

HB 1888

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 11, 1991

FURTHER REFERRALS:

Date of Committee Action: 4/29/92

The FINANCE Committee considered:

HB 188

HOUSE BILL NO. 188

CITATIONS/MEDALS FOR PERSIAN GULF VETS

"An Act relating to the issuance of citations and medals to members of the armed forces serving in the conflict with Iraq."

RECOMMENDATIONS:

be replaced with CS HB 188 (STA) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: Special Committee on Military and Veterans Affairs letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact DMVA 4/27/92

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Mike Spurre</u> NAVARRE	<input checked="" type="checkbox"/>				
<u>E. Lee P. Mullan</u> Mullan	<input checked="" type="checkbox"/>				
<u>Mark Bann</u> Boyer	<input checked="" type="checkbox"/>				
<u>Tan Brown</u> Brown	<input checked="" type="checkbox"/>				
<u>Greg Taylor</u> JACKO	<input checked="" type="checkbox"/>				
<u>Thomas P. Jones</u> BANNIS	<input checked="" type="checkbox"/>				
<u>Bon Sharp</u> SHARP	<input checked="" type="checkbox"/>				
<u>ROBERT B. Phillips</u> Phillips	<input checked="" type="checkbox"/>				
<u>Ronald J. Hanson</u> HANSON	<input checked="" type="checkbox"/>				
<u>F. Ulmer</u> Ulmer	<input checked="" type="checkbox"/>				

Mike Spurre NAVARRE
Co-CHAIRMAN'S SIGNATURE

EP Mullan Mullan

Alaska State Legislature

House of Representatives

Rep. Ivan, Chair
Rep. Davidson
Rep. Foster
Rep. Gruenberg
Rep. M.W. Miller



P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-4327

Special Committee on Military & Veterans Affairs

LETTER of INTENT

It is the intent of the House Special Committee on Military and Veterans Affairs that the first medallion and/or citation be awarded to the family of Army Sergeant David Q. Douthit, an Alaskan killed in action by Iraqi troops in the war to liberate Kuwait.

A handwritten signature in cursive script, appearing to read "Ivan M. Ivan".

Ivan M. Ivan, Chairman
House Special Committee on Military and Veterans Affairs

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. CSHB 188 (STA)

Revision Date: 27 January 92 Department Affected: Military & Veterans Affairs

Title: Recognition and benefits for Persian Gulf veterans BRU: Veterans Affairs

Component: Veterans services

Sponsor: Rep. Foster

Requestor: House Finance

COMPONENT SERIAL NO.

	4	2	1
--	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	50.6					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	50.6					

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	50.6					
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Previous fiscal note has been revised to reflect higher postage rates and lower cost of silver. See attached page.

Prepared By: Jeff Morrison Phone: 465-4600

Division: Administrative Support and Services Date: 27 Jan 92

Approved by Commissioner: *J Morrison for* MG Hugh L Cox III

Agency: Military and Veterans Affairs Date: 27 Jan 92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legie. Ofc., & Impacted Agency(ies).

FISCAL NOTE TO CSHB 188 (STA)
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Revised 1/27/92

The bill provides for the issuance of both medallions and citations. There are three expenditure elements to the fiscal note: design competition and administrative expenses; medallion production costs; and citation production costs. Guidance provided by the legislative committees hearing this bill affects the fiscal impact as follows: 1) there will be no sale of medallions to the public, and any surplus medallions will be melted down and the silver disposed of as surplus state property; and 2) advertising expenses regarding the availability of the medallions and citations will be kept to an absolute minimum.

The committee substitute bill expands the eligibility of the original bill to add persons who were stationed in Alaska just prior to deployment to serve in the Persian Gulf conflict. It is estimated that this increases the number of eligible recipients by about 300. The position paper for HB188 supports a statistical projection of about 1200 Alaskans serving in the Persian Gulf conflict. The probable number of actual recipients is therefore estimated to be about 1500. This fiscal note assumes a maximum number of potential recipients of 1800, in order to cover a possible margin of error in estimating.

EXPENDITURE INFORMATION

Design competition and administrative expenses:	12.8
Design competition costs include \$1000 in advertising and promotion, and \$1000 for each of two winners (totalling \$2000 - two sides to the medallion). Administrative expenses include \$1000 for advertising in military publications and other publications to inform the potential recipients of the medals and citations of the need to apply for them, and the procedures to apply for them. Postage to mail out the citations and medallions to recipients is estimated at \$4.90 each [(priority mail, less than two pounds is \$2.90) + (certified, return receipt for \$2.00)], for up to 1800 recipients, for a postage budget of \$8820.	
Medallion production costs:	28.8
Fiscal note assumes the production of 1800 each 2 ounce silver medallions (about 2" diameter). Die casting is \$1800 for both sides. Unit costs of medallions includes: \$3.00 striking cost; \$3.00 packaging and shipping; and \$9.00 silver (2oz. @ \$4.50/oz). [\$15 each x 1800 units, plus \$1800 die charge, totals \$28,800]	
Citation Production costs	9.0
Fiscal note is based on unit cost of \$5.00 for citation and presentation folder, for 1800 citations.	
TOTAL EXPENSES	50.6

CS FOR HOUSE BILL NO. 188 (STATE AFFAIRS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/12/91
Referred: Finance

Sponsor(s): REPRESENTATIVES FOSTER, Ivan, Gruenberg, Choquette, C.Davis, Sharp, Moyer, Kubina, Ulmer, R.Phillips, Carney, M.A.Miller, Hudson, Zawacki, Parnell, Gonzales, Baker, Donley, Larson, Taylor, Jacko, Mackie

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the issuance of citations and medallions to members of the armed
2 forces serving in the conflict with Iraq; and providing for an effective date."

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

4 * Section 1. MEDALLIONS AND CITATIONS. (a) The Department of Military and Veterans'
5 Affairs shall award a medallion and issue a citation to the following persons who served in the armed
6 forces of the United States during the conflict with Iraq:

7 (1) Alaska residents as determined by the department by regulation;

8 (2) persons permanently stationed in Alaska immediately before service in the conflict.

9 (b) An individual is not eligible for a medallion and citation unless the individual served on
10 active duty in the Persian Gulf and nearby areas, including the Mediterranean, Turkey, and Israel, in
11 response to the conflict.

12 (c) The department shall contract or otherwise arrange for the minting of the medallions from
13 .999 fine silver in a weight determined by the adjutant general of the department.

14 (d) The design for the medallion shall be determined in a competition conducted by the

1 department from among Alaska residents. The department shall award \$1,000 to the winner.

2 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

April 5, 1991

SUBJECT: Residency requirement for artists in CSHB 188 () (W.O. 7LS0793)

TO: Representative Max Gruenberg
Attn: Mike

FROM: Theresa L. Bannister ^{TB}
Legislative Counsel

This memo accompanies the draft that you requested as CSHB 188 () relating to the issuance of medallions and citations to Persian Gulf veterans.

Please be aware that the restriction of the design competition to Alaska residents raises an issue under the privileges and immunities clause (sec. 2, art. IV, Constitution of the United States).

If a right to participate in the competition is considered to be a "fundamental right that involves basic and essential activities", the clause will apply and must be satisfied. Although the right does not seem very fundamental at first glance, one can argue that some artists earn their living by the money they receive from governmental art competitions. If considered the right to earn a living, the clause would apply.

If the clause applies, discrimination against nonresidents is prohibited unless the state has a substantial justification for the discrimination, and the means employed by the statute are closely related to the interests served by the statute. Robison v. Francis, 713 P.2d 259 (Alaska 1986). To overcome a challenge based on the clause, the state would have to show that nonresidents are "a peculiar source of the evil" which the state's action is meant to remedy, and that the state's purpose is something other than protecting residents from competition. Robison v. Francis, 713 P.2d 259 (Alaska 1986). It is unclear whether the arguments for having an Alaskan design an Alaska veteran's medallion would satisfy this criteria.

The state is given certain leeway in preferring its own residents in its own activities. In Robison v. Francis, 713 P.2d 259, 265 (Alaska 1986), the court indicated it could give little deference to the state, despite the fact that the state was acting as a

Representative Max Gruenberg

April 5, 1991

Page 2

"market participant" (owner), because all municipal and state construction projects were covered by the resident preference and because those projects amounted to 60 - 70% of all commercial construction in the state. In this case, however, the state could make a healthy argument that it is entitled to deference in this case, since the restricted activity is limited to a single event and to a relatively small amount of money.

In conclusion, although the limited competition raises a privileges and immunities clause issue, the outcome of the challenge is unclear.

If I may be of further assistance, please advise.

TLB:lmb
91-102.lmb

Enclosure

STATE OF ALASKA

XXXXXXXXXXXXXXXXXXXX
WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE ADJUTANT GENERAL

DIMOND CENTER TOWER
800 EAST DIMOND BLVD.
SUITE 3-460
ANCHORAGE, ALASKA 99515-2097
PHONE: (907) 249-1623
AUTOVON 628-1523

April 9, 1991

Mr. John Walsh
Office of Representative Richard Foster
P. O. Box V
Juneau, Alaska

Dear Mr. Walsh:

The office of the Director of Veteran Affairs wholeheartedly supports the issuance of citations and medallions to members of the Armed Forces serving in the conflict with Iraq.

Further, the idea of design competition to Alaska residents even adds to the Alaska flavor of the award.

If I can be of further assistance, please call on me.



Larry H. Landry
Director
Division of Veteran Affairs

F A X T R A N S M I T T A L M E M O

TO: JOHN WALSH

DEPT: _____ FAX #: 465-3282

FROM: LANDRY PHONE: 249-1241

CO: DMJA FAX #: 249-1507

Post-It[®] brand fax transmittal memo 7871

NO. OF
PAGES

1



THE AMERICAN LEGION

DEPARTMENT OF ALASKA
 P.O. BOX 201949
 ANCHORAGE, ALASKA 99520-1949
 (907) 278-8598 Headquarters
 (907) 276-8211 Service Office
 (907) 278-0041 Fax Number

Richard D. Heim
 Department Commander
 519 West 8th Avenue
 Anchorage, Alaska 99501

William Bishop
 National Executive Committeeman
 302 Marine Way
 Kotlik, Alaska 99615

Joseph T. Craig
 Alternate NEC
 2323 First Avenue
 Ketchikan, Alaska 99901

Warren C. Colver
 Department Adjutant/Service Officer
 519 West 8th Avenue
 Anchorage, Alaska 99501

April 18, 1991

The Honorable Richard Foster
 Representative
 Alaska State Legislature
 PO Box V
 Juneau, Alaska 99811

RE: HB-188 - Citation/Medals for Persian Gulf Veterans.

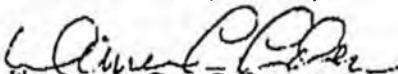
Dear Representative Foster,

This is to advise that The American Legion, Department of Alaska, wholeheartedly endorses and supports HB-188 - Citation/Medals for Persian Gulf Veterans.

We can think of no more fitting tribute to our Desert Storm Comrades than the commission and stamping of this important medal. Like the flag, the medal represents the passion and commitment our Alaskan Desert Storm troops gave to their State during the recent Gulf crisis.

Thank you for allowing us to comment and make known our support for HB-188.

Sincerely yours,


 Warren C. Colver

Department Adjutant/Legislative Representative

WCC/t1