

COMMITTEE REPORT
SENATE

FURTHER:

3/4/86

Date 4/8/86

Mr. President

The Committee on FINANCE considered CSHB 113(FIN)

providing a working reserve for the payment of claims and obligations arising from accrued leave, unemployment compensation, workers compensation and general liability for state employees; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation *EFW Admin. Ctr.*
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

D. Ferguson

MEMBERS HAVING
OTHER RECOMMENDATIONS

W. H. ... NO REC

Rick Halford NO REC

Jan ...

Co-Chairman

do pass

Chairman recommendation

1/12

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 2/7/86

REQUEST Page 1 of 2 FISCAL DETAIL

Bill/Resolution No.: CSHB 113 (Fin) Agency Affected: A11

Title: An Act providing for a working BRU: _____
reserve for the payment of claims and obliga-
tions; and providing for an effective date

Sponsor: Rules Components: A11

Requestor: House Finance

Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

See attached analysis.

Prepared By: Ken Bischoff Phone: 465-2240
Division: Finance Date: 2/7/86

Approved by Commissioner: Eleanor Andrews Date: _____
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

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

CONTINUATION of FISCAL NOTE ANALYSIS

CSHB 113(Fin) Page 2 of 2

SUBJECT OF PROPOSED BILL:

To establish a formally recognized reserve account within the General Fund into which agency charges for terminal leave, leave cash-ins, unemployment insurance, and workers' compensation general liability are deposited and from which all distribution payments are paid centrally by the Division of Finance via the reserve account.

SUMMARY/EXPLANATION OF INTENT:

Currently, budgeted amounts for employer charges concerning terminal leave, leave cash-in, unemployment insurance, and workers' compensation general liability have been budgeted as a uniform percentage in each agency's budget. The Division of Finance assesses each agency the budgeted percentage to cover the above items.

Problems inevitably arise during changes in administration when terminal leave payments run substantially higher than normal. During periods of heated labor contract negotiations, requests for leave cash-in also run significantly higher than normal. Estimates for insurance needs are based on historical data. When changes to the market take place causing higher than average employer charges, the amount budgeted remains fixed but the employer obligation still remains to pay all claims.

Until recently the effects of the above usually offset one another so that the net budgetary impact was minimal. Recently, all budgetary impact has been increasing with no offset elsewhere. Accordingly, we are placed in the position of analyzing and assessing agency lapsed balances to generate funding needed to cover these underbudgeted costs.

In an effort to smooth the budgetary impact caused by the factors described above, the central reserve account approach was recommended. The central reserve account mechanism would allow the State to continue budgeting a uniform percentage adjusted on an annual basis. If funding were underestimated, this mechanism would allow us to wait until the fiscal year-end before additional agency assessments were made when lapsed balances are better known. The additional funds required would be generated from known lapsing balances, thus producing a minimal impact on agency operating budgets. Payments for workers' compensation general liability would be excepted from this practice.

ESTIMATED FISCAL IMPACT:

Capital: NONE

Operating: NONE

This bill is basically a housekeeping effort and is intended to clean up and prevent the sloppy budgetary condition described above so that the process surrounding payment of terminal leave, leave cash-in and assessment of insurance charges runs smoothly and efficiently.

Offered: 2/28/86
For Today's Calendar

Original sponsor: Rules/governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 113 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing a working reserve for the payment
7 of claims and obligations arising from accrued leave,
8 unemployment compensation, workers' compensation and
9 general liability for state employees; and providing
10 for an effective date."

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

12 * Section 1. AS 37.05 is amended by adding a new section to read:

13 Sec. 37.05.156. WORKING RESERVE ACCOUNT. (a) There is estab-
14 lished in the general fund a working reserve account. The working
15 reserve account consists of amounts appropriated to state agencies for

16 (1) cash payment of accrued leave;

17 (2) cash payment of terminal leave;

18 (3) payment of the employer's contribution for unemployment
19 benefits of former employees; and

20 (4) payment of claims for workers' compensation and general
21 liability.

22 (b) The Department of Administration shall allocate to the
23 working reserve account amounts appropriated to all state agencies for
24 the benefits set out in (a) of this section after the appropriation
25 Act implementing the state operating budget is enacted. The depart-
26 ment shall charge the reserve account with all payments for the bene-
27 fits set out in (a) of this section. If payments for a fiscal year
28 exceed the unexpended balance of appropriations allocated to the
29 account, the department may, except for payments under (a)(4) of this

1 section, pay those benefits by charging the unencumbered balance of
2 any appropriation enacted to finance the payment of employee salaries
3 and benefits that is determined to be available for lapse at the end
4 of the fiscal year.

5 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
6 10.070(c).

SECTIONAL ANALYSIS FOR HOUSE BILL 113

An Act providing a working reserve for the payment of claims and obligations arising from accrued leave, unemployment compensation, workers compensation and general liability for state employees and providing for an effective date

Section 1

Amends Title 37, Public Finance with the addition of a new section in the Uniform Accounting chapter. This section would establish a Working Reserve Account within the general fund into which agency charges for terminal leave, leave cash-ins, unemployment insurance and workers compensation general liability are deposited. It would also be the account from which all distribution payments are paid by the Division of Finance.

Section 2

Immediate effective date.

There is no fiscal impact.

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

POUCH C
JUNEAU, ALASKA 99811
PHONE:

(907) 465-2240

March 20, 1986

The Honorable Jan Faiks
Co-Chairman
Senate Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811-3100

Dear Senator Faiks:

Re: Group Health and Life Benefits
Fund (AS 39.30.095)

This letter is in response to Senator Halford's question during the Senate Finance Committee's hearing for Committee Substitute for House Bill No. 113 (Finance) on March 20. Senator Halford's question was whether it was necessary to retain the statutory authority for the Group Health and Life Benefit Fund (AS 39.30.095).

It is my understanding that this statute was enacted in order to allow the State to operate a self-insurance program. To date, the State has not exercised the authority established by this fund. If this statute was repealed, and the State later wished to establish a self-insurance program, then the legislation would likely need to be reenacted.

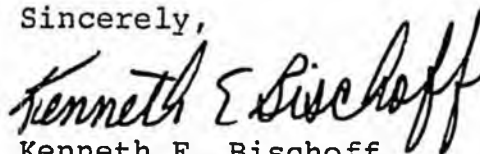
At the present time, we are aware of two bills currently before the Legislature that affect this statute. House Bill No. 589 which is an act relating to participation in the State group life and health policies by residents. Secondly, House Bill 696, an act relating to the provision of and charges for State services. A copy of both bills is enclosed for your reference.

Our conclusion is that if AS 39.30.095 is to be considered for deletion, such a policy question should be considered in view of what is trying to be accomplished with House Bill 589 and House Bill 696. The provisions of Committee Substi-

March 20, 1986

tute House Bill 113 are in no way related to AS 39.30.095. Accordingly, we recommend that Committee Substitute House Bill 113 not be modified.

Sincerely,



Kenneth E. Bischoff
Director

KEB/gyr

14/3D2/0320-03

Enclosures

cc: The Honorable Rick Halford
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811-3100

Commissioner Eleanor Andrews
Department of Administration

Introduced: 2/14/86
Referred: Labor & Commerce
Judiciary and Finance

BY SUND, M.M. MILLER, HURLEY,
DUNCAN, NAVARRE, AND DAVIS

1 IN THE HOUSE

2 HOUSE BILL NO. 589

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to participation in the state group
7 life and health insurance policies by residents; and
8 providing for an effective date."

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

10 * Section 1. AS 39.30.090 is amended to read:

11 Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department
12 of Administration may obtain a policy or policies of group insurance
13 covering state employees, persons entitled to coverage under AS 14.-
14 25.168, AS 22.25.090, AS 39.35.535 or former AS 39.37.145, [OR] em-
15 ployees of other participating governmental units, or eligible resi-
16 dents, subject to the following conditions:

17 (1) A group insurance policy shall provide one or more of
18 the following benefits: life insurance, accidental death and dismem-
19 berment insurance, weekly indemnity insurance, hospital expense insur-
20 ance, surgical expense insurance, dental expense insurance, audio-
21 visual insurance, or other medical care insurance.

22 (2) Each eligible employee of the state, the spouse and the
23 unmarried children chiefly dependent on the eligible employee for
24 support, and each eligible employee of another participating govern-
25 mental unit shall be covered by the group policy, unless exempt under
26 regulations adopted by the commissioner of administration.

27 (3) A governmental unit may participate under a group
28 policy if

29 (A) its governing body adopts a resolution authorizing

1 participation, and payment of required premiums;

2 (B) a certified copy of the resolution is filed with
3 the Department of Administration; and

4 (C) the commissioner of administration approves the
5 participation in writing.

6 (4) The Department of Administration shall obtain the
7 insurance policy from an [ANY] insurer authorized to transact business
8 in the state under AS 21.09 and AS 21.90.

9 (5) The Department of Administration shall make available
10 bid specifications for desired insurance benefits to all insurance
11 carriers licensed in the state and qualified to provide the desired
12 benefits. The specifications shall be made available on or before
13 July 1, 1965, and at least once every succeeding five years. The
14 lowest responsible bid submitted by an insurance carrier with adequate
15 servicing facilities shall govern selection of a carrier under this
16 section.

17 (6) If the aggregate of dividends payable under the group
18 insurance policy exceeds the governmental unit's share of the premium,
19 the excess shall be applied by the governmental unit for the sole
20 benefit of the employees.

21 (7) A person receiving benefits under AS 14.25.110,
22 AS 22.25, AS 39.35, or former AS 39.37 may continue the life insurance
23 coverage that was in effect under this section at the time of termina-
24 tion of employment with the state or participating governmental unit.

25 (8) A person electing to have insurance under (7) of this
26 section shall pay the cost of this insurance.

27 (9) For each permanent part-time employee electing coverage
28 under this section, the state shall contribute one-half the state
29 contribution rate for permanent full-time state employees, and the

1 permanent part-time employee shall contribute the other one-half.

2 (10) A person receiving benefits under AS 14.25, AS 22.25,
3 AS 39.35, or former AS 39.37 may obtain auditory, visual, and dental
4 insurance for that person and eligible dependents under this section.
5 The level of coverage for persons over 65 shall be the same as that
6 available before reaching age 65 except that the benefits payable
7 shall be supplemental to any benefits provided under the federal old
8 age, survivors, and disability insurance program. A person electing
9 to have insurance under this paragraph shall pay the cost of the
10 insurance. The commissioner of administration shall adopt regulations
11 implementing this paragraph.

12 (11) An eligible resident may participate if the resident
13 applies on forms provided by the department, pays the cost of the
14 insurance and the administrative fee set by the department, and the
15 commissioner of administration approves the application in writing.

16 * Sec. 2. AS 39.30.095(a) is amended to read:

17 (a) The commissioner of administration shall establish the group
18 health and life benefits fund as a special account in the general fund
19 to provide for group life and health insurance under AS 39.30.090 and
20 39.30.160. The commissioner shall maintain accounts and records for
21 the fund. The fund consists of employer contributions, employee
22 contributions, resident contributions, appropriations from the legis-
23 lature, and interest earned on investment of the fund as provided in
24 (d) of this section.

25 * Sec. 3. AS 23.30.095(b) is amended to read:

26 (b) After obtaining the advice of an actuary, the commissioner
27 of administration shall determine the amount necessary to provide
28 benefits under AS 39.30.090 and 39.30.160 and shall set the rate of
29 employer contribution, resident contribution, and employee contri-

1 bution, if any. The commissioner of administration shall pay premiums
2 and claims in accordance with the insurance policies in effect under
3 AS 39.30.090 and 39.30.160 with money in the fund.

4 * Sec. 4. AS 39.30.100 is amended by adding a new paragraph to read:

5 (4) "eligible resident" means a person who is a resident
6 and who has been a resident, except for absences from the state for
7 military service or necessary medical care, for the 12 consecutive
8 months immediately preceding the date of application.

9 * Sec. 5. By January 1, 1987, the commissioner of administration shall
10 secure a group health and life policy or policies to provide coverage for
11 persons who will become eligible for coverage under amendments made by this
12 Act.

13 * Sec. 6. Sections 1 - 4 of this Act take effect on the date that the
14 commissioner of administration has secured coverage under sec. 5 of this
15 Act.

16 * Sec. 7. Section 5 of this Act takes effect immediately in accordance
17 with AS 01.10.070(c).

Introduced: 3/12/86
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 696

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the provision of and charges for
7 state services; and accounting for and appropriation
8 of receipts earned by state agencies; and providing
9 for an effective date."

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

11 * Section 1. AS 37.10.050(a) is repealed and reenacted to read:

12 (a) A state agency may not charge for the provision of state
13 services unless the charge is authorized by law. Unless specifically
14 exempted by law, each state agency authorized to collect or receive
15 fees, licenses, taxes, or other money belonging to the state shall
16 account for and pay these receipts, less fees to which the collector
17 is entitled by law or regulation, to the Department of Revenue at
18 least once each month.

19 * Sec. 2. AS 02.15.130 is amended to read:

20 Sec. 02.15.130. ASSISTANCE TO THE FEDERAL GOVERNMENT, MUNICIPAL-
21 ITIES AND OTHER PERSONS. The department may make available its engin-
22 earing, maintenance, and other [TECHNICAL] services, with or without
23 charge, to the federal government, or to a [ANY] municipality or
24 person in connection with the planning, acquisition, construction,
25 improvement, maintenance, or operation of airports or air navigation
26 facilities. The commissioner of administration shall separately
27 account for money deposited in the general fund which is generated by
28 the provision of those services to nonstate entities deposited in the
29 general fund. The annual estimated balance in the account may be used

1 by the legislature to make appropriations to the department to carry
2 out the purposes of this section.

3 * Sec. 3. AS 06.01 is amended by adding a new section to read:

4 Sec. 06.01.045. ACCOUNTING AND DISPOSITION OF FEES. The commis-
5 sioner of administration shall separately account for all fees col-
6 lected under AS 06.01.010 -- AS 06.40.180 and deposited in the general
7 fund. The annual estimated balance in the account may be used by the
8 legislature to make appropriations to the department to carry out the
9 purposes of this title.

10 * Sec. 4. AS 08.01.065 is amended by adding a new subsection to read:

11 (d) The commissioner of administration shall separately account
12 for occupational licensing fees deposited in the general fund. The
13 annual estimated balance in the account may be used by the legislature
14 to make appropriations to the department to carry out the activities
15 of the division of occupational licensing.

16 * Sec. 5. AS 10.05.768 is amended by adding a new subsection to read:

17 (b) The commissioner of administration shall separately account
18 for all fees collected under this chapter and deposited in the general
19 fund. The annual estimated balance in the account may be used by the
20 legislature to make appropriations to the department to carry out the
21 purposes of this chapter.

22 * Sec. 6. AS 10.15 is amended by adding a new section to article 7 to
23 read:

24 Sec. 10.15.563. ACCOUNTING AND DISPOSITION OF FEES. The commis-
25 sioner of administration shall separately account for all fees col-
26 lected under this chapter and deposited in the general fund. The
27 annual estimated balance in the account may be used by the legislature
28 to make appropriations to the department to carry out the purposes of
29 this chapter.

1 * Sec. 7. AS 10.20 is amended by adding a new section to article 8 to
2 read:

3 Sec. 10.20.643. ACCOUNTING AND DISPOSITION OF FEES. The commis-
4 sioner of administration shall separately account for all fees col-
5 lected under this chapter and deposited in the general fund. The
6 annual estimated balance in the account may be used by the legislature
7 to make appropriations to the department to carry out the purposes of
8 this chapter.

9 * Sec. 8. AS 10.25.530 is amended by adding a new subsection to read:

10 (c) The commissioner of administration shall separately account
11 for all fees collected under this chapter and deposited in the general
12 fund. The annual estimated balance in the account may be used by the
13 legislature to make appropriations to the Department of Commerce and
14 Economic Development to carry out the purposes of this chapter.

15 * Sec. 9. AS 10.40.140 is amended by adding a new subsection to read:

16 (c) The commissioner of administration shall separately account
17 for all fees and penalties collected under this chapter and deposited
18 in the general fund. The annual estimated balance in the account may
19 be used by the legislature to make appropriations to the Department of
20 Commerce and Economic Development to carry out the purposes of this
21 chapter.

22 * Sec. 10. AS 14.07.030(10) is amended to read:

23 (10) enter into contractual agreements with school districts
24 to provide more efficient or economical education services; reasonable
25 fees may be charged by the department to cover the costs of providing
26 services under an agreement, including but not limited to professional
27 services, reproduction or printing costs, and for mailing and distri-
28 bution of educational materials;

29 * Sec. 11. AS 14.07.030 is amended by adding new paragraphs to read:

1 (13) apply for, accept, and spend endowments, grants, and
2 other private money available to the state for educational purposes in
3 accordance with the Executive Budget Act (AS 37.07);

4 (14) set student tuition and fees for educational programs
5 provided and schools operated by the department under the provisions
6 of AS 14.07.020(12) and 14.07.030(1).

7 * Sec. 12. AS 14.07 is amended by adding a new section to read:

8 Sec. 14.07.035. ACCOUNTING AND DISPOSITION OF RECEIPTS. (a)
9 The commissioner of administration shall separately account for educa-
10 tional service fees collected under AS 14.07.030(10) and deposited in
11 the general fund. The annual estimated balance in the account may be
12 used by the legislature to make appropriations to the Department of
13 Education to carry out the purposes of AS 14.07.030.

14 (b) The commissioner of administration shall separately account
15 for each endowment, grant, or other money from a private donor re-
16 ceived under AS 14.07.030(13) and deposited in the general fund. The
17 annual estimated balance in the account may be used by the legislature
18 to make appropriations to the Department of Education to carry out the
19 educational purposes intended by the endowment, grant, or gift.

20 (c) The commissioner of administration shall separately account
21 for student tuition and fees collected under AS 14.07.030(14) and
22 deposited in the general fund. The annual estimated balance in the
23 account may be used by the legislature to make appropriations to the
24 Department of Education to administer, maintain, and operate programs
25 and schools under AS 14.07.020(12) and 14.07.030(1).

26 (d) The commissioner of administration shall separately account
27 for money deposited in the general fund which derived from Department
28 of Education auxiliary services, including student services centers,
29 student activities, and events administered or operated by the

1 department. The annual estimated balance in the account may be used
2 by the legislature to make appropriations to the Department of Educa-
3 tion to carry out the purposes of AS 14.07.030.

4 * Sec. 13. AS 14.07.059(a) is amended to read:

5 (a) The Alaska school activities fund is established in the
6 general fund under the administration of [WITHIN] the Department of
7 Education.

8 * Sec. 14. AS 14.07.059 is amended by adding a new subsection to read:

9 (d) All fees, including membership fees and activity and events
10 fees collected by the Alaska School Activities Association must be
11 deposited in the Alaska school activities fund, and must be separately
12 accounted for by the commissioner of administration. The annual
13 estimated balance in the fund may be used by the legislature to make
14 appropriations to the Department of Education to carry out the pur-
15 poses of this section.

16 * Sec. 15. AS 14.20.020(c) is amended to read:

17 (c) The board may establish by regulation additional require-
18 ments for the issuance of certificates, including the fees to be
19 charged for each certificate.

20 * Sec. 16. AS 14.20.020 is amended by adding a new subsection to read:

21 (e) The commissioner of administration shall separately account
22 for teacher certification fees deposited in the general fund. The
23 annual estimated balance in the account may be used by the legislature
24 to make appropriations to the Department of Education to carry out the
25 purposes of this section and to support the activities of the Profes-
26 sional Teaching Practices Commission under AS 14.20.460, 14.20.470,
27 and 14.20.500.

28 * Sec. 17. AS 14.25.180(a) is amended to read:

29 (a) The commissioner of revenue is the treasurer of the system

1 and has powers and duties for this purpose including but not limited
2 to the following:

3 (1) to act as official custodian of the cash and securities
4 belonging to the system and provide adequate safe deposit facilities
5 for them;

6 (2) to receive all items of cash belonging to the system;

7 (3) to collect the interest and principal on securities
8 acquired by the system and deposit the interest and principal in the
9 retirement fund;

10 (4) to invest and reinvest the assets of the retirement
11 fund in accordance with this section;

12 (5) to receive and spend appropriations from the retirement
13 fund to cover the cost of custodial duties assigned by this section.

14 * Sec. 18. AS 14.40.210 is amended to read:

15 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. (a) The
16 president of the University of Alaska may

17 (1) give general direction to the work of the University of
18 Alaska in all its departments subject to the approval of the Board of
19 Regents; [.]

20 (2) appoint the deans, heads of departments, professors,
21 assistants, instructors, tutors, and other officers of the University
22 of Alaska to the positions established by the Board of Regents.

23 (b) The president of the University of Alaska shall separately
24 account for university receipts deposited in the treasury of the uni-
25 versity. The annual estimated balance in the account may be used by
26 the legislature to make appropriations to the university to carry out
27 the purposes of AS 14.40.

28 * Sec. 19. AS 14.40 is amended by adding a new section to article 3 to
29 read:

1 Sec. 14.40.490. DEFINITION. For purposes of AS 14.40.120 --
2 14.40.490, "university receipts" includes

- 3 (1) student fees, including tuition;
- 4 (2) receipts from university auxiliary services;
- 5 (3) recovery of indirect costs of university activities;
- 6 (4) sales and rentals of university property;
- 7 (5) federal receipts;
- 8 (6) gifts, grants, and contracts; and
- 9 (7) sales, rentals, and services of educational activities.

10 * Sec. 20. AS 14.56.030(8) is amended to read:

11 (8) apply for, receive, and spend federal, state, or pri-
12 vate funds available for library purposes, including charging fees for
13 reproduction or printing costs and for mailing and distribution of
14 state publications and research data, in accordance with the Executive
15 Budget Act (AS 37.07);

16 * Sec. 21. AS 14.56 is amended by adding a new section to read:

17 Sec. 14.56.035. ACCOUNTING AND DISPOSITION OF FEES. The commis-
18 sioner of administration shall separately account for publication and
19 distribution fees received under AS 14.56.030(8) and deposited in the
20 general fund. The annual estimated balance in the account may be used
21 by the legislature to make appropriations to the Department of Educa-
22 tion to carry out the purposes of AS 14.56.030.

23 * Sec. 22. AS 14.57.010(b) is amended to read:

24 (b) The department shall

25 (1) acquire artifacts, natural history specimens, art
26 objects, etc., that pertain to the human and natural history of Alaska
27 by purchase and by gift;

28 (2) identify, catalog, preserve, and display these acquisi-
29 tions;

1 (3) acquire and catalog Alaskan photographs and maintain a
2 card catalog of this collection;

3 (4) accept endowments, grants, and gifts in accordance with
4 the Executive Budget Act (AS 37.07) [ESTABLISHED STATE POLICY];

5 (5) collect and maintain books, periodicals, pamphlets, and
6 other materials pertinent to museum administration, techniques and
7 collections;

8 (6) assist and advise in the development of local museums;

9 (7) collect and keep current information concerning museum
10 activities throughout the state;

11 (8) coordinate the museum activities of the state with
12 those of other agencies;

13 (9) keep the museum open at reasonable hours for the conve-
14 nience of visitors;

15 (10) provide museum services and administer state and other
16 grants-in-aid to museums in the state to supplement and improve their
17 services, the grants to be paid from money [FUNDS] appropriated for
18 that purpose, or from other money [FUNDS] available for that purpose.

19 * Sec. 23. AS 14.57 is amended by adding a new section to read:

20 Sec. 14.57.015. ACCOUNTING AND DISPOSITION OF RECEIPTS. The
21 commissioner of administration shall separately account for each
22 endowment or grant from a private donor received under AS 14.57.-
23 010(b)(4) and deposited in the general fund. The annual estimated
24 balance in the account may be used by the legislature to make appro-
25 priations to the Department of Education to carry out the purposes of
26 AS 14.57.010.

27 * Sec. 24. AS 16.05.050 is amended by adding new paragraphs to read:

28 (14) sell fish caught during commercial fisheries test
29 fishing operations;

1 (15) charge fees equal to the cost of services provided by
2 the department, including provision of public shooting ranges, brood-
3 stock and eggs for private nonprofit hatcheries, department publica-
4 tions, and other direct services.

5 * Sec. 25. AS 16.05 is amended by adding a new section to read:

6 Sec. 16.05.055. ACCOUNTING AND DISPOSITION OF RECEIPTS. The
7 commissioner of administration shall separately account for money
8 collected under AS 16.05.050(4), (14), and (15) and deposited in the
9 general fund. The annual estimated balance in each account may be
10 used by the legislature to make appropriations to the department to
11 carry out the activities for which fees have been charged or for which
12 the money was collected.

13 Sec. 26. AS 16.05.826 is amended by adding a new subsection to read:

14 (d) The commissioner of administration shall separately account
15 for receipts from waterfowl conservation limited edition prints,
16 deposited in the general fund. The annual estimated balance in the
17 account may be used by the legislature to make appropriations to the
18 department to carry out the purposes set out in AS 16.05.130(b).

19 * Sec. 27. AS 16.43 is amended by adding a new section to read:

20 Sec. 16.43.105. ACCOUNTING AND DISPOSITION OF FEES. The commis-
21 sioner of administration shall separately account for fees collected
22 under AS 16.43.100(16) and deposited in the general fund. The annual
23 estimated balance in the account may be used by the legislature to
24 make appropriations to the commission to carry out the activities for
25 which fees have been charged.

26 * Sec. 28. AS 16.51.160(b) is amended to read:

27 (b) The seafood marketing assessment collected under this chap-
28 ter must [SHALL] be deposited in the general fund. The legislature
29 may make appropriations to the Department of Commerce and Economic

1 Development for the purpose of providing financing to the institute
2 based on the annual estimated balance in the account [COLLECTIONS OF
3 THE SEAFOOD MARKETING ASSESSMENT], and may appropriate additional
4 money beyond the seafood marketing assessment as need is demonstrated
5 by the institute.

6 * Sec. 29. AS 17.30.100(a) is amended to read:

7 (a) The commissioner of public safety shall cooperate with other
8 state and federal agencies in the discharge of their responsibilities
9 pertaining to illicit traffic in controlled substances and in sup-
10 pressing the abuse of controlled substances. Under this section, the
11 powers of the commissioner of public safety include but are not lim-
12 ited to the following:

13 (1) arranging for the exchange of information among govern-
14 ment officials concerning illicit traffic in and abuse of controlled
15 substances;

16 (2) coordinating training programs pertaining to controlled
17 substances at both local and state levels; [AND]

18 (3) cooperating with the Drug Enforcement Administration of
19 the United States Department of Justice by establishing a centralized
20 unit to accept, catalog, file, and collect statistics, including
21 records of persons who have violated the provisions of this chapter or
22 AS 11.71 in the state and making the information available for feder-
23 al, state, and local law enforcement purposes; and

24 (4) the department, in cooperation with other states and
25 federal agencies, may apply for and accept money necessary to exchange
26 information concerning narcotics trafficking between the states.

27 * Sec. 30. AS 17.30.100 is amended by adding a new subsection to read:

28 (c) The commissioner of administration shall separately account
29 for money received under (a)(4) of this section and deposited in the

1 general fund. The annual estimated balance in the account may be used
2 by the legislature to make appropriations to the Department of Public
3 Safety to carry out the purposes of this section.

4 * Sec. 31. AS 18.50.330(b) is amended to read:

5 (b) The state registrar shall account for fees received by the
6 bureau under this section and shall pay them to the Department of
7 Revenue. The Department of Revenue shall deposit them in the general
8 fund. The commissioner of administration shall separately account for
9 the fees deposited in the general fund. The annual estimated balance
10 in the account may be used by the legislature to make appropriations
11 to the department to carry out the purposes of this section.

12 * Sec. 32. AS 18.60 is amended by adding a new section to read:

13 ARTICLE 12. MISCELLANEOUS PROVISIONS.

14 Sec. 18.60.950. ACCOUNTING AND DISPOSITION OF FEES. The commis-
15 sioner of administration shall separately account for fees collected
16 by the Department of Labor under this chapter and deposited in the
17 general fund. The annual estimated balance in the account may be used
18 by the legislature to make appropriations to the Department of Labor
19 to carry out the purposes of this chapter.

20 * Sec. 33. AS 18.62.030 is amended to read:

21 Sec. 18.62.030. FEE. When submitting an application, an appli-
22 cant shall pay a fee of \$40 for a certificate valid for one year or
23 \$75 for a certificate valid for three years. The commissioner of
24 administration shall separately account for certificate of fitness
25 fees deposited in the general fund. The annual estimated balance in
26 the account may be used by the legislature to make appropriations to
27 the Department of Labor to carry out the purposes of this chapter.

28 * Sec. 34. AS 18.70 is amended by adding a new section to read:

29 Sec. 18.70.977. FEE. When submitting an application to build a

1 new facility, the applicant shall pay any fees established by regu-
2 lations adopted under AS 18.70.080. The commissioner of administra-
3 tion shall separately account for fees collected under this section
4 and deposited in the general fund. The annual estimated balance in
5 the account may be used by the legislature to make appropriations to
6 the Department of Public Safety to carry out the purposes of this
7 chapter.

8 * Sec. 35. AS 19.05 is amended by adding a new section to read:

9 Sec. 19.05.046. ACCOUNTING AND DISPOSITION OF RECEIPTS FROM
10 NONSTATE ENTITIES. The commissioner of administration shall separ-
11 ately account for money derived from maintenance services provided to
12 nonstate entities which is deposited in the general fund. The annual
13 estimated balance in the account may be used by the legislature to
14 make appropriations to the department to carry out the purposes of
15 this chapter.

16 * Sec. 36. AS 19.10.060 is amended to read:

17 Sec. 19.10.060. REGULATION OF WEIGHT AND LOAD OF VEHICLES AND
18 USE OF HIGHWAYS DURING CERTAIN SEASONS. (a) The department, with
19 respect to highways under its jurisdiction, may

20 (1) establish limitations on weight, size, and load of
21 vehicles;

22 (2) [Repealed, sec. 25 ch. 144 SLA 1977.]

23 (3) prohibit the operation of or impose restrictions on
24 vehicular use of highways during certain seasons of the year;

25 (4) establish fees to implement this section.

26 (b) The commissioner of administration shall separately account
27 for fees collected under (a) of this section and deposited in the
28 general fund. The annual estimated balance in the account may be used
29 by the legislature to make appropriations to the department to carry

1 out the purposes of this section.

2 * Sec. 37. AS 19.25 is amended by adding a new section to article 2 to
3 read:

4 Sec. 19.25.035. DAMAGES TO STATE HIGHWAYS AND ROADS. (a) The
5 driver or owner, or both, of a vehicle, self-propelling or otherwise,
6 that damages state-owned road or highway-related property such as
7 bridges, overpasses, signal poles, street lights and poles, traffic
8 signals, guardrails, or fences may be held financially liable for that
9 damage.

10 (b) The commissioner of administration shall separately account
11 for damages deposited in the general fund which are recovered from
12 vehicle owners, drivers, or insurance companies for damage to property
13 related to state-owned roads and highways. The annual estimated
14 balance in the account may be used by the legislature to make appro-
15 priations to the department for the purpose of repairing the damage.

16 * Sec. 38. AS 19.25.200 is amended to read:

17 Sec. 19.25.200. ENCROACHMENT PERMITS. An encroachment may be
18 constructed, placed, changed or maintained across or along a highway
19 but only in accordance with regulations adopted by the department. No
20 encroachment may be constructed, placed, maintained or changed until
21 it is duly authorized by a written permit issued by the department.
22 The department may charge a fee for a permit issued under this sec-
23 tion. The commissioner of administration shall separately account for
24 encroachment permit fees deposited in the general fund. The annual
25 estimated balance in the account may be used by the legislature to
26 make appropriations to the department to carry out the purposes of
27 this section.

28 * Sec. 39. AS 21.06 is amended by adding a new section to read:

29 Sec. 21.06.260. ACCOUNTING AND DISPOSITION OF FEES. The com-

1 missioner of administration shall separately account for fees collect-
2 ed under this chapter and deposited in the general fund. The annual
3 estimated balance in the account may be used by the legislature to
4 make appropriations to the Department of Commerce and Economic Devel-
5 opment to carry out the operations of the division of insurance.

6 * Sec. 40. AS 23.05.060 is amended to read:

7 Sec. 23.05.060. POWERS OF THE DEPARTMENT. The department may

8 (1) enforce all state labor laws;

9 (2) act as mediator and appoint deputy commissioners of
10 conciliation in labor disputes whenever it considers the interest of
11 industrial peace requires it;

12 (3) make investigations, collect and compile statistical
13 information concerning the conditions of labor generally and upon all
14 matters relating to the enforcement of this chapter;

15 (4) institute court proceedings against an employer of
16 labor without cost to the employee when it is satisfied that the
17 employer has failed to pay an employee an amount due by contract;

18 (5) issue cease and desist orders and other orders and
19 regulations necessary for the enforcement of state labor laws;

20 (6) under the Executive Budget Act (AS 37.07), receive and
21 spend money derived from agreements with local governments, nongov-
22 ernmental organizations, or other individuals.

23 * Sec. 41. AS 23.05 is amended by adding a new section to read:

24 Sec. 23.05.070. ACCOUNTING AND DISPOSITION OF RECEIPTS. The
25 commissioner of administration shall separately account for money
26 received under AS 23.05.060(6) and deposited in the general fund. The
27 annual estimated balance in the account may be used by the legislature
28 to make appropriations to the department to carry out the purposes of
29 AS 23.05.060.

1 * Sec. 42. AS 23.15.130(c) is repealed and reenacted to read:

2 (c) The commissioner of administration shall separately account
3 for receipts paid into the vocational rehabilitation small business
4 enterprise revolving fund. The annual estimated receipts of the fund
5 may be used by the legislature to make appropriations to the depart-
6 ment to aid licensees in operating vending machine facilities.

7 * Sec. 43. AS 26.05.230(b) is amended to read:

8 (b) The armory of each battalion, company, or other unit is sub-
9 ject to the order of the adjutant general and under the charge of its
10 armory board which shall keep in the armory all property furnished by
11 the state. Except for scout battalions organized under special au-
12 thority of the Secretary of the Army, no unit may be furnished with
13 arms or equipment until a suitable armory is provided for their depos-
14 it. Subject to regulations adopted by the adjutant general, an armory
15 may be used for any reasonable and legitimate civilian activity so
16 long as the activity does not interfere with its use for military
17 purposes. Proceeds received as rental or otherwise at an armory from
18 nonmilitary use must [SHALL] be deposited in the state general fund.
19 The commissioner of administration shall separately account for facil-
20 ities rental fees deposited in the general fund. The annual estimated
21 balance in the account may be used by the legislature to make appro-
22 priations to the Department of Military and Veterans' Affairs to carry
23 out the purposes of this section.

24 * Sec. 44. AS 28.05.021 is amended by adding a new subsection to read:

25 (b) The commissioner of administration shall separately account
26 for money derived from activities authorized under this section and
27 deposited in the general fund. The annual estimated balance in the
28 account may be used by the legislature to make appropriations to the
29 department to carry out the purposes of this section, including

1 payment to commissioned agents.

2 * Sec. 45. AS 28.10.431 is amended by adding a new subsection to read:

3 (i) The commissioner of administration shall separately account
4 for the collection costs received under (e) of this section and depos-
5 ited in the general fund. The annual estimated balance in the account
6 may be used by the legislature to make appropriations to the depart-
7 ment to carry out the purposes of this section.

8 * Sec. 46. AS 33.30.070 is amended to read:

9 Sec. 33.30.070. FURNISHING [COMMISSIONER MAY CONTRACT TO FUR-
10 NISH] FACILITIES TO UNITED STATES OR A POLITICAL SUBDIVISION OF THIS
11 STATE. The commissioner may contract with the proper authorities of
12 the United States or a political subdivision of this state to provide
13 the services of state prison facilities for the safekeeping, care, and
14 subsistence of persons held under the authority of the law of the
15 [THEIR] respective jurisdictions. The commissioner of administration
16 shall separately account for payments received for the services pro-
17 vided under this section and deposited in the general fund. The
18 annual estimated balance in the account may be used by the legislature
19 to make appropriations to the department to carry out the purposes of
20 this section.

21 * Sec. 47. AS 33.32.020(a) is amended to read:

22 (a) There is established in the Department of Corrections an
23 intra-governmental service [A] fund [TO BE] known as the correctional
24 industries fund. All expenses of the correctional industries program,
25 except salaries and benefits of state employees, may [ARE TO] be fi-
26 nced from the correctional industries fund and budgeted in accord-
27 ance with the Executive Budget Act (AS 37.07). The commissioner of
28 corrections shall report annually to the legislature all activities
29 and balances of the fund.

1 * Sec. 48. AS 33.32.020(b) is amended to read:

2 (b) The legislature may appropriate to the correctional indus-
3 tries fund any amounts necessary to implement this chapter. Money [,
4 WHICH MAY EQUAL OR EXCEED THE AMOUNTS] received by the state for ser-
5 vices rendered or products sold by the correctional industries program
6 must be deposited in the correctional industries fund. The annual
7 estimated balance in the fund may be used by the legislature to make
8 appropriations to the Department of Corrections to carry out the
9 purposes of this section.

10 * Sec. 49. AS 34.55.020 is amended by adding a new subsection to read:

11 (g) The commissioner of administration shall separately account
12 for filing, registration, and inspection fees collected under this
13 chapter and deposited in the general fund. The annual estimated bal-
14 ance in the account may be used by the legislature to make appropria-
15 tions to the department to carry out the purposes of this section.

16 * Sec. 50. AS 37.15.420(a) is amended to read:

17 (a) There is established a capital project fund [A SPECIAL FUND
18 OF THE STATE] known as the "International Airports Construction Fund,"
19 into which must [SHALL] be paid the proceeds of the sale of the bonds
20 (except any accrued interest paid on them, which must [SHALL] be paid
21 into the bond redemption fund) and any grant or other money which is
22 legally provided for the same purposes for which the bonds are au-
23 thORIZED. The money in the construction fund must [SHALL] be used to
24 pay the costs of acquiring, equipping, constructing and installing
25 additions and improvements to and extensions of and facilities for the
26 airports and costs incidental thereto, including costs of the au-
27 thorization, issuance and sale of the bonds. To the extent provided
28 in the bond resolution, money in the construction fund may also be
29 used for the payment of interest on the bonds during the period of

1 actual construction, and for such further period, not exceeding one
2 year after the period of construction, as may be provided in the bond
3 resolution. Money in the construction fund may also be transferred to
4 the bond redemption fund, to the extent provided in the bond resolu-
5 tion, to establish a reserve for the payment of the principal of and
6 interest on the bonds.

7 * Sec. 51. AS 37.15.430(a) is amended to read:

8 (a) There is established an enterprise fund [ANOTHER SPECIAL
9 FUND OF THE STATE,] known as the "International Airports Revenue
10 Fund," [WHICH SHALL BE COMPLETELY SEGREGATED AND SET APART FROM ALL
11 OTHER FUNDS OF THE STATE, WHICH IS A TRUST FUND FOR THE USES AND PUR-
12 POSES PROVIDED IN AS 37.15.410 -- 37.15.550, AND] into which must
13 [SHALL] be paid all revenues, fees, charges, and rentals derived by
14 the state from the ownership, lease, use, and operation of the air-
15 ports and all of the facilities and improvements of them and facil-
16 ities and improvements used in connection with them. These revenues,
17 charges, fees and rentals do [SHALL] not include the proceeds of any
18 state tax or license. The money in the revenue fund may [SHALL] only
19 be used for the purpose of (1) paying or securing the payment of the
20 principal of and interest on the bonds and of and on any other revenue
21 bonds issued by authorization of the legislature to provide money
22 [FUNDS] to acquire, equip, construct, and install additions and im-
23 provements to, and extensions of and facilities for, the airports, and
24 to be payable out of the revenue fund, (2) [THE PURPOSE OF] paying the
25 normal and necessary costs of maintaining and operating the airports
26 and all of the improvements and facilities of them, (3) [THE PURPOSE
27 OF] paying the costs of renewals, replacements, and extraordinary
28 repairs to the airports and all of the improvements and facilities of
29 them, (4) [THE PURPOSE OF] redeeming before their fixed maturities

1 any and all revenue bonds issued for the purposes of the airports, (5)
2 [THE PURPOSE OF] providing money [FUNDS] to acquire, construct and
3 install necessary additions and improvements to and extensions of and
4 facilities for the airports and all of their facilities, and (6) [THE
5 PURPOSE OF] providing money [FUNDS] to pay any and all other costs
6 relating to the ownership, use, and operation of the airports.

7 * Sec. 52. AS 38.35.140(b) is amended to read:

8 (b) The lessee shall reimburse the state for all reasonable
9 costs incurred in processing an application filed under AS 38.35.050
10 and in monitoring the construction of the pipeline on the right-of-
11 way. The commissioner of administration shall separately account for
12 money received under this subsection and deposited in the general
13 fund. The annual estimated balance in the account may be used by the
14 legislature to make appropriations to the Department of Natural Re-
15 sources to carry out the purposes of this section.

16 * Sec. 53. AS 39.35.080 is amended to read:

17 Sec. 39.35.080. DUTIES OF COMMISSIONER OF REVENUE. The commis-
18 sioner of revenue is the treasurer of the system and shall

19 (1) act as official custodian of the cash and securities
20 belonging to the system and provide adequate safe deposit facilities
21 for them;

22 (2) receive cash belonging to the system;

23 (3) collect the interest and principal on securities ac-
24 quired by the system and deposit it in the pension fund maintained in
25 the name of the system;

26 (4) invest and reinvest the assets of the pension fund in
27 accordance with AS 39.35.110; and

28 (5) receive and spend appropriations from the retirement
29 fund to cover the cost of custodial duties.

1 * Sec. 54. AS 41.08 is amended by adding a new section to read:

2 Sec. 41.08.025. ACCOUNTING AND DISPOSITION OF RECEIPTS. The
3 commissioner of administration shall separately account for money
4 received under AS 41.08.020(b)(5) from agreements with individuals,
5 private agencies, communities and private industry, and deposited in
6 the general fund. The annual estimated balance in the account may be
7 used by the legislature to make appropriations to the Department of
8 Natural Resources to carry out the purposes of AS 41.08.020.

9 * Sec. 55. AS 42.05.651 is amended by adding a new subsection to read:

10 (b) The commissioner of administration shall separately account
11 for investigation and hearing costs collected under this section and
12 deposited in the general fund. The annual estimated balance in the
13 account may be used by the legislature to make appropriations to the
14 commission to carry out the purposes of this section.

15 * Sec. 56. AS 42.06.610 is amended by adding a new subsection to read:

16 (c) The commissioner of administration shall separately account
17 for investigation and hearing costs collected under this section and
18 deposited in the general fund. The annual estimated balance in the
19 account may be used by the legislature to make appropriations to the
20 commission to carry out the purposes of this chapter.

21 * Sec. 57. AS 42.30.225 is amended by adding a new subsection to read:

22 (f) The commissioner of administration shall separately account
23 for certificate of compliance fees collected under this section and
24 deposited in the general fund. The annual estimated balance in the
25 account may be used by the legislature to make appropriations to the
26 department to carry out the purposes of this section.

27 * Sec. 58. AS 43.10 is amended by adding a new section to read:

28 Sec. 43.10.037. ACCOUNTING AND DISPOSITION OF FEES. The commis-
29 sioner of administration shall separately account for collection fees,

1 added to delinquent taxes and deposited in the general fund. The
2 annual estimated balance in the account may be used by the legislature
3 to make appropriations to the Department of Revenue to carry out the
4 purposes of this chapter.

5 * Sec. 59. AS 44.21.160 is amended by adding a new subsection to read:

6 (g) The commissioner of administration shall separately account
7 for data processing services fees charged to political subdivisions
8 and deposited in the general fund. The annual estimated balance in
9 the account may be used by the legislature to make appropriations to
10 the department to carry out the purposes of this section.

11 * Sec. 60. AS 44.33.020 is amended by adding new paragraphs to read:

12 (28) sell at cost, to the extent possible, publications and
13 promotional materials developed by the department;

14 (29) as delegated by the governor, administer, under 16
15 U.S.C. sec. 1856, the internal waters foreign processing permit proce-
16 dures and collect related fees.

17 * Sec. 61. AS 44.33 is amended by adding a new section to read:

18 Sec. 44.33.022. ACCOUNTING AND DISPOSITION OF FEES. The commis-
19 sioner of administration shall separately account for fees collected
20 under AS 44.33.020(28) and (29), respectively, and deposited in the
21 general fund. The annual estimated balance in each account may be
22 used by the legislature to make appropriations to the Department of
23 Commerce and Economic Development to finance the programs from which
24 the receipts are derived.

25 * Sec. 62. AS 44.33.120 is amended by adding a new subsection to read:

26 (c) The commissioner of administration shall separately account
27 for proceeds from the sale of pamphlets, brochures, and other graphic
28 and pictorial materials, which are collected under this section and
29 deposited in the general fund. The annual estimated balance in the

1 account may be used by the legislature to make appropriations to the
2 Department of Commerce and Economic Development to cover the costs of
3 the division of tourism.

4 * Sec. 63. AS 44.37.025(b) is amended to read:

5 (b) The department shall engage and compensate recorders and
6 deputy recorders, prescribe and account for recording fees, and do all
7 other things necessary to maintain the recording system established
8 under the laws of this state. The commissioner of administration
9 shall separately account for fees charged under this section and
10 deposited in the general fund. The annual estimated balance in the
11 account may be used by the legislature to make appropriations to the
12 Department of Natural Resources to carry out the purposes of this
13 section.

14 * Sec. 64. AS 44.41.020 is amended to read:

15 Sec. 44.41.020. DUTIES OF DEPARTMENT. (a) The Department of
16 Public Safety shall administer functions relative to the protection of
17 life and property. The department may enter into agreements with
18 federal and local government agencies to train personnel of those
19 agencies in the protection of life and property. The commissioner of
20 administration shall separately account for training fees received
21 under such an agreement and deposited in the general fund. The annual
22 estimated balance in the account may be used by the legislature to
23 make appropriations to the Department of Public Safety to carry out
24 the purposes of this section.

25 (b) The department may enter into agreements with federal and
26 local government agencies to provide a statewide criminal justice
27 information system. Reasonable fees may be charged by the department
28 to cover the costs of providing services under these agreements,
29 including maintenance of terminal hardware and network connect

1 charges. The commissioner of administration shall separately account
2 for the criminal justice information system fees deposited in the
3 general fund. The annual estimated balance in the account may be used
4 by the legislature to make appropriations to the Department of Public
5 Safety to carry out the purposes of this section.

6 * Sec. 65. AS 44.42.020(b) is amended to read:

7 (b) The department may

8 (1) engage in experimental projects relating to available
9 or future modes of transportation and any means of improving existing
10 transportation facilities and service;

11 (2) exercise the power of eminent domain, including the
12 declaration of taking as provided in AS 09.55;

13 (3) publish plans, schedules, directories, guides, and man-
14 uals for distribution, with or without charge, to private or public
15 entities or persons.

16 Sec. 66. AS 44.42 is amended by adding a new section to read:

17 Sec. 44.42.025. ACCOUNTING AND DISPOSITION OF RECEIPTS. The
18 commissioner of administration shall separately account for money
19 deposited in the general fund which derived from the sale of documents
20 under AS 44.42.020(b)(3). The annual estimated balance in the account
21 may be used by the legislature to make appropriations to the depart-
22 ment to carry out the purposes of AS 44.42.020.

23 * Sec. 67. AS 44.76.010 is amended to read:

24 Sec. 44.76.010. WORKING CAPITAL FUND. The highways equipment
25 [A] working capital fund is established as an intra-governmental
26 service fund [IN THE STATE TREASURY] for the use of the Department of
27 Transportation and Public Facilities.

28 Sec. 68. AS 44.76.020 is amended to read:

29 Sec. 44.76.020. USE OF FUND. The department shall use the fund

1 for necessary expenses resulting from the centralization of equipment
2 maintenance and for the operation of supply depots. The annual esti-
3 imated balance in the fund may be used by the legislature to make
4 appropriations to the Department of Transportation and Public Facil-
5 ities to carry out the purposes of this section.

6 * Sec. 69. AS 44.83.195 is amended by adding a new subsection to read:

7 (c) The commissioner of administration shall separately account
8 for money collected under (a) of this section and deposited in the
9 general fund. The annual estimated balance in the account may be used
10 by the legislature to make appropriations to the authority to cover
11 the cost of project operations.

12 * Sec. 70. AS 45.09 is amended by adding a new section to article 4 to
13 read:

14 Sec. 45.09.409. ACCOUNTING AND DISPOSITION OF FEES. The commis-
15 sioner of administration shall separately account for fees charged
16 under AS 45.09.401 -- 45.09.408 and deposited in the general fund.
17 The annual estimated balance in the account may be used by the legis-
18 lature to make appropriations to the Department of Natural Resources
19 to carry out the purposes of AS 45.09.401 -- 45.09.408.

20 * Sec. 71. AS 45.55 is amended by adding a new section to read:

21 Sec. 45.55.265. ACCOUNTING AND DISPOSITION OF FEES. The commis-
22 sioner of administration shall separately account for all fees col-
23 lected under AS 45.55.010 -- 45.55.260 and deposited in the general
24 fund. The annual estimated balance in the account may be used by the
25 legislature to make appropriations to the Department of Commerce and
26 Economic Development to carry out the purposes of AS 45.55.

27 * Sec. 72. AS 66.03.020 is amended by adding a new paragraph to read:

28 (12) deposit environmental service fees into an account in
29 the general fund.

1 * Sec. 73. AS 46.03 is amended by adding a new section to read:

2 Sec. 46.03.025. ACCOUNTING AND DISPOSITION OF FEES. The commis-
3 sioner of administration shall separately account for environmental
4 service fees collected under AS 46.03.020(12) and deposited in the
5 general fund. The annual estimated balance in the account may be used
6 by the legislature to make appropriations to the department to carry
7 out the purposes of

8 (1) AS 03.05 -- seafood processor permits;

9 (2) AS 18.35 -- food service and bar permits;

10 (3) AS 46 -- drinking water plan review, air quality per-
11 mits, hazardous waste clean-up, on-site fees, wastewater disposal
12 permits, subdivision approval, oil pollution control plan approval and
13 applications, and water and wastewater operator training.

14 * Sec. 74. AS 47.10.170 is amended by adding a new subsection to read:

15 (1) The commissioner of administration shall separately account
16 for support fees collected under this section and deposited in the
17 general fund. The annual estimated balance in the account may be used
18 by the legislature to make appropriations to the Department of Health
19 and Social Services to carry out the purposes of this section.

20 * Sec. 75. AS 47.23 is amended by adding a new section to read:

21 Sec. 47.23.125. ACCOUNTING AND DISPOSITION OF FEDERAL RECEIPTS
22 AND AGENCY COLLECTIONS. (a) Federal incentive payments received by
23 the state under 42 U.S.C. sec. 658 must be deposited in the general
24 fund. The commissioner of administration shall separately account for
25 these payments. The annual estimated balance in the account may be
26 used by the legislature to make appropriations to the Department of
27 Revenue to carry out the purposes of AS 47.23.020.

28 (b) The commissioner of administration shall separately account
29 for the state share of payments made by obligors under AS 47.23.120

1 which are collected by the agency and deposited in the general fund.
2 The annual estimated balance in the account may be used by the legis-
3 lature to make appropriations to the Department of Health and Social
4 Services to carry out the purposes of AS 47.10.230 -- 47.10.260 and
5 AS 47.25.310 -- 47.25.420.

6 * Sec. 76. AS 47.25.030 is amended by adding a new subsection to read:

7 (e) The commissioner of administration shall separately account
8 for money received under this section and deposited in the general
9 fund. The annual estimated balance in the account may be used by the
10 legislature to make appropriations to the Department of Administration
11 to carry out the purposes of this section.

12 * Sec. 77. AS 47.30.910 is amended by adding a new subsection to read:

13 (g) The commissioner of administration shall separately account
14 for medical care and treatment fees collected under this section and
15 deposited in the general fund. The annual estimated balance in the
16 account may be used by the legislature to make appropriations to the
17 department to carry out the purposes of this section.

18 * Sec. 78. AS 47.80.150(e) is amended to read:

19 (e) All money paid by the person with a handicap or on the per-
20 son's behalf, under this section, must [SHALL] be deposited in the
21 general fund [STATE TREASURY].

22 * Sec. 79. AS 47.80.150 is amended by adding a new subsection to read:

23 (g) The commissioner of administration shall separately account
24 for medical care and treatment fees collected under this section and
25 deposited in the general fund. The annual estimated balance in the
26 account may be used by the legislature to make appropriations to the
27 department to carry out the purposes of this chapter.

28 * Sec. 80. This Act takes effect July 1, 1986.

115213

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C (MS 0218)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2180

DIVISION OF RISK MANAGEMENT

February 20, 1986

The Honorable Don Bennett
President of the Senate
Alaska State Senate
State Capitol - Box V
Juneau, AK 99811

Dear Senator Bennett:

Re: Risk Management FY 86 Funding

Thank you for your call and your interest in proper funding of Risk Management obligations and responsibilities.

I hope the following will be of assistance in understanding our present situation as respects both the FY 86 estimated shortfall and the FY 87 budget request. Incidentally, estimated claims payments within our SIR's (deductibles) are actuarially computed by Coopers & Lybrand, Seattle for each fiscal year.

Risk Management's FY 86 original funding request was \$17,431.0 - the requested increase over the previous year was primarily due to anticipated increased insurance premiums and self-insured retentions due to the then deteriorating insurance markets. Subsequently the Governor approved a request for \$17,342.2 or 16.1% over FY 85.

Final FY 86 appropriation was \$15,342.2 or a reduction of \$2,000.0 from the initial budget request - an increase of 2.7% over the previous year.

As you are probably aware, the impact of the insurance crisis on all public entities (including the State) was even more severe than anyone thought. The State Workers' Compensation and Liability self-insured retentions were increased from \$200,000 to \$1,500,000 per occurrence. Total premium costs to the State for insurance excess of self-insured retentions (all lines) increased approximately 85%.

After consulting with the State property/casualty insurance actuary concerning our increased retentions, we estimated a cash

The Honorable Don Bennett
February 20, 1986
Page 2

shortfall for FY 86 of approximately \$5,262.5 created entirely by increased premium costs and increased levels of self-insurance.

Supplemental appropriations were discouraged. We felt substantial additional charges to the agencies thru payroll deduction would not only create severe hardships, but would also impact agency budget management most unfairly. In other words, we did not want to go back to the agencies for this sum of money.

We, therefore, examined all possible avenues of available funds to meet the problem for FY 86.

At that time we had a substantial balance in the loss payment trust accounts of \$1,625.0, as well as claim encumbrances of \$2,109.1. These two available funds could account for approximately \$3,734.1 of our shortfall. The Division of Finance advised us that there was \$1,286.0 in the insurance payroll deduction reserve plus another \$400.0 estimated balance for FY 86. The combination of these three funds would satisfy our predicted shortfall.


Please remember that the funds in the payroll deduction account were originally withheld from payroll for payment of self-insured Workers' Compensation and Liability claims. It would seem prudent to use them for that purpose, and we are simply asking for the authority to use these moneys for payment of claims as needed.

House Bill No. 113 also addresses the subject of special reserve accounts for specific obligations. Its passage would permit our use of these funds under proper circumstances.

I might also add that the use of these funds will exhaust any possible reserves for FY 87 - therefore, our FY 87 budget is totally on a cash flow basis for all loss payments irrespective of the year in which the loss occurred.

I would be pleased at any time to go over our requested FY 87 budget and supporting actuarial exhibits.

Sincerely,



Donald J. Hitchcock
Director

cc: Marsha Hubbard
Deputy Commissioner
Department of Administration

Mike McMullen
Special Assistant to the
Commissioner
Department of Administration

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

POLICH C (MS 0204)
JUNEAU, ALASKA 99811
PHONE:

February 10, 1986

The Honorable Al Adams
Chairman
House Finance Committee
P.O Box V (MS 3100)
Juneau, AK 99811

Dear Mr. Chairman:

This letter is intended to provide you and the House Finance Committee a brief background on the need for House Bill Number 113. We request that this bill be scheduled for review by the House Finance Committee.

SUBJECT OF PROPOSED BILL:

To establish a formally recognized reserve account within the General Fund into which agency charges for terminal leave, leave cash-ins, unemployment insurance, and workers' compensation general liability are deposited and from which all distribution payments are paid centrally by the Division of Finance via the reserve account.

SUMMARY/EXPLANATION OF INTENT:

Currently, budgeted amounts for employer charges concerning terminal leave, leave cash-in, unemployment insurance, and workers' compensation general liability have been budgeted as a uniform percentage in each agency's budget. The Division of Finance assesses each agency the budgeted percentage to cover the above items.

Problems inevitably arise during changes in administration when terminal leave payments run substantially higher than normal. During periods of heated labor contract negotiations, requests for leave cash-in also run significantly higher than normal. Estimates for insurance needs are based on historical data. When changes to the market take place causing higher than average employer charges, the amount budgeted remains fixed but the employer obligation still remains to pay all claims.

February 10, 1986

Until recently the effects of the above usually offset one another so that the net budgetary impact was minimal. Recently, all budgetary impact has been increasing with no offset elsewhere. Accordingly, we are placed in the position of analyzing and assessing agency lapsed balances to generate funding needed to cover these underbudgeted costs.

In an effort to smooth the budgetary impact caused by the factors described above, the central reserve account approach was recommended. The central reserve account mechanism would allow the State to continue budgeting a uniform percentage adjusted on an annual basis. If funding were underestimated, this mechanism would allow us to wait until the fiscal year-end before additional agency assessments were made when lapsed balances are better known. The additional funds required would be generated from known lapsing balances, thus producing a minimal impact on agency operating budgets. Payments for workers' compensation general liability would be excepted from this practice.

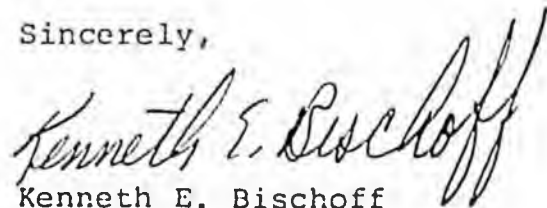
ESTIMATED FISCAL IMPACT:

Capital: NONE

Operating: NONE

This bill is basically a housekeeping effort and is intended to clean up and prevent the sloppy budgetary condition described above so that the process surrounding payment of terminal leave, leave cash-in and assessment of insurance charges runs smoothly and efficiently.

Sincerely,



Kenneth E. Bischoff
Director

KEB/rmm
5/3D1/0210-01

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 23, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that provides an orderly system for accounting for and paying cash benefits to which state employees are entitled by law or through collective bargaining agreements. These benefits include cash payment of excess accrued annual leave, cash-out of annual leave upon termination, and employer contribution for unemployment benefits of former employees.

The bill creates a reserve account that permits the Department of Administration to charge appropriations made to state agencies for salaries and benefits, so that these benefits may be equitably allocated throughout the executive budget. Currently, there is no reliable method for anticipating the rate of expenditure necessary to pay these obligations for each fiscal year, and no mechanism exists to assure benefits for state employees in those agencies that experience unanticipated claims. The public suffers as well when an agency budget is overtaxed by having to pay these benefits. This reserve account will serve as a management tool that gives the Department of Administration the ability to apply savings in one department to payment of unanticipated claims arising in another.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor