

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 6(STA)
Fiscal Note Number:	3
(H) Publish Date:	4/8/2016

Identifier: CSSB006-DOR-APFC-02-05-16
 Title: ELIMINATE DAYLIGHT SAVING TIME
 Sponsor: MACKINNON
 Requester: House State Affairs Committee

Department: Department of Revenue
 Appropriation: Alaska Permanent Fund Corporation
 Allocation: APFC Operations
 OMB Component Number: 109

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2017 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017						
Personal Services			***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	0.0	0.0	***	***	***	***	***	***

Positions

Full-time			***	***	***	***	***
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Committee substitute includes a request to include Alaska in the Pacific standard time zone.
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Approved By: <u>Angela Rodell, CEO</u>	Date: 02/05/16
Agency: <u>Alaska Permanent Fund Corporation</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Bill Analysis: SB 6 would exempt Alaska from observing Daylight Saving Time, increasing the time displacement from the financial markets. Under the current Federal law, 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. SB 6 also includes a provision requesting that United States Department of Transportation change the time zone in which Alaska is located to the Pacific standard time zone. If this request is granted, then Alaska would be four hours behind the Eastern time zone during the months Daylight Saving Time is observed, which is the status quo, and only three hours behind the Eastern time zone for the balance of the year.

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 \$15 million, though this would be offset by reductions in the \$2.7 million internal program. Because it is unclear if this program would have to be outsourced, and to what degree, the fiscal note is indeterminate.