

COMMITTEE REPORT
HOUSE

3/23

(11)

FURTHER:

Rules

Date:

3-22-84

3/6/84

The Committee on FINANCE has had SSSB 350am

"An Act creating the Alaska-United States Olympic Trust Fund; and providing for an effective date."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with ^HCS for SSSB 350 (FINANCE) same title new title

and recommends individual recommendations

AND attaches a "Letter of Intent" New Fiscal Note
 reports it back without recommendation Zero Fiscal Note Attached

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Robert Adams
RP Bettisworth
Jerry Island

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Frank V. Zharoff (No Rec)
T.M. Martin - No Rec.
Ben [unclear] (no rec)
MILO H I - RITZ (NO REC)

Robert Adams
CHAIRMAN

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/5/84

Date: 3-22-84

The Committee on FINANCE has had SSSB 350am

"An Act creating the Alaska-United States Olympic Trust Fund; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SSSB 350 (Finance) same title
 new title
- and recommends for approval of the House
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsors: Ferguson, Fahrenkamp,
Bennett and Faiks

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 350 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska-United States Olympic
7 Trust Fund; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE INTENT. The legislature finds that it is
10 beneficial to support and encourage the spirit of dedication and excellence
11 symbolic of olympic athletes and to register wholehearted support of the
12 Olympic Games. Therefore, the legislature shall establish an Alaska-
13 United States Olympic Trust Fund.

14 * Sec. 2. ALASKA-UNITED STATES OLYMPIC TRUST FUND. There is created in
15 the Office of the Governor the Alaska-United States Olympic Trust Fund.
16 The fund shall be made available to the official United States Olympic
17 Committee in Alaska. The Alaska-United States Olympic Trust Fund shall
18 consist of money obtained from salary deduction contributions of officers
19 and employees of the state, from private donations, and from state matching
20 contributions.

21 * Sec. 3. SALARY DEDUCTIONS AND OTHER CONTRIBUTIONS. (a) During
22 fiscal year 1985, one dollar a month shall be withdrawn from the salary of
23 each officer and employee of the state unless the person requests not to be
24 involved in the program under (c) of this section. Salary deduction
25 contributions shall be deposited into the Alaska-United States Olympic
26 Trust Fund.

27 (b) The state shall appropriate to the Alaska-United States Olympic
28 Trust Fund an amount equal to the amount of

29 (1) all private donations, not to exceed \$1,000,000 in the

1 aggregate; and

2 (2) the salary deduction contributions made by all state offic-
3 ers and employees during fiscal year 1985.

4 (c) The Department of Administration shall, before July 1, 1984,

5 (1) inform all state officers and employees about the deduction
6 program; and

7 (2) provide all state officers and employees with a form, ad-
8 dressed to the governor or the governor's designee, on which the intention
9 not to participate in the Alaska-United States Olympic Trust Fund may be
10 indicated.

11 (d) If the form described in (c)(2) of this section is not returned
12 by the state officer or employee within 30 days after the date the form is
13 provided to the officer or employee by the department, the department shall
14 assume that the officer or employee intends to participate in the Olympic
15 Trust Fund salary deduction program.

16 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

18 * Sec. 5. Section 3 of this Act is repealed June 30, 1985.
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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: February 28, 1984
Page 1 of 2

REQUEST Page of of 2
Bill/Resolution No: SSSSB 350 am (FIN)
Title: An act creating the Alaska-US Olympic Trust Fund
Sponsor: Ferguson, Fahrenkamp, Bennett & Faiks
Requestor: Finance
Date of Request: _____

FISCAL DETAIL
Agency Affected: Administration/Office of Gov.
Program Category Affected: General Government Centralized Administrative Services/Finance
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		15.0	0	0	0	0
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		1,108.0	0	0	0	0
800 MISCELLANEOUS						
TOTAL OPERATING		1,123.0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,123.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Kenneth E. Bischoff *KEB*
Division: Finance

Phone: 465-2240
Date: February 28, 1984

Approved by Commissioner: Lisa Rudd *LBR*
Agency: DEPARTMENT OF ADMINISTRATION

Date: 3-2-84

- Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Page 2 of 2

Sponsor Substitute for Senate Bill 350 am
 Fiscal Note Analysis
 Prepared by Division of Finance
 Department of Administration
 February 28, 1984

We have assumed that the State will match the full \$1,000,000 private donations.

The State employee match of \$108,000 is based on the assumption that 50% of the 18,000 State employees (as of December 31, 1983) will not opt out of this program. We sense that many employees will not view with favor, monies withheld without their prior approval and will exercise their option to withdraw.

The estimated cost of producing the payroll deduction authorization forms and administering the program is \$15,000.

Private donations (Office of the Governor)	\$1,000,000	
State employee match (Office of the Governor)	108,000	A
Administrative cost (DOA)	<u>15,000</u>	
Total	<u>\$1,123,000</u>	

A: $50\% \times 18,000 \times \$1.00 \times 12 \text{ months} = \$108,000$

STATE OF ALASKA 1984 LEGISLATIVE SESSION
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Agency: DEPARTMENT OF ADMINISTRATION

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Position Paper

SB 350


The Department of Administration supports the bill in its intent, however, caution is advised concerning the open-ended appropriation to match all contributions. The salary deduction contribution from State employees, assuming a 20% participation, is estimated at \$45,000. The real concern, however, is that the potential amount of private donations is unlimited. Large donations from multi-national corporations could conceivably require the State to match millions of dollars. For this reason it is recommended that a "not-to-exceed" amount be inserted in Section 2(c).

The intent of Senate Bill 350 would not pose a major accounting difficulty. Contributions deducted from employee salaries would be accumulated in a miscellaneous deduction account and transferred to an agency trust account established for the Office of the Governor. Private donations would be deposited directly to the trust account. The Office of the Governor would periodically draw a warrant on the trust account, payable to the United States Olympic Committee in Alaska.

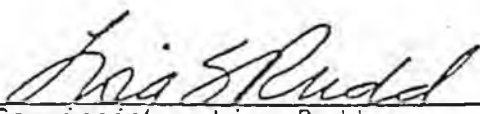
Although the payroll system has the ability to automatically deduct authorized contributions from employees' salaries it does have a limit as to the number of deductions that can be made for an employee. When the limit is exceeded for an employee the Payroll Section is required to manually intervene in order to properly apply the deductions.

Currently few employees have reached the deduction limit of the system. Senate Bill 350 will not severely increase the manual payroll effort required at this time. Caution must be used when considering additional legislation of this nature in order to assure that the automated deduction limits of the payroll system are not exceeded and the Payroll Section is not forced to a largely manual effort to properly account for and distribute the payroll deductions.

Based on our reading of this bill, its provisions are effective for FY 85 only and will cease June 30, 1985.


Kenneth E. Bischoff
Division of Finance

2/15/84
Date


Commissioner Lisa Rudd
Department of Administration

2/16/84
Date

this talent is also available in the state, and we would look for it here. If the program succeeds, presumably the school districts will continue the same with local support and the gradual build-up of Olympic sports in our school systems would start.

In addition to the above type of pilot programs, the State portion of the funds will be utilized to promote the Junior Olympic movement in Alaska. Talented athletes with Olympic potential throughout Alaska will be recruited and sought out for future development and training. Under these scenarios, it would be expected Alaska would then even excel beyond its current high participation in adding Olympic sports. Emphasis would be placed in Olympic-type sports that are not currently popular in American schools. Under these programs, incentives would be provided to smaller statutory athletes, both male and female, as hope that Alaska would become a 'hotbed' of Olympic athletic talent known throughout the United States and the world.

Here is a sample of the Olympic type sports that will be discussed for implementation:

- Archery
- Shooting (and Air Pistol)
- Cycling
- Equestria
- Table Tennis
- Biathlon
- Team Hand Ball
- Hockey (Men and Women)
- Canoe-Kayak
- Cross Country Skiing

Also, if possible to be involved in the purchase of snow-making equipment for the making of trails in various areas throughout the state to become a national training center for Olympic athletes.

Under the current provisions of the bills where State employees and officers have to take the initiative confirmatively and affirmatively authorize a one dollar per month for a twelve month donation, it is estimated that only twenty percent of the estimated 15,000 State employees will be involved to participate. This is caused by inertia and red tape. A rough calculation would therefore produce these gross revenues for the state and U.S. Olympic cause.

15,000 people x 20% = 3,000

3,000 x \$12 = \$36,000 From the Private Sector

With a state dollar-for-dollar matching formula, the net of the Olympic cause would be \$72,000, \$36,000 being sent to

the Olympic Committee in Colorado Springs, and \$36,000 remaining in Alaska for implementation of the above programs to encourage Olympic sports in our schools.

If, on the other hand, the Legislature, with the cooperation of APEA, would reverse the procedure in the legislation, and by legislative amendment authorize the deduction of \$12 a year for the Olympic cause for the Olympic year 1984 only from the pay of each employee (with the right of any employee to opt out on ten days notice--it is estimated that virtually 99% of the sum of state employees would not exercise their obligation of objection of a \$1 per month Olympic donation for 1984. Under this scenario, the revenues would be \$180,000 in private donations from the state employees and a \$180,000 dollar-for-dollar matching appropriation which would be used for the State of Alaska.

The State Olympic Committee consists of these persons:

Ed Merdes, Co-Chairman

Chuck Sasara, Co-Chairman

Other members of the official state Olympic Committee are: Lou Williams, owner of the Ketchikan Daily News; Glen Olds, President of Alaska Pacific University in Anchorage; Lauren Lounsberry, Anchorage, and Charity Kadow of the Legislative Affairs Agency Office.

The State Olympic Committee has been active and will continue to be active in continuing to accept private sector donations from all over the state to augment the Olympic programs in Alaska.

Introduced: 2/20/84
Referred: Finance

BY FERGUSON, FAHRENKAMP,
BENNETT AND FAIKS

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 350 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA/.

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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22 1984 - 1985 fiscal year, one dollar a month shall be withdrawn from the
23 salary of each officer and employee of the state unless the person requests
24 not to be involved in the program under (c) of this section. Salary de-
25 duction contributions shall be deposited into the Alaska-United States
26 Olympic Trust Fund.

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1 aggregate; and

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4 (c) The Department of Administration shall, before July 1, 1984

5 (1) inform all state officers and employees about the deduction
6 program; and

7 (2) provide all state officers and employees with a form, ad-
8 dressed to the governor or the governor's designee, on which the intention
9 not to participate in the Alaska-United States Olympic Trust Fund may be
10 indicated.

11 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

13 * Sec. 5. Section 3 of this Act is repealed June 30, 1985.

Introduced: 2/23/84
Referred: Finance

BY FERGUSON, FAHRENKAMP,
BENNETT AND FAIKS

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2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 350

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10 beneficial to support and encourage the spirit of dedication and excellence
11 symbolic of olympic athletes and to register wholehearted support of the
12 1984 Winter Olympic Games in Yugoslavia and the 1984 Summer Olympic Games
13 in Los Angeles, California. Therefore, the legislature shall establish an
14 Alaska-United States Olympic Trust Fund.

15 * Sec. 2. ALASKA-UNITED STATES OLYMPIC TRUST FUND. There is created in
16 the Office of the Governor the Alaska-United States Olympic Trust Fund.
17 The fund shall be made available to the official United States Olympic
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6 (1) inform all state officers and employees about the deduction
7 program; and

8 (2) provide all state officers and employees with a form, ad-
9 dressed to the governor or the governor's designee, on which the intention
10 not to participate in the Alaska-United States Olympic Trust Fund may be
11 indicated.

12 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

14 * Sec. 5. Section 3 of this Act is repealed June 30, 1985.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Rev 5:12 p.m.
3/27/84 B.M.

*partial VETO.
(reduction)
CHAP. 18*

March 27, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

Subject: HCS CSSB 364 (Fin) -- Making Special Appropriations to Certain Communities and Municipalities for Erosion Control Projects, Chapter 18, SLA 1984


Under Article II, Section 15, of the Alaska Constitution, I have signed into law House Committee Substitute for Committee Substitute for Senate Bill No. 364 (Finance). This bill, which makes appropriations for erosion control capital projects, reflects the recommendations of a joint legislative and executive branch task force on erosion control. This effort should serve as a model for future programmatic appropriation bills.

As you are aware, I vetoed a number of erosion control capital appropriations contained within bills passed during the 1983 legislative session. The vetoes were not judgments on the value of each proposed project. Rather, the vetoes stemmed from a concern that erosion is a serious threat to both public and private property throughout Alaska, particularly in rural Alaska -- and as such, an erosion control program must be established that is systematic and addresses the greatest areas of need first.

I was pleased to obtain your support last year to establish such a program. During the summer and fall of 1983, staff from the offices of Senate members and the Department of Transportation and Public Facilities conducted a survey to identify erosion sites and establish an order of solutions. Appropriations contained within this bill were guided by the recommendations of the task force (with one exception that resulted in my only line item veto) and thus virtually eliminated controversy associated with the proposed projects.

I strongly endorse this approach to appropriating public funds. I look forward to working with you and the Speaker of the House of Representatives to identify other areas of capital or operating spending suitable for similar efforts. I believe cooperation between our two branches of government and the joint use of staff expertise will result in more equitable and more effective use of public funds.

Sincerely,



Bill Sheffie
Governor



LAWS OF ALASKA

1984

Source

HCS CSSB 364(Fin)

Chapter No.

AN ACT

Making special appropriations to certain communities and municipalities for erosion control projects; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

1
2
3
4
5 AN ACT

6 Making special appropriations to certain communities and
7 municipalities for erosion control projects; and providing
8 for an effective date.
9

10 * Section 1. The appropriations made by sec. 2 of this Act are for
11 capital projects or are otherwise not one-year appropriations and do not
12 lapse under AS 37.25.010.

13 (Section 2 of this Act follows beginning on page 2.)
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1 * SEC. 2 THE FOLLOWING APPROPRIATION ITEMS ARE FOR 1
 2 CAPITAL PROJECTS AND GRANTS FROM THE GENERAL FUND TO THE 2
 3 AGENCIES NAMED AND FOR THE PURPOSES EXPRESSED. (ED#___) 3
 4 MEANS THAT THE CAPITAL PROJECT IS LOCATED SOMEWHERE 4
 5 WITHIN THAT HOUSE OF REPRESENTATIVES ELECTION DISTRICT. 5
 6 THIS GEOGRAPHIC REFERENCE HAS BEEN INSERTED BY STAFF AND 6
 7 IS FOR INFORMATION PURPOSES ONLY. 7

8		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	APPROPRIATION OTHER FUNDS	FUND SOURCES 8
9						9
10	* * * * *		* * * * *			10
11	* * * * * DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES		* * * * *			11
12	* * * * *		* * * * *			12
13	TRANSPORTATION					13
14	EROSION CONTROL PROJECTS					14
15	NAPAKIAK EROSION ASSESSMENT (ED 25)		100,000	100,000		15
16	* * * * *		* * * * *			16
17	* * * * * GRANTS TO MUNICIPALITIES (AS 37.05.315)		* * * * *			17
18	* * * * *		* * * * *			18
19	DEVELOPMENT					19
20	ED 2 INSIDE PASSAGE-CORDOVA					20
21	ANGOON-EROSION CONTROL PROJECT (ED 2)		246,300	246,300		21
22	ED 6 NORTH KENAI-SOUTH COAST					22
23	WA VALDEZ ALPINE WOODS FLOOD CONTROL COMPLETION (ED 6)		300,000	300,000		23
24	ED 16 MATANUSKA-SUSITNA					24
25	MATANUSKA-SUSITNA BOROUGH-MATANUSKA/KING RIVER CONFLUENCE OLD RAILROAD DIKE STABILIZATION (ED 16)		400,000	400,000		25

1	GRANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)				1
2		ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	2
3			ITEMS	GENERAL FUND	OTHER FUNDS
3					3
4	MATANUSKA-SUSITNA BOROUGH-SUTTON TO SKWENTA BANK EROSION PROTECTION (ED 16)		70,000	70,000	4
5	ED 17 INTERIOR HIGHWAYS				5
6	DELTA JUNCTION-EROSION CONTROL PROJECT (ED 17)		950,000	950,000	6
7	NENANA-RESTORATION OF ST. MARKS ADDITION (ED 17)		460,000	460,000	7
8	ED 22 NORTH SLOPE-KOTZEBUE				8
9	DEERING-EROSION CONTROL PROJECT (ED 22)		400,000	400,000	9
10	HOORVIK-EROSION CONTROL PROJECT (ED 22)		63,000	63,000	10
11	ED 23 NORTON SOUND				11
12	KOTLIK-EROSION CONTROL PROJECT (ED 23)		1,008,500	1,008,500	12
13	SHISHMAREF-EROSION CONTROL PROJECT (ED 23)		1,400,000	1,400,000	13
14	ED 25 LOWER KUSKOKWIM				14
15	BETHEL-EROSION CONTROL PROJECT (ED 25)		5,000,000	5,000,000	15
16	ED 26 BRISTOL BAY-ALEUTIAN ISLANDS				16
17	TOGIAK-EROSION CONTROL PROJECT (ED 26)		2,192,100	2,192,100	17
18	*****		*****		18
19	***** UNINCORPORATED COMMUNITY GRANTS (AS 37.05.317) *****		*****		19
20	*****		*****		20
21	DEVELOPMENT				21
22	ED 17 INTERIOR HIGHWAYS				22
23	EAGLE VILLAGE/YUKON RIVER EROSION STUDY (ED 17)		100,000	100,000	23
24	ED 19-21 FAIRBANKS DISTRICT				24
25	CIRCLE-PLANNING, DESIGN AND ENGINEERING (ED 19-21)		240,000	240,000	25

1	UNINCORPORATED COMMUNITY GRANTS (AS 37.05.317) (CONT.)	1
2		2
3	ALLOCATIONS	3
4	ED 22 NORTH SLOPE-KOTZEBUE	4
5	NOATAK-EROSION CONTROL PROJECT (ED 22)	5
	APPROPRIATION	APPROPRIATION FUND SOURCES
	ITEMS	GENERAL FUND
	OTHER FUNDS	
	6,000	6,000

1 * SEC. 3 THE FOLLOWING SETS OUT THE FUNDING OF THE
2 APPROPRIATIONS MADE IN THE PRECEDING SECTION OF THIS
3 ACT.

4 CAPITAL PROJECTS

5 GENERAL FUND

6 *** TOTAL FUNDING ***

7 * * * * * TOTAL BUDGET * * * * *

8 * SEC. 4 THIS ACT TAKES EFFECT IMMEDIATELY IN
9 ACCORDANCE WITH AS 01.10.070(C).

~~WA 12,935,900~~ 12,635,900 WA
~~WA 12,935,900~~ 12,635,900 WA
~~WA 12,935,900~~ 12,635,900 WA

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AUTHENTICATION

The following officers of the Legislature certify that the attached enrolled bill, House CS for CS for Senate Bill No. 364 (Finance), consisting of 5 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the Senate March 8, 1984

J. M. [Signature]
President of the Senate

ATTEST:

[Signature]
Secretary of the Senate

Passed by the House March 7, 1984

[Signature]
Speaker of the House

ATTEST:

[Signature]
Chief Clerk of the House

ACTION BY GOVERNOR

with item veto

Approved[^] by the Governor March 27 19 84

[Signature]
Governor of Alaska

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

REV 3/7/84

Revision Date: February 28, 1984
Page 1 of 2

REQUEST

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Sponsor: Ferguson, Fahrenkamp, Bennett & Fails
Requestor: Finance
Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration/Office of Gov.
Program Category Affected: General Government
Centralized Administrative Services/Finance
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		15.0	0	0	0	0
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		1,108.0	0	0	0	0
800 MISCELLANEOUS						
TOTAL OPERATING		1,123.0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,123.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Kenneth E. Bischoff *KEB* *A*
Division: Finance

Phone: 465-2240
Date: February 28, 1984

Approved by Commissioner: Lisa Rudd *A. B. M. for*
Agency: DEPARTMENT OF ADMINISTRATION

Date: 3-2-84

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Sponsor Substitute for Senate Bill 350
 Fiscal Note Analysis
 Prepared by Division of Finance
 Department of Administration
 February 28, 1984

We have assumed that the State will match the full \$1,000,000 private donations.

The State employee match of \$108,000 is based on the assumption that 50% of the 18,000 State employees (as of December 31, 1983) will not opt out of this program. We sense that many employees will not view with favor, monies withheld without their prior approval and will exercise their option to withdraw.

The estimated cost of producing the payroll deduction authorization forms and administering the program is \$15,000.

Private donations (Office of the Governor)	\$1,000,000	
State employee match (Office of the Governor)	108,000	A
Administrative cost (DOA)	<u>15,000</u>	
Total	<u>\$1,123,000</u>	

A: $50\% \times 18,000 \times \$1.00 \times 12 \text{ months} = \$108,000$

Position Paper

SSSB 350

The Department of Administration is seriously concerned with the intent of Section 3 of Sponsor Substitute Senate Bill 350. As written, one dollar a month will be deducted from the salary of each State employee. The employee must take an action to avoid making a contribution.

Currently, before a contribution type deduction is made from an employee's salary, a deduction authorization form is signed by the employee and presented to the Division of Finance. Without expressed written approval the Division does not consider that authority has been granted to make a deduction of this nature from an employee's wages.

There is also a question as to whether or not section 3 of SSSB 350 violates Article I of the Alaska Constitution. The Attorney General's office has indicated that it is a possibility and they will be looking into that aspect at such time as the bill is passed by the legislature.

The mechanics of SSSB 350 would not pose a major accounting difficulty, although considerable effort will be required to set up a payroll deduction for all State employees, except those that opt out of the program. Contributions deducted from employee salaries would be accumulated in a miscellaneous deduction account and transferred to an agency trust account established for the Office of the Governor. Private donations would be deposited directly to the trust account. The Office of the Governor would periodically draw a warrant on the trust account, payable to the United States Olympic Committee in Alaska.

Although the payroll system has the ability to automatically deduct authorized contributions from employees' salaries it does have a limit as to the number of deductions that can be made for an employee. When the limit is exceeded for an employee the Payroll Section is required to manually intervene in order to properly apply the deductions.

Currently few employees have reached the deduction limit of the system. SSSB 350 will not severely increase the manual payroll effort required at this time. Caution must be used when considering additional legislation of this nature in order to assure that the automated deduction limits of the payroll system are not exceeded and the Payroll Section is not forced to a largely manual effort to properly account for and distribute the payroll deductions.

Based on our reading of this bill, its provisions are effective for FY 85 only and will cease June 30, 1985.

Kenneth E Bischoff ^A
Kenneth E. Bischoff
Director
Division of Finance
Department of Administration

2/28/84
Date

Bruce I. Ludwig, Jr
Bruce I. Ludwig
Acting Director
Division of Labor Relations
Department of Administration

2/29/84
Date

A. Blum ^{for}
Commissioner Lisa Rudd
Department of Administration

3-2-84
Date