

S B

8 1

SENATE COMMITTEE REPORT

FURTHER: FINANCE

4 /14/87

DATE TURNED INTO OFFICE _____

Mr. President:

RESOURCES

Committee considered SB 81

Alaska Power Authority; efd.

and recommended:

[X] replace with CS FOR SB 81 (RES)) [X] same title
[] or adopt _____ CS FOR _____) [] new title

[] attached amendment(s) and

[X] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee [] attached or [X] adopted fiscal note(s)

[] new [] updated or [X] previous
[X] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signatures]

[Handwritten signature]

Chairman signature and recommendation

[] Committee Backup Attached



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 488-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

25 April, 1987

MEMORANDUM:

TO: Senator Coghill, Chairman
Senate Resources Committee

FROM: Senator Zharoff

F.Z. / M.T.

I appreciate your having scheduled CSSB 81(L&C) for a hearing before the Senate Resources Committee. This measure, as amended by the Senate Labor and Commerce Committee, has altered the original intent of the bill, however the remaining provisions clarify the "exempt" status of the Alaska Power Authority staff. This clarification would allow the statutes to reflect the current employment status of the Alaska Power Authority staff, and clear up any possible ambiguities.

Thank you for your prompt consideration of this measure.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

CSSB 81 (RES): Sectional Analysis

Purpose of the legislation is to depoliticize the APA Board, provide longterm stability (6 year overlapping terms), and have a member appointed to the board who has "hands on" electrical utility experience. In addition to restructuring the APA Board, this measure clarifies in statute that APA staff are in the "exempt" service.

- Section 1) Clarifies in statute that officers and employees of the APA are in the exempt service.
- Section 2) Restructures the composition of the APA to reflect the following membership:
- Commissioner of DCED;
 - Commissioner of the Department of Revenue;
 - One Director from the Banking Industry;
 - One Consumer Representative;
 - Two Directors from Business and Industry;
 - One Director Experienced in the Electrical Utility Industry;
 - Seven member board, with directors appointed by the Governor serving for staggered 6 year terms, and subject to Legislative confirmation.
- Section 3) Deletes language which provided that public director's serve for staggered 4 year terms.
- Section 4) Additional clarification that staff in the Authority are in the exempt service;
- Section 5) Concerns the transition from current membership to that which is proposed in the bill. Allows the

public members to serve until the expiration of their terms, yet requires the Governor to replace the 3 Commissioners and the Director of OMB on the effective date.

Section 6) Immediate effective date;

5-0425L
Cramer
4/29/87

Original sponsor: Zharoff

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 81 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority; and
7 providing for an effective date."

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

9 * Section 1. AS 39.25.110(11) is amended to read:

10 (11) the officers and employees of the following boards,
11 commissions, and authorities:

12 (A) Alaska Gas Pipeline Financing Authority;

13 (B) Alaska Permanent Fund Corporation;

14 (C) Alaska Energy Center;

15 (D) Alaska Industrial Development Authority;

16 (E) Alaska Commercial Fisheries Entry Commission;

17 (F) Alaska Commission on Postsecondary Education;

18 (G) Alaska Power Authority;

19 * Sec. 2. AS 44.83.030 is repealed and reenacted to read:

20 Sec. 44.83.030. MEMBERSHIP OF THE AUTHORITY. The board of
21 directors of the authority consists of seven members. The commission-
22 er of commerce and economic development and the commissioner of reve-
23 nue serve as directors and the governor shall appoint one director
24 from the banking industry, one consumer representative, two directors
25 from business and industry, and one director who is experienced in the
26 electrical utility industry. Directors appointed by the governor
27 serve for staggered terms of six years and are subject to confirmation
28 by a majority of the members of the legislature in joint session.

29 * Sec. 3. AS 44.83.045(a) is amended to read:

1 (a) The [PUBLIC] directors appointed by the governor must
2 [SHALL] be residents and qualified voters of Alaska and shall comply
3 with the requirements of AS 39.50 (conflict of interest [INTERESTS]).
4 [THE PUBLIC DIRECTORS SHALL SERVE OVERLAPPING FOUR-YEAR TERMS.]

5 * Sec. 4. AS 44.83.045(c) is amended to read:

6 (c) The authority shall employ an executive director who may,
7 with the approval of the authority, employ additional staff as neces-
8 sary. In addition to its staff of regular employees, the authority
9 may contract for and engage the services of legal and bond counsel,
10 consultants, experts, and financial and technical advisors the author-
11 ity considers necessary for the purpose of conducting studies, inves-
12 tigations, hearings, or other proceedings. The board of directors
13 shall establish the compensation of the executive director. The
14 executive director and staff of the authority are in the exempt ser-
15 vice under AS 39.25.110 [IS SUBJECT TO THE PROVISIONS OF AS 39.25.-
16 010 - 39.25.220].

17 * Sec. 5. Notwithstanding the amendments to AS 44.83.030 made by sec. 2
18 of this Act, the public directors of the authority on the day before the
19 effective date of this Act shall continue to serve until their terms
20 expire. On the effective date of this Act, the governor shall replace the
21 director of the office of management and budget and the three commissioners
22 in accordance with AS 44.83.030 as amended by this Act.

23 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).
24
25
26
27
28
29

Pg line 21 STRIKE 3
INSERT 2;

5-0425B
Cramer
4/6/87

Original sponsor: Zharoff

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 81

(RES)
(L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority; and
7 providing for an effective date."

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

9 * Section 1. AS 39.25.110(11) is amended to read:

10 (11) the officers and employees of the following boards,
11 commissions, and authorities:

- 12 (A) Alaska Gas Pipeline Financing Authority;
- 13 (B) Alaska Permanent Fund Corporation;
- 14 (C) Alaska Energy Center;
- 15 (D) Alaska Industrial Development Authority;
- 16 (E) Alaska Commercial Fisheries Entry Commission;
- 17 (F) Alaska Commission on Postsecondary Education;
- 18 (G) Alaska Power Authority;

19 * Sec. 2. AS 44.83.030 is repealed and reenacted to read:

20 Sec. 44.83.030. MEMBERSHIP OF THE AUTHORITY. The board of
21 directors of the authority consists of seven members. The commis-
22 sioner of commerce and economic development and the commissioner of
23 revenue serve as directors and the governor shall appoint one director
24 from the banking industry, one consumer representative, two directors
25 from business and industry, and one director who is experienced in the
26 electrical utility industry. Directors appointed by the governor
27 serve for staggered terms of six years and are subject to confirmation
28 by a majority of the members of the legislature in joint session.

29 * Sec. 3. AS 44.83.045(a) is amended to read:

1 (a) The [PUBLIC] directors appointed by the governor must
2 [SHALL] be residents and qualified voters of Alaska and shall comply
3 with the requirements of AS 39.50 (conflict of interests). [THE
4 PUBLIC DIRECTORS SHALL SERVE OVERLAPPING FOUR-YEAR TERMS.]

5 * Sec. 4. AS 44.83.045(c) is amended to read:

6 (c) The authority shall employ an executive director who may,
7 with the approval of the authority, employ additional staff as neces-
8 sary. In addition to its staff of regular employees, the authority
9 may contract for and engage the services of legal and bond counsel,
10 consultants, experts, and financial and technical advisors the author-
11 ity considers necessary for the purpose of conducting studies, inves-
12 tigation, hearings, or other proceedings. The board of directors
13 shall establish the compensation of the executive director. The
14 executive director and staff of the authority are in the exempt ser-
15 vice under AS 39.25.110 [IS SUBJECT TO THE PROVISIONS OF AS 39.25.-
16 010 - 39.25.220].

17 * Sec. 5. Notwithstanding the amendments to AS 44.83.030 made by sec. 2
18 of this Act, the public directors of the authority on the day before the
19 effective date of this Act shall continue to serve until their terms ex-
20 pire. On the effective date of this Act, the governor shall replace the
21 director of the office of management and budget and the ^(two) ~~three~~ commissioners
22 in accordance with AS 44.83.030 as amended by this Act.

23 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).
24
25
26
27
28
29

Alaska State Legislature

Senate Resources Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Arliss Sturqulewski
Sen. Jim Duncan
Sen. Fred Zhanoff
Sen. Dick Eliason

Box V
Juneau, Alaska 99811
(907) 465-1907

TO: SENATE RESOURCES COMMITTEE
FROM: COMMITTEE STAFF
DATE: APRIL 24, 1987
RE: CSSB 81 "AN ACT RELATING TO THE ALASKA POWER
AUTHORITY"

CONTENTS

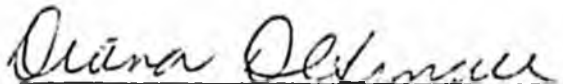
1. POSITION PAPER FROM ALASKA POWER AUTHORITY ON SB 81
2. DEPARTMENT OF ADMINISTRATION FISCAL NOTE
3. LETTER FROM APA EXECUTIVE DIRECTOR LERESCHE TO SENATOR
SENATOR KELLY ON SB 81
4. RELEVANT STATUTES

POSITION PAPER
SB 81

SB 81 changes the organization of the membership for the Alaska Power Authority Board of Directors and places its officers and employees in the Exempt Service by amending AS 39.25.110.

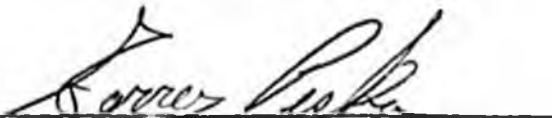
The status of the employees of the Alaska Power Authority does need to be clarified. The status of State employees is determined by AS 39.25. Unless employees or positions are specifically exempted from the Classified Service either by statutory reference or personnel board action, they are considered to be in the Classified Service. However, in regards to the Alaska Power Authority, a recent Anchorage Superior Court decision cited past practice and states that it was the intent of the legislature to treat employees as members of the Exempt Service. However, AS 39.25 does not expressly place Alaska Power Authority employees in the Exempt Service. SB 81 would confirm that ruling.

The Department of Administration, Division of Personnel's position on this bill is neutral.



Diana DeSimone, Director
Division of Personnel

2/11/87
Date



Commissioner Garrey Peska
Department of Administration

2/11/87
Date

Senator Tim Kelly, Chairman
Senate Labor and Commerce Committee

April 3, 1987

Senate Bill No. 81

Robert E. LeResche, Executive Director
Alaska Power Authority

As I will not be able to attend the Senate Labor and Commerce Committee hearing on Senate Bill No. 81, scheduled for consideration on April 3, 1987, please accept the following comments in lieu of my appearance before the Committee.

On February 27, 1987, the Alaska Power Authority Board of Directors met and consideration was given to Senate Bill No. 81. At this meeting the Board adopted a formal position in strong support of Section 1 of SB 81 and voted to oppose Sections 2,3,4 and 5 of the Bill. It is the consensus of a majority of members of the Alaska Power Authority Board that the structure of the Board remain as currently established. In their opinion, considering the statutory powers vested in the Alaska Power Authority Board of Directors, the current structure provides a proper level of checks and balances between the Alaska Power Authority, the Governor and the Legislature.

Additional Board action taken on SB 81 included the unanimous adoption of Alaska Power Authority Resolution No. 1987-06. The resolution supports amendment to AS 39.25.110 (11) as presented in Section 1 of SB 81, which specifically names the Alaska Power Authority as a state agency in exempt service. A copy of the resolution is attached.

While the Board opposes Sections 2,3,4 and 5 of SB 81, legislation which would resolve the Alaska Power Authority's exempt status issue is still necessary and desired during the legislative session. At this time, on behalf of the Alaska Power Authority Board of Directors, I respectfully request the Committee's favorable consideration of amendment to AS 39.25.1110 only.

Please contact me if I may provide additional information or assistance.

Attachment as stated.

ALASKA POWER AUTHORITY
Resolution 1987-06

RESOLUTION BY THE ALASKA POWER AUTHORITY BOARD OF DIRECTORS RECOMMENDING THAT AS 39.25.110 BE AMENDED TO SPECIFICALLY NAME THE ALASKA POWER AUTHORITY AS A STATE AGENCY IN EXEMPT SERVICE.

WHEREAS, the Alaska Power Authority was created as a public corporation of the State of Alaska with a separate and independent legal existence in the Department of Commerce and Economic Development; and

WHEREAS, the Alaska Power Authority consists of a seven member board of directors required to employ an Executive Director, who employs additional staff as necessary, and is granted powers under AS 44.83.080 to carry on and further its corporate purposes; and

WHEREAS, the Alaska Power Authority, although considered to be a State agency in exempt service not covered by the provisions of AS 39.25 (the State Personnel Act), is not specifically named as such in this chapter; and

WHEREAS, the Authority has been advised by the Office of the Attorney General to seek legislation to provide clarification on the status of the Executive Director and staff; and

WHEREAS, the Alaska Power Authority Board of Directors has previously adopted Resolution No. 1985-03 on February 26, 1985, in support of amendment to AS 39.25.110, to specifically name the Alaska Power Authority as a state agency in exempt service; and

WHEREAS, on September 19, 1986, the Superior Court of the State of Alaska ruled as a matter of law that the Alaska Power Authority employees were not members of the State of Alaska classified service;

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Alaska Power Authority:

That AS 39.25.110 is recommended for statutory amendment to specifically name the Alaska Power Authority as being a State agency in exempt service, thereby exempting the Authority from the provisions of the State Personnel Act;

BE IT FURTHER RESOLVED, that the Alaska Power Authority Board of Directors supports amendment to AS 39.25.110(11) as presented in Section 1 of Senate Bill No. 81, introduced in the Alaska State Senate on January 22, 1987.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Joe Halloran, Alison, Schaeffer
Mirthe, Wood

NAYS: 0

ABSENT: Huffman

And the resolution was declared adopted on this the 27th day of February, 1987.

ALASKA POWER AUTHORITY

BY: _____