

**S B**

**485**

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF  
CSSB 485 (Fin) am

Telecom. Inf. Council/Mbrshp & Duties

Received April 10, 1990  
by Sen. Fahrenkamp

Heard April 19, 1990

Passed Out of Committee April 19, 1990  
3 Do Pass  
1 No Recommendation

## TABLE OF CONTENTS

### CSSB 485 (Fin) am: Telecom. Inf. Council/ Mbrshp & Duties

- Item 1:** CSSB 485 (Fin) am by Sen. Fahrenkamp
- Item 2:** Fiscal Notes and Analysis by Department of Administration
- Item 3:** Memorandum from Sen. Fahrenkamp, April 18, 1990

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 10, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: \_\_\_\_\_

The STATE AFFAIRS Committee considered:

CSSB 485(FINANCE)am

CS SB NO. 485 (Fin) am

TELECOMM. INF. COUNCIL/MBRSHIP & DUTIES

"An Act relating to the Telecommunications Information Council and the provision of information services by the Department of Administration; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

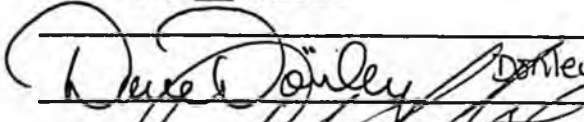
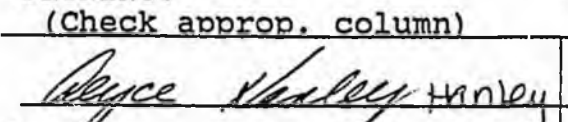
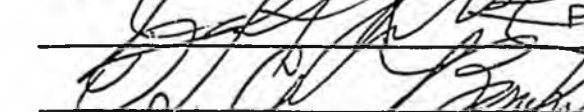

- fiscal note(s) 3/29/90. DOA(DIS)
- zero fiscal note(s) 3/29/90. DOA(Fin)
- zero fn/analysis \_\_\_\_\_

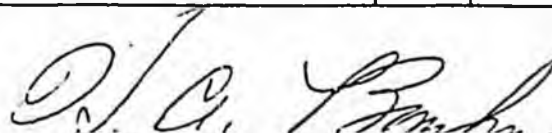
SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass  
No Rec  
Amend

				<input checked="" type="checkbox"/>
				
				

  
Chairman's Signature

Item 2

### FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: Telecomm. Inf. Council/Mbrsnp&Duties BRU: Information Services  
 Sponsor: Fahrenkamp Components: \_\_\_\_\_  
 Requestor: State Affairs

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
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
<b>TOTAL OPERATING</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	2.0	2.0	2.0	2.0	2.0	2.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**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.

Prepared by: Paul Monetta, Director Phone: 465-2220  
 Division: Information Services Date: 2/22/90  
 Approved by Commissioner: Frank S. Baxter Date: 2/23/90  
 Agency: Administration

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

Changes in CSSB 485 (Fin) have no fiscal impact. This fiscal note is appropriate. 3/29/90

Department of Administration  
Division of Information Services

**SB 485 - - FISCAL NOTE**

**An Act Relating to the Telecommunications Information Council**

No fiscal impact is predicted in FY 90.

The fiscal impact projected for FY 91 and beyond is for travel expenses associated with the appointment of a public member to the Telecommunications Information Council. A total of \$2.0 thousand would pay for 4 trips per year @ \$350.00 for air transportation and 2 days per diem. It is assumed that the travel expenses for the Legislative members appointed to the Council would be paid for by the Legislature.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
Title: \* see below BRU: Finance  
Sponsor: Fahrenkamp Components: \_\_\_\_\_  
Requestor: \_\_\_\_\_

\* Telecommunications Information Council and the provision of information services by Department of Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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
REVENUE	0	0	0	0	0	0

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)

There is no anticipated fiscal impact on the Division of Finance.

Any accounting service costs will be billed directly to the fund through the Reimbursable Services Agreement (RSA) process.

Prepared by: Keith Busch *Keith Busch* Phone: 465-2240  
Division: Finance Date: 2/20/90  
Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 2/20/90  
Agency: Department of Administration

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

Changes in CSSB 485 (Fin) have no fiscal impact. This fiscal note is appropriate. 3/29/90

Item:

# Alaska State Legislature



SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE  
119 N. CUSHMAN STREET, SUITE 201  
FAIRBANKS, ALASKA 99701  
OFFICE (907) 452-4882  
HOME (907) 458-2899

WHILE IN JUNEAU  
P.O. BOX V  
JUNEAU, ALASKA 99811  
CAPITOL, ROOM 125  
OFFICE (907) 465-3834  
HOME (907) 780-8027

## Senate

### MEMORANDUM

TO: Representative H.A. "Red" Boucher  
Chair, House State Affairs Committee

FROM: Senator Bettye Fahrenkamp *Bettye*

DATE: April 18, 1990

SUBJECT: Senate Bill 485  
"An Act relating to the Telecommunications Information Council and the provision of information services by the Department of Administration; efd"

Thank you for scheduling SB 485. I hope the following information is of assistance as you and your committee members consider this bill.

#### **BILL SUMMARY:**

Adds a voting public member to the Telecommunications Information Council, and two non-voting legislative members (one from each body).

Establishes in the Department of Administration an *Information Services Fund*, as recommended by a legislative audit, into which will go all RSA money received in exchange for information services. Provides that any *unbudgeted* RSAs must be approved by the Legislative Budget and Audit Committee before they can be received or expended. Provides that money in the Fund may be expended *only in accordance with legislative appropriations*. Authorizes money that accrues in the fund to be spent for providing information services, providing staff to the Telecommunications Information Council, and for replacing or upgrading capital equipment *subject to appropriation by the legislature*.

Involves the Telecommunications Information council (which is a council composed of the Commissioners of each state department) in setting the rates charged for telephone, computer and other information services. All funds received from the various departments must be separately accounted for.

#### **FISCAL IMPACT:**

There is a \$2,000 GF fiscal note, to pay the costs of travel and per diem for the new public member of the Telecommunications Information Council.

***DEPARTMENT POSITION:***

SB 485 is *supported* by the Legislative Auditor and the Department of Administration.

***ABOUT THE BILL:***

The purpose of this bill is to provide clearer accounting and more controls over interagency receipts received by the Department of Administration in return for provision of information services (telecommunications and computer services).

*This legislation is the result of a legislative audit* of the Division of Telecommunications (now the Division of Information Services) in the Department of Administration. The audit recommended that the Division establish an internal services account (ISF) to account for services provided to user agencies.

To quote the audit:

"The ISF classification should be used to account for the financing on a cost-reimbursement basis of services provided by one department or agency to other departments or agencies....An ISF has the following advantages:

- \* Account for the total cost of the activity;
- \* Provide greater ease in costing and pricing services;
- \* Accumulate resources for replacing fixed assets;
- \* Combine certain governmental fund-type overhead costs so they can be redistributed to the benefitting programs; and
- \* Isolate interfund services so that governmental fund types do not display revenues and expenditures related to interfund transactions twice within the same fund type (i.e., usually the general fund) - once by the department furnishing the services and once by the department receiving the services."

*Based on this audit, SB 485 was crafted. It has been reviewed, amended based on recommendations of the Legislative Auditor, and has the support of the Legislative Auditor as well as the Department of Administration.*

Senate  
Finance

SUMMARY OF PROPOSED CS FOR SENATE BILL NO. 485

- \* Section 1. No changes from CSSB 485(SA).
- \* Section 2. The proposed substitute makes several changes to Sec. 44.21.045 as contained in CSSB 485(SA). Under subsection (a), in addition to the fund consisting of money appropriated to it and money transferred to the department for information services, it includes the proceeds from the sale of surplus or other assets of the department used for information services.

This wording was added to address concerns over the disposition of sale proceeds. Without specifically providing for the disposition, it is unclear as to where the money should go. The Working Capital Fund, for example, has this ambiguity. This would allow for the proceeds to be used, based on appropriation, to offset future equipment or other asset acquisition costs.

Under subsection (b), it is proposed that instead of excess money at the end of the fiscal year being transferred to an account in the general fund, that the excess money constitutes program receipts that are subject to the procedures of AS 37.07.080(h), the revised program process of the Legislative Budget and Audit Committee.

This provision, coupled with the appropriation language added to subsection (c), requires the department to go before the Legislative Budget and Audit Committee for any unbudgeted RSA money. Effectively, this gives the Legislature oversight of the revenue flow generated by the department for information services in excess of the budgeted amounts.

Subsection (c) adds the provision that except for the revised program process provided for in subsection (b), money in the fund may only be expended in accordance with legislative appropriation.

This language makes it clear that the department cannot use the money in the fund unless it is appropriated by the Legislature. Any "unappropriated" fund balance would be available to offset general fund budget requests for information services operations or capital equipment; or it could be appropriated for any other purpose specified by the Legislature.

The remainder of the proposed CS is the same as the bill that is now before the Finance Committee.

(These changes were recommended by the  
Legislative Auditor and are incorporated in the  
Finance CS)

vide for cooperation between the department and the Telecommunications Information Council in the Office of the Governor" in the first sentence.

**Sec. 44.21.160. Powers and duties of department.** (a) Except as otherwise provided in (g) of this section, the department shall comply with the state information systems plan adopted by the Telecommunications Information Council in the Office of the Governor in providing automatic data processing services responsive to the needs of state government.

(b) To carry out (a) of this section the department may, consistent with the state information systems plan adopted by the Telecommunications Information Council and with the departmental information systems plan,

(1) maintain a central staff of systems analysts, computer programmers and other staff members sufficient to provide systems analysis and computer programming support required by the executive and legislative branches of state government;

(2) develop and maintain both short-range and long-range data processing plans for state government and provide managerial leadership in the use of automatic data processing;

(3) review all budget requests for automatic data processing services and recommend to the Telecommunications Information Council and the governor approval, modification, or disapproval;

(4) recommend implementation priorities of requested data processing systems;

(5) determine and satisfy the data processing equipment and supply requirements of the executive and legislative branches, departments, and agencies of state government;

(6) provide all facilities, equipment, and staff required to convert data to a form suitable for processing on automatic data processing equipment;

(7) develop and publish systems analysis, computer programming and computer operations standards;

(8) review state automatic data processing systems to encourage effectiveness, measure performance, and assure adherence to the standards developed under AS 44.21.150 — 44.21.170;

(9) develop and conduct an automatic data processing training program designed to serve the technical and managerial needs of state government;

(10) charge a state agency or other governmental agency for the cost of the automatic data processing services provided or procured by the department for the agency.

(c) The department may cooperate with political subdivisions of the state in the development and operation of data processing systems and may allow for the use of state facilities by political subdivisions.

(d) In accordance with the state information systems plan adopted by the Telecommunications Information Council, the department and the University of Alaska may develop and implement a plan for the integration of automatic data processing facilities of the university with the state facilities.

(e) If the action is not contrary to the state information systems plan adopted by the Telecommunications Information Council, this section does not prohibit

(1) the department from obtaining necessary contractual assistance for automatic data processing activities;

(2) the legislature from recruiting and employing data processing personnel or from obtaining necessary contractual assistance for automatic data processing activities;

(3) the judicial branch from establishing independent data processing policies and implementation procedures; however, the policies and procedures must permit information exchange and implementation procedures compatible with other branches of government whenever practical.

(f) The department shall provide for the effective transfer of information by telecommunications through the establishment of compatible systems and common standards.

(g) The department shall provide or procure automatic data processing services under AS 44.21.150 — 44.21.170 for the judicial branch to the extent requested by that branch, and may charge the branch for the services.

(h) The commissioner shall separately account for data processing services fees charged to political subdivisions and deposited in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the purposes of this section. (§ 2 ch 170 SLA 1972; am E.O. No. 50, § 8 (1981); am §§ 2 — 4 ch 123 SLA 1986; am § 68 ch 138 SLA 1986; am §§ 4 — 7 ch 53 SLA 1987; am § 38 ch 85 SLA 1988)

Revisor's notes. — Enacted as AS 44.67.020. Renumbered in 1972. Subsection (h) was enacted as (g) and renumbered in 1986.

Effect of amendments. — The first 1986 amendment at the beginning of subsection (a) added "Except as otherwise provided in (g) of this section," to the beginning; in subsection (b) substituted "the" for "all" preceding "branches" in paragraph (6), deleted "all" following "review" in paragraph (8), added paragraphs (10) and (11) and made a minor, related punctuation change; and added subsection (g).

The second 1986 amendment added subsection (h).

The 1987 amendment in subsection (a) substituted "comply with the state information systems plan adopted by the Telecommunications Information Council in the Office of the Governor in providing" for "provide" and deleted "and procure, operate and staff all automatic data processing equipment facilities used by state government" at the end of the subsection; in subsection (b) in the introductory language added the language beginning "consistent with the state information systems," in paragraph (1) substituted "executive and legislative" for "executive, legislative and judicial," in paragraph (3) inserted "Telecommunications Information Council and the," inserted "executive

This section is repealed because it is made redundant by Sec. 2

37.07.080

§ 37.07.080

PUBLIC FINANCE

§ 37.07.080

ie follow-

ed;

rs;  
ed to ap-  
1987)

ice sheet of

consider  
pital im-  
ves to the  
tives and  
required  
ital bud-  
h regular  
's supple-  
ndments

tions for  
scal year  
0th legis-

to state  
l and re-  
gislative  
9 ch 168  
LA 1983)

ed by pol-  
ture, and  
authority  
e respon-

ne opera-  
that are  
ions plan  
ed on the

onsistent  
is by the  
agement

methods, and that appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the office shall require revision of the operations plan in whole or in part.

(d) A state agency may not increase the salaries of its employees, employ additional employees, or expend money or incur obligations except in accordance with law and properly approved operations plan.

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office. Transfers may not be made between appropriations except as provided in an act making the transfers between appropriations.

(f) The office shall report quarterly to the governor and the legislature on the operations of each state agency, relating actual accomplishments to those planned and modifying, if necessary, the operations plan of any agency for the balance of the fiscal year.

(g) The governor may direct the withholding or reduction of appropriations to a state agency at any time during the fiscal year only if the governor determines that

(1) the planned expenditures can no longer be made due to factors outside the control of the state which make the expenditure factually impossible; or

(2) estimated receipts and surpluses will be insufficient to provide for appropriations.

(h) The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures:

(1) the governor shall submit a revised program to the Legislative Budget and Audit Committee for review;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends that the state take part in the federally or otherwise funded activity;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program. (§ 1 ch 188 SLA 1970; am §§ 1-3 ch 26 SLA 1976; am §§ 2, 3 ch 74 SLA 1977; am §§ 4, 5 ch 60 SLA 1979; am §§ 9-12 ch 63 SLA 1983)

unbudgeted RSAs would be subject to approval by LB&A. (page 2, lines 5-9)