GOVERNMENT ACTIVITIES

ANNETTE DEAL, staff for Senator Cowdery, introduced SB 147 as the State concept of federal legislation enacted in 1998. It requires a state agency to list those agency activities that are not inherently governmental on an annual basis. An inherently governmental function is defined as "a function that is so closely related to the public interest that it requires performance by a state governmental employee."

First, departments identify functions that are not inherently governmental. Once the list is made, it is submitted to the Department of Administration, Office of Management and Budget

(OMB). They make the list available to the public and the legislature. Interested persons are then able to challenge what is or is not on that list.

The idea is to make it easier for the public to understand which functions are essential and which are not so they are better able to understand what their dollars are paying for.

Step two asks for a realistic and fair cost to be attached to the performance of the activities so a private individual would have that information readily available if they wanted to consider outsourcing. In addition, "it puts the state on the right track toward government activities that we want and that we are willing to pay for. It provides the basis for long term consistent efforts towards cost-effective government."

The bill has a zero fiscal note from the Department of Administration. She said that the bill is simply good management practice and good management doesn't have a cost attached.

CHAIRMAN THERRIault asked if there are differences between the legislation this year and that introduced previously.

MS. DEAL said that there were several House State Affairs committee substitutes last year that are reflected in the current legislation. Previous language referred to unions and putting work out for a public bid. Also, the university was included last year and is not in the present bill because they are working toward greater efficiency on their own.

Some departments have already adopted these measures in their missions and measures by identifying time allocations toward certain projects or what is essential and what is not.

Another difference this year is that inherently governmental activity means one that is required by the state constitution.

MR. BRAD PIERCE, a policy analyst with the Office of Management and Budget, testified that the administration opposes the legislation on the grounds that it is unnecessary and that the resulting report would provide little useful information to the public and the legislature that is not already available.

During the last three administrations, there has been an effort to reduce the number of annual reports that departments are required to produce in an effort to increase state productivity. In fact, OMB has produced a report on reports recommending those reports that may be eliminated to free employees to engage in more

productive activities. This bill is headed in the opposite direction and although the fiscal note is zero, there is a cost in terms of productivity to produce the report on a yearly basis. As an example, the executive travel report costs about \$15,000 per year in employee time to produce.

The administration feels that the area is already well covered with the legislature's Commission on Privatization's final report in the fall of 1999. In the legislative research catalog, there are two studies identifying mandated and discretionary programs, one on the difficulty of defining basic services and a list of state programs added in the last 20 years and whether they were constitutionally or statutorily mandated.

Before that, there was Governor Hickel's 1992 Organizational and Efficiency Task Force that made recommendations on privatization of services. During that administration, there was also a hotline for citizens to call in with suggestions on ways to reduce the cost of government and activities that could be privatized.

The point is, the information the bill is after is already available and the functions of government do not change that much from year to year. With this in mind, the administration does not feel that the legislation is necessary but instead will be a bureaucratic burden to agencies.

CHAIRMAN THERRIAULT called for questions and other testimony.

SENATOR COWDERY commented that this is not a privatization bill. It is designed to identify those activities that are not inherently governmental. The previous testimony was focused to convince members that this is a privatization measure.

CHAIRMAN THERRIAULT said there was no prepared CS. He asked committee members for amendments. There were none. He noted the zero fiscal note.

SENATOR PHILLIPS asked Mr. Pierce about the executive travel report and whether the administration opposed preparation of the report. He believes it's a good document that the public has a right to see.

ALISON ELGEE, Deputy Commissioner of the Department of Administration, testified that when the legislation was considered for the compensations and travel report, it had a \$15,000 fiscal note that was unopposed by the administration. The legislature elected to pass the legislation without the money so it placed the monetary and labor burden on the Division of Finance. It is quite a

lot of work to coordinate all the records from the various departments and get them into a format that can be published.

CHAIRMAN THERRIAULT asked for other questions or comments. There were none.

He asked for the will of the committee.

SENATOR PEARCE moved SB 147 and zero fiscal note from committee with individual recommendations. There was no opposition.

#

Number 885

#SB 146

SB 146-MODIFIED BLANKET PRIMARY ELECTION

CHAIRMAN THERRIAULT said that the committee heard lengthy testimony on this bill in a previous hearing. He asked committee members to look on page 2, lines 5, 6 and 7 of the C version of the proposed committee substitute and find that language after "AS 15.25.012(b)" on line 5 and before "voter" on line 7, had been blacked out.

It was his preference to adopt the modified language in the C version for the working document. The committee substitute (CS) is the result of his review of the document and eliminating extra findings and changing language referring to an open or blanket ballot to ballots. The blacked out language referred to ballots with restricted access. In section 3 it was clarified that a political party has a right, by its bylaws, to limit individuals who have access to their ballot.

It was his intention to cull language that was not necessary and put together a framework upon which the regulations could be built.

SENATOR PEARCE moved to adopt CSSB 146 Kurtz \C version dated 3/28/01 with the deletion of the language on page 2, lines 5 through 7. There was no objection.

CHAIRMAN THERRIAULT asked Joe Balash to explain the proposed amendment.

JOE BALASH, staff to the Senate State Affairs Committee, testified that Chairman Therriault and the bill drafter were trying to make sure that the number of ballots and which ballots are prepared is clear in the statute and that language removed in the original version did not interfere with that objective. A question arose about what happens with individuals that will be on the ballot by

virtue of a petition. In 1995, the legislature passed a bill stating that all petition candidates will be placed on the primary ballot. Under AS 5.25.02(b), if a modified ballot is prepared, there is the potential for multiple ballots and Chairman Therriault wanted to make certain that those petition candidates would be placed on every ballot.

In addition, whenever the legislature adjourns more than 90 days before the primary election, any ballot initiatives appear on the primary ballot as opposed to the general election ballot. They wanted to assure that all the questions from the initiative make it onto the ballot prepared for the primary.

CHAIRMAN THERRIAULT asked whether there were any questions about amendment C.1 and there were none.

He moved amendment 1 and it was adopted with no objection.

Number 1159

SENATOR PHILLIPS said that he wanted to address a concern brought up in several constituent meetings about the fact that election workers have not had a raise in 20 years. He asked a Division of Elections' representative to explain the payment schedule.

GAIL FENUMIAI, Election Program Specialist for the Division of Elections, said that Senator Phillips was correct in stating that election workers have not received a pay increase since their pay was put in regulation in 1982. The chairperson for a precinct is paid \$8 per hour and the election workers are paid \$7.50 per hour. There are other pay scales set out for absentee and question counting board members, state review board members, absentee voting officials and absentee voting officials who work at an absentee station.

The division has been discussing the pay scale and has received numerous calls on the issue. They propose to raise the workers pay by \$5 an hour. There would also be a review made after a certain number of years and the pay rate would be reevaluated at that time.

Election workers throughout the northwest region of the state are paid from \$9.50 an hour to \$19.99 an hour. Election workers work hard for long hours and deserve a raise.

CHAIRMAN THERRIAULT called attention to a note in the committee packets dated 3/28/01 at 10:59 and asked Senator Phillips to comment on the projected pay increase.

SENATOR PHILLIPS said he asked the division to make recommendations.

MS. FENUMIAI said that the division chose a \$5 increase for all positions. The draft fiscal note is based on a \$5 increase and reflects an increase of \$76,600 in even numbered fiscal years in which regional education attendance area elections and coastal resource service area elections are conducted. In odd numbered fiscal years, in which primary, general, REAA and CRSA elections are held, the increase pay to workers would equal \$464,000.

CHAIRMAN THERRIAULT said that it is his preference to not put a pay raise in the bill. The finance committee will hear the bill and they are in a position to evaluate the affordability of the pay raise. He suggested that committee members convey their desire to see an increase but leave the particulars to that committee.

SENATOR PEARCE asked for a reading of the last line of the fiscal note.

MS. FENUMIAI read the following: "This fiscal note also reflects a pay increase for election workers. Election workers have not had a pay increase since 1982. The increased costs in FY02, FY04, and FY06 for election workers employed for the conduct of the REAA and CRSA elections is \$76.6. The increased cost in FY03, FY05 and FY07 for election workers employed for the conduct of primary, general, REAA and CRSA elections is \$464.0."

SENATOR PEARCE asked if those amounts are just the increase.

MS. FENUMIAI said yes, they are in addition to what is currently budgeted.

SENATOR PEARCE asked the number of statewide election workers, the number of hours they generally work and whether overtime is paid.

MS. FENUMIAI said approximately 2,500 workers work from 14 to 18 hours per day with no overtime because the job is for just one day and is not based on a 40-hour workweek.

SENATOR PHILLIPS asked whether there is much interest in the raise.

CHAIRMAN THERRIAULT said that most workers do so for reasons of civic responsibility rather than monetary compensation. He did not know whether a \$5 per hour increase would change the motivation for those individuals but, since there has not been a raise in a length of time, he would like the finance committee to consider whether a raise is possible.

SENATOR PHILLIPS asked whether they would send a letter to the finance committee.

CHAIRMAN THERRIAULT said that, as chairman of the Senate State Affairs Committee, he would send a letter.

He asked whether there were any other questions on the CS. There was some discussion of whether the legislature needed to do anything on the issue. He did receive a memo from Catherine Kurtz saying, "If the statute is not replaced with something else, there will be no clear statutory direction to the Division of Elections as to how the primary ballot should be prepared and distributed." If no action is taken this year there is the chance for action next year but the Division of Elections will be in turmoil about what they are expected to do and the entire issue will become a legal discussion between the political parties, the division and the court's interpretation. It is for that reason that he prepared the CS.

He asked for other proposed amendments or questions from committee members. There were none.

He asked for the will of the committee.

SENATOR PEARCE moved CSSB 146 (STA) and original fiscal note from committee with individual recommendations.

CHAIRMAN THERRIAULT said that before final action was taken, he wanted to ask MS. FENUMIAI about the fiscal impact to the division if there is no legislation passed this year.

MS. FENUMIAI said if there was no statute in place for the primary election, she wasn't sure what route the division would take as to what rules to follow for the primary election. It is her assumption that if emergency regulations were required again they would probably find themselves in the same situation as during the last primary: they would have to ask for a supplemental request to cover additional costs.

CHAIRMAN THERRIAULT asked whether there was objection to moving CSSB 146 (STA) with fiscal note dated 3/28/01. There was none.

#

The meeting was adjourned at 4:10 p.m.