

HJR80

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 6, 1992

FURTHER REFERRALS:

Date of Committee Action: 4/23/92

The FINANCE Committee considered:

HJR 80

HOUSE JOINT RESOLUTION NO. 80

ESTABLISH A UNICAMERAL LEGISLATURE

Proposing amendments to the Constitution of the State of Alaska establishing a unicameral legislature; and providing for an effective date to the amendment.

**RECOMMENDATIONS:**

be replaced with C.S. HJR 80 (Fin)  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: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS:

fiscal impact LAA 4/24/92

fiscal note(s) Gov 3/12/92

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING <u>DO PASS</u>	DP	<u>OTHER</u> RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Muehlan</i>	✓	<i>Janice Y. Pasnic</i>	X		
<i>John Kavane</i>	-	<i>John E. Hill</i>		✓	
<i>Richard [unclear]</i>	✓	<i>Bob [unclear]</i>		X	
<i>[unclear]</i>	✓	<i>Ronald [unclear]</i>		X	
<i>Jan Browne</i>	✓				
<i>[unclear]</i>	X				

*Eileen P. Muehlan*  
CHAIRMAN'S SIGNATURE

**FISCAL NOTE**

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO: CSHJR 80(FIN)

Revision Date: \_\_\_\_\_  
 Title: Proposing amendments to the  
 Constitution...establishing a unicameral legislature...  
 Sponsor: Representative Navarre  
 Requestor: House Finance

Department Affected: Legislative Affairs Agency  
 BRU: All  
 Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	[392.4]	[784.7]	[784.7]	[784.7]
TRAVEL	0	0	[120.8]	[120.8]	[120.8]	[120.8]
CONTRACTUAL	0	0	[73.3]	[73.3]	[73.3]	[73.3]
SUPPLIES	0	0	[5.0]	[5.0]	[5.0]	[5.0]
EQUIPMENT	0	0	[5.0]	[5.0]	[5.0]	[5.0]
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS			200.0	0	0	0
<b>TOTAL OPERATING</b>	0	0	[396.5]	[988.8]	[988.8]	[988.8]

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

GENERAL FUND			[396.5]	[988.8]	[988.8]	[988.8]
FEDERAL FUNDS						
OTHER FUND SOURCE						
<b>TOTAL</b>	0	0	[396.5]	[988.8]	[988.8]	[988.8]

POSITIONS:

FULL-TIME	0	0	15	15	15	15
PART-TIME	0	0	21	21	21	21
TEMPORARY	0	0	0	0	0	0

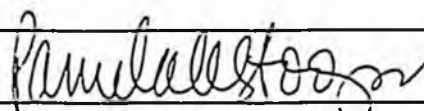
Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

CSHJR 80(JUD) proposes establishing a Unicameral Legislature of fifty-five members. There would be a transitional Unicameral Legislature of sixty members until the Nineteenth Legislative Session when the membership would be 55.

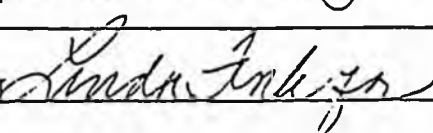
(Continued on Page 2)

Prepared By: Pamela A Sloops, Director  
 Division: Administrative Services



Phone: 465-3850  
 Date: 4/24/92

Approved By: Warren W. Endicott, Executive Director  
 Agency: Legislative Affairs Agency



Date: 4/24/92

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov. , & Impacted Agency(ies).

It is estimated there would be a savings in decreasing the size of the Legislature because of the reduced number of members, consolidation of chief clerk and senate secretary's offices, consolidation of sergeant at arms staff, consolidation of committee records staff, reduced legislative staff, reduced office space, reduced travel, reduced supplies, etc.

The cost involved would be to remodel the Chambers on the second floor of the Capitol and relocate several offices.

#### PERSONAL SERVICES

It is anticipated the reduction in the number of staff and members will not occur until FY 95.

Five less legislators (55 not 60) - \$176,890.  
 Ten less full time staff members - \$281,445.  
 Ten less perm part time staff members - \$115,554  
 Four less chief clerk or senate secretary staff members - \$103,143.  
 Five less sergeant at arms staff members - \$73,920.  
 Two less committee records staff members - \$33,725.

Personal services costs are estimated using FY 93 personal services costs. Total estimated personal services savings - \$784,677. FY 95 cost is for 6 months. -784.7

#### TRAVEL

A reduction in travel would occur by having a smaller membership. Travel & moving costs, session per diem, etc. would be reduced.

Estimated savings in travel, per diem and relocation costs - \$120,769. -120.8

#### CONTRACTUAL

A reduction in communications costs for phones, reduction in the number of allowances, anticipated reduction in office space for district offices, etc.

Estimated savings in contractual - \$73,333. -73.3

#### SUPPLIES

A reduction in supplies is anticipated with a smaller membership and a reduced number of staff.

Estimated savings in supplies - \$5,000. -5.0

#### EQUIPMENT

A reduction in equipment is anticipated with a smaller membership and a reduced member of staff.

Estimated savings in equipment - \$5,000. -5.0

#### MISCELLANEOUS

The cost of remodeling the House Chambers to accommodate 55 members instead of 40 members, relocating offices, etc. would be spread between contractual, supplies, personal services, etc.

Estimated remodeling costs - \$200,000. 200.0

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Amendment to the Constitution RE: Establishing a  
Unicameral Legislature  
 Sponsor: Representative Navarre  
 Requestor: House State Affairs

Department Affected: Office of the Governor-Elections  
 BRU: Division of Elections  
 Component: II-Primary and General Elections

COMPONENT SERIAL NO.

0	0	2	2
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	2.2*	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	2.2*	0	0	0	0	0

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

GENERAL FUND	2.2*	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	2.2*	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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.) \* This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.58, and programming for DataVote counting of votes cast on this measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be: 53.4.

Prepared by: Laura A. Claisor, Project Coordinator Phone: 465-4611  
 Division: Elections Date: 3/5/92

Approved by Commissioner: \_\_\_\_\_ Date: 3/10/92  
 Agency: Office of the Governor

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, CMS/DSR, Gov. Legis. Cfc., & Impacted Agency(ies).

CS FOR HOUSE JOINT RESOLUTION NO. 80 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES NAVARRE, Koponen

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska establishing a unicameral  
2 legislature; and providing for an effective date to the amendments.

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

4 \* Section 1. Article II, sec. 1, Constitution of the State of Alaska, is amended to read:

5 SECTION 1. LEGISLATIVE POWER: MEMBERSHIP. The legislative power of the  
6 State is vested in a legislature consisting of a senate [WITH A MEMBERSHIP OF TWENTY  
7 AND A HOUSE OF REPRESENTATIVES] with a membership of fifty-five [FORTY].

8 \* Sec. 2. Article II, sec. 2, Constitution of the State of Alaska, is amended to read:

9 SECTION 2. MEMBERS' QUALIFICATIONS. A senator [MEMBER OF THE  
10 LEGISLATURE] shall be a qualified voter who has been a resident of Alaska for at least three  
11 years and of the district from which elected for at least one year, immediately preceding [HIS]  
12 filing for office. A senator shall be at least [TWENTY-FIVE YEARS OF AGE AND A  
13 REPRESENTATIVE AT LEAST] twenty-one years of age.

14 \* Sec. 3. Article II, sec. 3, Constitution of the State of Alaska, is amended to read:

15 SECTION 3. ELECTION AND TERMS. Senators [LEGISLATORS] shall be elected  
16 at general elections. Their terms begin on the fourth Monday of the January following election

1 unless otherwise provided by law. The term of a senator [REPRESENTATTVES] shall be  
2 [TWO YEARS, AND THE TERM OF SENATORS,] four years. Twentv-seven or twentv-eight  
3 [ONE-HALF] of the senators shall be elected every two years. The number of senators elected  
4 shall alternate each election.

5 \* Sec. 4. Article II, sec. 7, Constitution of the State of Alaska, is amended to read:

6 SECTION 7. SALARY AND EXPENSES. Senators [LEGISLATORS] shall receive  
7 annual salaries. They may receive a per diem allowance for expenses while in session and are  
8 entitled to travel expenses going to and from sessions. The presiding officer [PRESIDING  
9 OFFICERS] may receive additional compensation.

10 \* Sec. 5. Article II, sec. 8, Constitution of the State of Alaska, is amended to read:

11 SECTION 8. REGULAR SESSIONS. The senate [LEGISLATURE] shall convene in  
12 regular session each year on the fourth Monday in January, but the month and day may be  
13 changed by law. The senate [LEGISLATURE] shall adjourn from regular session no later than  
14 one hundred twenty consecutive calendar days from the date it convenes except that a regular  
15 session may be extended once for up to ten consecutive calendar days. An extension of the  
16 regular session requires the affirmative vote of at least two-thirds of the membership [OF EACH  
17 HOUSE] of the senate [LEGISLATURE]. The senate [LEGISLATURE] shall adopt as part of  
18 the [UNIFORM] rules of procedure deadlines for scheduling session work not inconsistent with  
19 provisions controlling the length of the session.

20 \* Sec. 6. Article II, sec. 12, Constitution of the State of Alaska, is amended to read:

21 SECTION 12. RULES. The senate [HOUSES OF EACH LEGISLATURE] shall adopt  
22 [UNIFORM] rules of procedure. The senate [EACH HOUSE] may choose its officers and  
23 employees. The senate [EACH] is the judge of the election and qualifications of its members  
24 and may expel a member with the concurrence of at least two-thirds of its members. The senate  
25 [EACH] shall keep a journal of its proceedings. A majority of the membership [OF EACH  
26 HOUSE] constitutes a quorum to do business, but a smaller number may adjourn from day to  
27 day and may compel attendance of absent members. The senate [LEGISLATURE] shall regulate  
28 lobbying.

29 \* Sec. 7. Article II, sec. 14, Constitution of the State of Alaska, is amended to read:

30 SECTION 14. PASSAGE OF BILLS. The senate [LEGISLATURE] shall establish the  
31 procedure for enactment of bills into law. No bill may become law unless it has passed three  
32 readings [IN EACH HOUSE] on three separate days, except that any bill may be advanced from

1 second to third reading on the same day by concurrence of at least three-fourths of the  
2 membership [HOUSE CONSIDERING IT]. No bill may become law without an affirmative  
3 vote of at least a majority of the membership [OF EACH HOUSE]. The yeas and nays on final  
4 passage shall be entered in the journal.

5 \* Sec. 8. Article II, sec. 15, Constitution of the State of Alaska, is amended to read:

6 SECTION 15. VETO. The governor may veto bills passed by the senate  
7 [LEGISLATURE]. The governor [HE] may, by veto, strike or reduce items in appropriation  
8 bills. The governor [HE] shall return any vetoed bill, with a statement of [HIS] objections, to  
9 the senate [HOUSE OF ORIGIN].

10 \* Sec. 9. Article II, sec. 16, Constitution of the State of Alaska, is amended to read:

11 SECTION 16. ACTION UPON VETO. Upon receipt of a veto message during a regular  
12 session [OF THE LEGISLATURE], the senate [LEGISLATURE] shall meet immediately [IN  
13 JOINT SESSION] and reconsider passage of the vetoed bill or item. Bills to raise revenue and  
14 appropriation bills or items, although vetoed, become law by affirmative vote of at least  
15 three-fourths of the membership of the senate [LEGISLATURE]. Other vetoed bills become law  
16 by affirmative vote of at least two-thirds of the membership of the senate [LEGISLATURE].  
17 Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered  
18 by the senate [LEGISLATURE SITTING AS ONE BODY] no later than the fifth day of the next  
19 regular or special session of that legislature. Bills vetoed after adjournment of the second regular  
20 session shall be reconsidered by the senate [LEGISLATURE SITTING AS ONE BODY] no later  
21 than the fifth day of a special session of that legislature, if one is called. The vote on  
22 reconsideration of a vetoed bill shall be entered in [ON] the journal [JOURNALS] of the senate  
23 [BOTH HOUSES].

24 \* Sec. 10. Article II, sec. 18, Constitution of the State of Alaska, is amended to read:

25 SECTION 18. EFFECTIVE DATE. Laws passed by the senate [LEGISLATURE]  
26 become effective ninety days after enactment. The senate [LEGISLATURE] may, by  
27 concurrence of at least two-thirds of its [THE] membership [OF EACH HOUSE], provide for  
28 another effective date.

29 \* Sec. 11. Article II, sec. 20, Constitution of the State of Alaska, is amended to read:

30 SECTION 20. IMPEACHMENT. All civil officers of the State are subject to  
31 impeachment by the senate [LEGISLATURE]. Impeachment [SHALL ORIGINATE IN THE  
32 SENATE AND] must be approved by at least a two-thirds vote of its members. The resolution

1 [MOTION] for impeachment shall list fully the basis for the proceeding. Trial on impeachment  
2 shall be conducted by the senate [HOUSE OF REPRESENTATIVES]. A supreme court justice  
3 designated by the court shall preside at the trial. Concurrence of at least two-thirds of the  
4 members of the senate [HOUSE] is required for a judgment of impeachment. The judgment may  
5 not extend beyond removal from office, but shall not prevent proceedings in the courts on the  
6 same or related charges.

7 \* Sec. 12. Article III, sec. 17, Constitution of the State of Alaska, is amended to read:

8 SECTION 17. CONVENING SENATE [LEGISLATURE]. Whenever the governor  
9 considers it in the public interest, the governor [HE] may convene the senate [LEGISLATURE,  
10 EITHER HOUSE, OR THE TWO HOUSES] in [JOINT] session.

11 \* Sec. 13. Article III, sec. 19, Constitution of the State of Alaska, is amended to read:

12 SECTION 19. MILITARY AUTHORITY. The governor is commander-in-chief of the  
13 armed forces of the State. The governor [HE] may call out these forces to execute the laws,  
14 suppress or prevent insurrection or lawless violence, or repel invasion. The governor, as provided  
15 by law, shall appoint all general and flag officers of the armed forces of the State, subject to  
16 confirmation by at least a majority of the members of the senate [LEGISLATURE IN JOINT  
17 SESSION]. The governor [HE] shall appoint and commission all other officers.

18 \* Sec. 14. Article III, sec. 20, Constitution of the State of Alaska, is amended to read:

19 SECTION 20. MARTIAL LAW. The governor may proclaim martial law when the  
20 public safety requires it in case of rebellion or actual or imminent invasion. Martial law shall  
21 not continue for longer than twenty days without the approval of at least a majority of the  
22 members of the senate [LEGISLATURE IN JOINT SESSION].

23 \* Sec. 15. Article III, sec. 23, Constitution of the State of Alaska, is amended to read:

24 SECTION 23. REORGANIZATION. The governor may make changes in the  
25 organization of the executive branch or in the assignment of functions among its units which the  
26 governor [HE] considers necessary for efficient administration. Where these changes require the  
27 force of law, they shall be set forth in executive orders. The senate [LEGISLATURE] shall have  
28 sixty days of a regular session, or a full session if of shorter duration, to disapprove these  
29 executive orders. Unless disapproved by resolution concurred in by a majority of the members  
30 [IN JOINT SESSION], these orders become effective at a date thereafter to be designated by  
31 the governor.

32 \* Sec. 16. Article III, sec. 25, Constitution of the State of Alaska, is amended to read:

1           SECTION 25. DEPARTMENT HEADS. The head of each principal department shall  
2 be a single executive unless otherwise provided by law. The head of each principal  
3 department [HE] shall be appointed by the governor, subject to confirmation by at least a  
4 majority of the members of the senate [LEGISLATURE IN JOINT SESSION], and shall serve  
5 at the pleasure of the governor, except as otherwise provided in this article with respect to the  
6 lieutenant governor [SECRETARY OF STATE]. The heads of all principal departments shall  
7 be citizens of the United States.

8 \* Sec. 17. Article III, sec. 26, Constitution of the State of Alaska, is amended to read:

9           SECTION 26. BOARDS AND COMMISSIONS. When a board or commission is at the  
10 head of a principal department or a regulatory or quasi-judicial agency, its members shall be  
11 appointed by the governor, subject to confirmation by at least a majority of the members of the  
12 senate [LEGISLATURE IN JOINT SESSION], and may be removed as provided by law. They  
13 shall be citizens of the United States. The board or commission may appoint a principal  
14 executive officer when authorized by law, but the appointment shall be subject to the approval  
15 of the governor.

16 \* Sec. 18. Article IV, sec. 10, Constitution of the State of Alaska, is amended to read:

17           SECTION 10. COMMISSION ON JUDICIAL CONDUCT. The Commission on Judicial  
18 Conduct shall consist of nine members, as follows: three persons who are justices or judges of  
19 state courts, elected by the justices and judges of state courts; three members who have practiced  
20 law in this state for ten years, appointed by the governor from nominations made by the  
21 governing body of the organized bar and subject to confirmation by at least a majority of the  
22 members of the senate [LEGISLATURE IN JOINT SESSION]; and three persons who are not  
23 judges, retired judges, or members of the state bar, appointed by the governor and subject to  
24 confirmation by at least a majority of the members of the senate [LEGISLATURE IN JOINT  
25 SESSION]. In addition to being subject to impeachment under Section 12 of this article, a  
26 justice or judge may be disqualified from acting as such and may be suspended, removed from  
27 office, retired, or censured by the supreme court upon the recommendation of the commission.  
28 The powers and duties of the commission and the bases for judicial disqualification shall be  
29 established by law.

30 \* Sec. 19. Article IV, sec. 15, Constitution of the State of Alaska, is amended to read:

31           SECTION 15. RULE-MAKING POWER. The supreme court shall make and  
32 promulgate rules governing the administration of all courts. It shall make and promulgate rules

1 governing practice and procedure in civil and criminal cases in all courts. These rules may be  
2 changed by the senate [LEGISLATURE] by at least two-thirds vote of the members [ELECTED  
3 TO EACH HOUSE].

4 \* ~~Sec. 20.~~ Article VI, sec. 1, Constitution of the State of Alaska, is amended to read:

5 SECTION 1. ELECTION DISTRICTS. Members of the senate [HOUSE OF  
6 REPRESENTATIVES] shall be elected by the qualified voters of the respective election districts.  
7 The boundaries of the election districts shall be set by the governor after each decennial  
8 census of the United States [UNTIL REAPPORTIONMENT, ELECTION DISTRICTS AND  
9 THE NUMBER OF REPRESENTATIVES TO BE ELECTED FROM EACH DISTRICT SHALL  
10 BE AS SET FORTH IN SECTION 1 OF ARTICLE XIV].

11 \* Sec. 21. Article VI, sec. 3, Constitution of the State of Alaska, is amended to read:

12 SECTION 3. REAPPORTIONMENT OF SENATE [HOUSE]. The governor shall  
13 reapportion the senate [HOUSE OF REPRESENTATIVES] immediately following the official  
14 reporting of each decennial census of the United States. Reapportionment shall be based upon  
15 civilian population within each election district as reported by the census.

16 \* Sec. 22. Article VI, sec. 4, Constitution of the State of Alaska, is amended to read:

17 SECTION 4. METHOD. Reapportionment shall be by the method of equal proportions,  
18 except that each election district having the major fraction of the quotient obtained by dividing  
19 total civilian population by fifty-five [FORTY] shall have one senator [REPRESENTATIVE].

20 \* Sec. 23. Article VI, sec. 6, Constitution of the State of Alaska, is amended to read:

21 SECTION 6. REDISTRICTING. The governor may further redistrict by changing the  
22 size and area of election districts, subject to the limitations of this article. Each new district so  
23 created shall be formed of contiguous and compact territory containing as nearly as practicable  
24 a relatively integrated socio-economic area. Each shall contain a population at least equal to the  
25 quotient obtained by dividing the total civilian population by fifty-five [FORTY]. Consideration  
26 may be given to local government boundaries. Drainage and other geographic features shall be  
27 used in describing boundaries wherever possible.

28 \* Sec. 24. Article VI, sec. 8, Constitution of the State of Alaska is amended to read:

29 SECTION 8. REAPPORTIONMENT BOARD. The governor shall appoint a  
30 reapportionment board to act in an advisory capacity [TO HIM]. It shall consist of five  
31 members, none of whom may be public employees or officials. At least one member each shall  
32 be appointed from the Southeastern, Southcentral, Central, and Northwestern areas of the state

1 [SENATE DISTRICTS]. Appointments shall be made without regard to political affiliation.  
2 Board members shall be compensated.

3 \* Sec. 25. Article VII, sec. 3, Constitution of the State of Alaska, is amended to read:

4 SECTION 3. BOARD OF REGENTS OF UNIVERSITY. The University of Alaska shall  
5 be governed by a board of regents. The regents shall be appointed by the governor, subject to  
6 confirmation by at least a majority of the members of the senate [LEGISLATURE IN JOINT  
7 SESSION]. The board shall, in accordance with law, formulate policy and appoint the president  
8 of the university. The president [HE] shall be the executive officer of the board.

9 \* Sec. 26. Article IX, sec. 17(c), Constitution of the State of Alaska, is amended to read:

10 (c) An appropriation from the budget reserve fund may be made for any public purpose  
11 upon affirmative vote of at least three-fourths of the members [OF EACH HOUSE] of the senate  
12 [LEGISLATURE].

13 \* Sec. 27. Article X, sec. 12, Constitution of the State of Alaska, is amended to read:

14 SECTION 12. BOUNDARIES. A local boundary commission or board shall be  
15 established by law in the executive branch of the state government. The commission or board  
16 may consider any proposed local government boundary change. It may present proposed changes  
17 to the senate [LEGISLATURE] during the first ten days of any regular session. The change  
18 shall become effective forty-five days after presentation or at the end of the session, whichever  
19 is earlier, unless disapproved by a resolution concurred in by at least a majority of the members  
20 of the senate [EACH HOUSE]. The commission or board, subject to law, may establish  
21 procedures whereby boundaries may be adjusted by local action.

22 \* Sec. 28. Article XIII, sec. 1, Constitution of the State of Alaska, is amended to read:

23 SECTION 1. AMENDMENTS. Amendments to this constitution may be proposed by  
24 at least a two-thirds vote [OF EACH HOUSE] of the membership of the senate  
25 [LEGISLATURE]. The lieutenant governor shall prepare a ballot title and proposition  
26 summarizing each proposed amendment, and shall place them on the ballot for the next general  
27 election. If a majority of the votes cast on the proposition favor the amendment, it shall be  
28 adopted. Unless otherwise provided in the amendment, it becomes effective thirty days after the  
29 certification of the election returns by the lieutenant governor.

30 \* Sec. 29. Article XV, Constitution of the State of Alaska, is amended by adding a new section to  
31 read:

32 SECTION 29. TRANSITION TO UNICAMERAL LEGISLATURE. (a) The following

1 provisions shall be followed in the transition from a bicameral to a unicameral legislature  
2 provided for under the 1992 amendments:

3 (1) the holdover members of the senate and those members of the senate and  
4 house of representatives elected to the Eighteenth Alaska State Legislature shall sit as a bicameral  
5 legislature during the first session, but shall sit as a unicameral legislature consisting of sixty  
6 members during the second session;

7 (2) at the first session of the Eighteenth Alaska State Legislature, the legislature  
8 shall make the necessary preparation for sitting as a unicameral legislature during the second  
9 session;

10 (3) no later than March 15, 1994, the governor shall redistrict the legislature in  
11 accordance with Article VI, Constitution of the State of Alaska, to provide for a unicameral  
12 legislature consisting of fifty-five members based upon the total population of the State as  
13 determined by the most recent decennial federal census;

14 (4) at the 1994 general election, twenty-seven members of the legislature shall be  
15 elected to four-year terms, and twenty-eight members shall be elected to two-year terms, set by  
16 the governor in the redistricting plan under (3) of this section;

17 (5) a member of the senate elected to a four-year term in 1992 may not serve as  
18 a member of the Nineteenth Alaska State Legislature unless the member is elected at the 1994  
19 general election to serve in the unicameral legislature.

20 (b) Notwithstanding Article XIII, sec. 1, if the voters approve more than one amendment  
21 to the same section of the constitution in 1992, the revisor of statutes shall adopt language that  
22 reconciles the amendments so as to preserve the substance of each to the greatest extent possible.  
23 The language adopted by the revisor under this subsection shall constitute the amended language  
24 of that section.

25 \* Sec. 30. Article II, sec. 10, article VI, secs. 2, 5, and 7, and article XIV, Constitution of the State  
26 of Alaska, are repealed.

27 \* Sec. 31. Section 29 of this resolution takes effect January 1, 1993.

28 \* Sec. 32. Sections 1 - 28 and sec. 30 of this resolution take effect January 1, 1994.

29 \* Sec. 33. The amendments proposed by this resolution shall be placed before the voters of the state  
30 at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and  
31 the election laws of the state.

ALASKA STATE LEGISLATURE  
REPRESENTATIVE MIKE NAVARRE

Co-Chair  
House Finance Committee  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3779

SPONSOR STATEMENT

April 13, 1992

TO: Representative Eileen Maclean, Co-Chair, House Finance Committee  
Representative Mike Navarre, Co-Chair, House Finance Committee

FROM: Representative Mike Navarre 

SUBJECT: HJR 80, A resolution proposing amendments to the Constitution of the State of Alaska establishing a unicameral legislature.

.....  
House Joint Resolution 80 was introduced to allow a vote of the people on establishing a unicameral legislature.

The unicameral legislative body is quite common. Virtually all local governments in the United States have, by design, a unicameral process. When proposed at the state level, however, it's often been met with strong opposition. Nebraska is the only state to have a unicameral legislature. It seems to work well there.

The idea of a unicameral legislature is not new to Alaska. In the 1930's, Judge Dimond suggested Alaska's Territorial Legislature be a unicameral body. Later, at the State Constitutional Convention, there were a number of delegates who favored a one-body legislature. The proposal was defeated by some who felt that a single legislative body lacked a certain formality, and that two legislative bodies were needed.

In 1976, Alaskan voters approved a statewide ballot question which requested the legislature to proceed with a constitutional amendment for a unicameral legislature. The legislature did not act on the initiative, and the concept once again faded into obscurity.

I believe a unicameral legislature offers a more efficient process, and will make no appreciable difference in how our current system of "checks and balances" actually functions. For example: More often than not, bills introduced in the House or Senate have a duplicate "companion measure" in the other body. This enables a bill's progress through the second body to be "speeded up," by waiving duplicate committee hearings on substantially identical bills. Essentially, this practice is an "end run" around the bicameral process, and provides a valid argument for a unicameral body. More thought provoking examples follow.

Another example: although uncommon, sometimes badly flawed legislation leaves the house in which it was originally introduced, with members of that body secure in the knowledge that the legislation will "get fixed" (or perhaps even die) in the other body. A unicameral legislature discourages this practice, because it demands careful consideration of legislation, with more care given to crafting the final product.

DISTRICT 5

34824 K-Beach Road • Soldotna, Alaska 99669 • (907) 262-7842



PRINTED ON RECYCLED PAPER

Another example: Unicameral form of government advances the opportunity for the demystifying of government. John Q. Public will have a simpler and more understandable type of government, therefore public accountability / awareness is increased.

Another thought: Currently, under a bicameral system, we have 60 legislators, it is conceivable that 10 senators can stop or hinder a bill. Under the same size unicameral body it would require 31 legislators to stop a bill.

Another example: Every session after both Houses have held extensive budget related hearings, the budget goes to a joint House/Senate conference committee. The conference committee is composed of three members of each House, who sit and decide the fate of four months of finance committee and subcommittee work. The previous committee work often has little meaning when it comes to thumbs up or thumbs down on an individual appropriation. Unicameralism realistically probably will not end "good old boy" politics, but it will end part of the duplicate of effort that is currently applied to prospective legislation.

Yet another example: Every year, at the end of a legislative session, measures that have passed from one body into the other often become "trading stock" for members of that body, and are used to leverage action on a measure in the other house. A unicameral legislature eliminates this deplorable practice, and encourages consideration of legislation based on good public policy, rather than just the threat of "terrorists killing the hostage."

In conclusion, I offer that sending HJR 80 to the vote of the people we nothing to lose and everything to gain. The gain for the State of Alaska is a more streamlined, efficient, and better understood form of government.

## HJR 80 Fact Sheet

- Most local governments have a unicameral type of government. Therefore the transition to unicameralism would not be difficult for the people of the State of Alaska to accept.
- Nebraska is the only state to have an unicameral legislature. Reports from Nebraska are positive. Nebraskans wonder why other states do not adopt this sensible form of government.
- The Nebraska legislature is nonpartisan, but the executive branch and other elective offices stand for office on a partisan basis.
- Senators , as the Nebraska legislators are called, were intended to be independent actors, and according to reports are very independent.
- The Nebraska legislature has fourteen standing committees. The process of electing the presiding officer and the chairmen of these committees (by secret ballot, with committee members assigned by a committee on committees) appears to differ significantly from the method used in Alaska.
- The Nebraska constitution authorizes a legislative body of up to fifty members. It currently has forty-nine members.
- An unicameral legislature is not new to Alaska. In the 1930's it was considered by the Alaska Territorial Legislature considered, but tradition won out. In 1976, Alaskans approved a ballot measure requesting the state legislature to proceed with a constitutional amendment for an unicameral legislature. The legislature did nothing.
- Fears from special interests come from all quarters when a progressive change in a process is suggested. Special interests have to reorganize and make themselves again appear to be significant.
- "Checks and balances" will not be altered, in fact, they could be enhanced and their importance moved to the forefront of the legislative process.
- Under an unicameral form of government there would be no need for the duplicate effort of companion measures in the House and Senate. This time saving would create a more efficient system.
- Bartering of bills between the House and Senate would be eliminated.
- Another democratic value that should be enhanced by unicameralism in Alaska is the fact that there would be smaller election districts, therefore more direct access to one's elected representative.
- The unicameral form of government provides Alaskans with a simpler and more understandable system. Why make government more mystical or difficult when it doesn't have to be?

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## **Unicameralism v. Bicameralism: Let's put it to a vote**

Slowly and steadily winding its way through our arcane and circuitous legislative process (among some 1,200 bills and resolutions) is HJR80, a proposal to amend Alaska's constitution to establish a unicameral - one body - legislature. Eight years of legislative service have convinced me that Alaska would benefit from having just one lawmaking body in Juneau.

The justification and rationale for a bicameral (House and Senate) system no longer exist. During the quest for statehood, Alaska had to prove its political maturity to the rest of the United States. The unicameral system was deemed too risky and too hard to "sell" to Congress. Also, rural Alaskans wanted a Senate that would be apportioned geographically, unlike the House which would be apportioned based on population figures.

Well, Alaska is now a state and since 1962 (*Baker v. Carr*) the U.S. Supreme Court has required that state's apportion themselves according to population and not geography.

The unicameral system is the most common form of government in the U.S.; virtually all local governments have a unicameral process and many cities deal with budgets far greater than those of some states.

Nebraska has had a unicameral legislature since 1937. Cornhuskers today overwhelmingly support the one-body system and wonder why other states burden themselves with cumbersome bicameralism. An independent study of the 50 state legislatures ranked Nebraska first in accountability and ninth in overall structure and organizations.

The unicameral system already has been embraced by Alaskans. In a 1976 advisory referendum, Alaskans approved the unicameral system 58,782 to 55,204. This newspaper endorsed the idea as well, but the legislature ignored the advisory vote.

One body would alleviate the abuses and inefficiencies that currently exist in the legislature, providing a more productive and responsible lawmaking process. It would remedy the slow, wasteful and unwieldy system of duplicate committee hearings on identical legislation introduced just to appease certain constituencies. It also would put an end to legislative "horseraces," the practice of committees waiving bills to speed up the advancement of legislation for political purposes.

A particularly onerous element of bicameralism is the "conference committee," a special committee formed to resolve differences after one body amends a bill that the other body has already passed. This is when political chicanery is most apt to raise its ugly head, leaving the door open to secretive deals with cryptic motives.

Perhaps unicameralism's greatest advantage is that it offers more direct representation by reducing the size of election districts. HJR80 would establish one legislative body consisting of 50 lawmakers, each representing one district. It also clarifies the legislative process by making it simpler and easier to understand.

A Legislative Affairs fiscal analysis of a 50-member unicameral system shows a savings of several million dollars due to the reduced number of legislators, the consolidation of the chief clerk and senate secretary's offices, consolidation of sergeant at arms staff, consolidation of committee records staff, reduced office space, reduced travel and reduced supplies.

Critics would have you believe that a unicameral system encourages hasty, imprudent decisions and that two bodies act as a check against each other from passing ill-conceived and poorly drafted legislation. Wrong!

A bicameral legislature propagates closed-door deals between powerful members of each body and reduces accountability by complicating the process. Legislators can escape blame or avoid difficult decisions by passing a flawed bill onto the other body.

A unicameral body will open up and demystify the legislative process. The checks and balances of government will remain intact through constitutional safeguards, the executive veto and referendums. Legislation will actually be more thoroughly reviewed because legislators will no longer heedlessly assume that the second chamber will catch their mistakes.

HJR80 allows Alaskans the opportunity to vote on a more progressive legislative system, but that is only after the legislature has approved putting it on the ballot. Some legislators see HJR80 as risky because it changes the status quo. I am willing to take that risk if it means more effective and efficient government.

###

# *Sol-Ken Enterprises*

35277 Kenai Spur Hwy. • Soldotna, AK 99669  
(907) 262-4401

March 24, 1992

Rep. Mike Navarre  
P. O. Box V Capitol 515  
Juneau, AK 99811

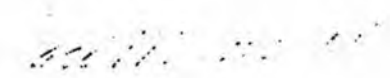
Dear Mike:

Just want you to know that I support your bill for a unicameral legislature.

I heard that a general election was held several years ago and a unicameral legislature bill was approved by the general public, however the vote was only advisory and no action was taken.

It would seem that if any item is worthy of being placed on a ballot then it must not be merely advisory but a mandate, and I would support such legislation.

Sincerely,

  
Earl Mundell

**RIC DAVIDGE**  
**3501 Admiralty Bay**  
**Anchorage, Alaska 99515**

March 26, 1992

Representative Mike Navarre  
Alaska State House  
Juneau, Alaska

Dear Representative Navarre:

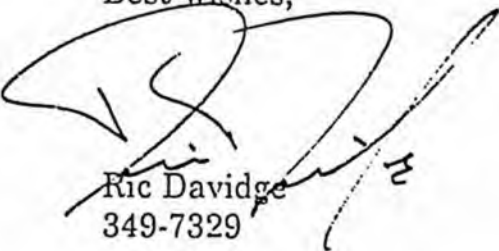
I have been involved in Alaskan political issues since 1973 and have been active with the legislature for most of those years. I want to extend my support to your efforts in moving toward a single house or unicameral legislature. Although committee chairmen will essentially continue to have the power they now hold, unless other reforms are enacted, by eliminating one house you significantly strengthen the legislative body. In Alaska this is very important because of the position power of the executive.

When the notion of checks and balances was drafted it was to ensure that one branch of government was checked by another. With two houses in the legislative branch it is at a disadvantage when compared to the executive or the judicial branches. Moving to one house helps the balance.

As you know Mike Bradner spent a great amount of time and effort on a unicameral legislature. I hope you have taken advantage of his experience.

One final question, what is the status of the advisory vote? We did favor a unicameral legislature. This is one of the reasons I support a Constitutional Convention - to ensure that the citizens of Alaska can amend our Constitution by direct referendum.

Best wishes,



Ric Davidge  
349-7329

# Unicameralism is fair

Dear Editor:

On March 30, Joe Henri's column assailed the efforts of Rep. Navarre and others to make the Alaska Legislature unicameral.

But, in fact, no change in Alaska's Constitution could be more useful than the change to a one-house legislature.

First, a unicameral legislature would allow rural areas to be represented adequately, as part of a 60-member body, without jeopardizing the principle of "one person, one vote." Thus, government would be closer to the people: Each of the 60 districts would be smaller than any of today's 40 House districts.

Second, a unicameral legislature would promote the accountability of elected officials. Today Alaskans must unravel esoteric arguments between the Senate and House; assess votes cast by legislators who may vote for a bill only because they expect the measure to die in the other body; and follow the progress of legislation from one chamber to the other and, later, to a conference committee.

Unicameralism would abolish conference committees, and so spare the public from unexpected last-minute changes. A one-house legislature could achieve shorter sessions at reduced cost to the public through greater efficiency. A one-house legislature would be less easily manipulated by special interests because of greater visibility and the fact that 31 votes, not 21 or 11 votes, would be needed to pass a law.

Bicameralism began in the days when one house "represented people," and the other house "represented trees." Nowadays, court decisions require "one person, one vote" in both bodies. The reason for a two-house legislature is gone. Nobody argues that the Anchorage Assembly should be bicameral, and the case for a bicameral legislature is no more compelling.



Legislators who seek reform deserve our respect. They are only trying to implement a change that a majority of Alaska voters, in an advisory referendum, have asked for.

Joe P. Josephson  
Anchorage

## Needy depend on grant

Dear Editor:

I am writing to urge that the Anchorage Social Services Block Grant not be cut from this year's budget.

I am a Jesuit volunteer who is doing a year of service at Bean's Cafe in Anchorage. Although I was an economics major in college, I do "social work" at Beau's Cafe. I went into the job with many preconceptions about the homeless, and sometimes I wonder if there is any solution to the homeless situation in Anchorage, or for that matter, the United States.

Many people believe that the work of Bean's Cafe is one of enabling people with alcohol and drug problems to continue to avoid any responsibility for their own lives by eating free meals until their checks come, then leaving to party for a couple of days.

I admit that there are a number of people like that here. However, there are also many people who have lost everything due to an injury at work and the high medical bills that result, or people who have lost their jobs due to the unstable economy and are having difficulty finding new work.

Bean's Cafe is the safety net that catches them before they fall onto the streets, with no resources at all. Bean's Cafe provides a place for them to regroup and try to get their lives back together. I have seen many people accomplish this during my year here. Many of these people only stayed here for a week others stayed for a couple of months, and there were several families that had been at Bean's Cafe for a couple of years, but now they are working and have a place to live.

I am imploring that the Social Services Block Grant not be cut out of this year's budget. Too many people depend on the services it allows agencies to provide. Too many lives have been changed by the agencies it serves.

Paul Knaysi  
Anchorage

## Biased commentary

Dear Editor:

I am a Clinton supporter who was disturbed by an editorialized "new story" aired on Channel 11 morning news program April 3. In this news program, the reporter stated that Bush, according to Hellenthal poll, was the front-runner in Alaska as the only candidate that supported oil development.

It was then stated as fact that Alaskans would find it difficult to vote against their own Permanent

ANCHORAGE TIMES  
APRIL 13, 1992



# Apprise or Dissent

## *Unicameralism lives up to promise*

By William Barrett

Speaker, Nebraska Legislature

In scrapping the conventional practice of legislative bicameralism 50 years ago, the framers of the Unicameral sought to expand the horizons of democratic government in Nebraska.

Unicameralism, they knew, would eliminate the "conference committee," a device common to two-house legislatures in which a small, select group meets, often in secret, to resolve differences between the two houses.

Unicameralism, they believed, would simplify the legislative process, and make it easier for the media to cover and the populace to understand by reducing the number of hurdles a proposed policy would have to clear. Unicameralism, they envisioned, would help focus more clearly the responsibility for actions and inactions of elected representatives.

Framers of the Unicameral recognized that a legislature in a democratic society is something more than just making laws. It is more than an education policy, tax policy or health policy. Above all, a legislature is a process — a process by which conflict is managed, consensus built and problems peacefully resolved. The framers of the Unicameral sought to house the legislative process in an eminently open and democratic framework.

By nearly all accounts, the Unicameral experiment has been true to its founders' intentions. As a nationwide citizens' study concluded a while back, no other state legislature is more naked to public view, more responsive to the consent of the governed or freer from the influence of political machines than Nebraska's. Every step in the

legislative process, from the introduction of bills to their debate and disposal, is open to public participation and scrutiny.

In our system, the Legislature is the ONLY political institution that can, and does, debate matters openly and publicly. This is an obvious but often overlooked and underappreciated point. Pundits tend to scorn the messiness and untidiness of the legislative process. But the messiness and untidiness — and, yes, occasional chaos and disorder — that appear on the surface of the legislative arena are signs of the success, not the failure, of the democratic process.

Characteristic of Nebraska's people, the Unicameral is a lively, independent, immensely democratic institution. That's not the case in a lot of other state legislatures.

To be sure, the Unicameral is not without its shortcomings. But they are largely shortcomings of human nature, not of the democratic process.

Moreover, representative government in Nebraska is a bargain. It costs just \$4.23 per person per year. By comparison, the bicameral legislature in Michigan costs \$6.18.

Fifty years ago, unicameralism was a daring experiment. Today, it's a time-honed and honored tradition in Nebraska, reflecting the resilient democratic character of our people. In no other way, or in any other place, can citizens make their voices heard and their wishes known in such an open, accessible and peaceful fashion. The surprise, if any, is that the process works as well as it does.

While it's not without its faults, the Unicameral is well worth nurturing and nourishing for another 50 years.

# Nebraska Still Alone On 1-House System

By Rick Atkinson

The Washington Post

Lincoln — When the gavel came down Monday to end this year's session of the Nebraska Legislature, lawmakers had pondered the usual sublime-to-ridiculous array of issues facing every state. Here these include school financing, drugs, abortion and whether to honor the founder of the National Liars Hall of Fame in Dannebrog.

Unlike in the 49 other states, in Nebraska the gavel fell only once. For more than half a century, this state has remained proudly and uniquely unicameral — the sole state legislature with only one house.

"There's so very little that's really different among the 50 state governments, but this is something that really is different," said Robert Sittig, a professor of political science at the University of Nebraska. "And people in Nebraska are anywhere from very to wildly supportive of it."

#### Interest From Others

Delegations from other states regularly troop through Lincoln to study the virtues of unicameralism. California, North Dakota and Montana flirted with the idea in the 1970s; Mississippi, Minnesota and Florida considered it more recently. But all remain resolutely bicameral.

"It's sort of a lost cause," said Dale Olsen, a unicameral enthusiast and chairman of the political science department at the University of Minnesota in Duluth. "It's just not catching on because, if you're a state legislator, switching from a bicameral system can mean voting yourself out of a job."

Nebraska also is unique in that its legislature is non-partisan and relatively small — 49 members, each called "senator." Although all but one senator are registered as Republicans or Democrats, party affiliation counts for virtually nothing within the 400-foot state capitol.

Coalitions congeal and crumble around particular issues such as water development or education reform rather than at the direction of partisan caucuses. The 13 standing-committee chairmanships are selected by secret ballot of the full Legislature; although registered Republicans hold a 29-to-19 edge, Democrats occupy several important chairs.

"It's much easier to accomplish things there," said Rep. Doug Bereuter, R-Neb., who served in the Nebraska Legislature before being elected to Congress in 1978. "You are much more likely, in my opinion, to have your ideas judged on the merits. I still have a very difficult time coping with the rather extraordinary degree of partisanship in the Congress."

On the other hand, Bereuter said, "one of the defects is that there is a lack of leadership structure with which to advance matters of statewide influence. . . . Members tend to be more parochial — representing their little fiefdoms — to an extent greater than in most legislative bodies."

#### 'Third House'

The animating spirit behind the switch to unicameralism in the mid-1930s was Nebraska's great populist Sen. George W. Norris. A maverick Republican, Norris detested the secrecy and lack of accountability in what he called the "third house" found in most bicameral systems: the "conference committee" appointed to resolve differences between House and Senate versions of a bill.

At Norris' urging, Nebraska voters agreed to abolish their bicameral, 133-member legislature and replace it with "the Unicam" that first met in January 1937. Apparently in a reforming mood, the state also approved on the same ballot panmuel horse racing and sale of beer. Not least among selling points in the Great Depression was a recognition that one house would be cheaper.

To compensate for the missing check-and-balance brake provided by a second house, Nebraska requires three votes on proposed laws and public hearings on most bills. Filibusters also are possible, and the Legislature this year endured a shorter version of the abortion-bill filibuster that recently paralyzed the Maryland Senate.

Non-partisan unicameralism has its critics. Nebraska governors routinely complain of difficulty in finding the kind of political leadership that can cut deals and expedite legislation.

"The Unicameral also is very subject to being influenced by outside interests," Bereuter said. "It's a happy hunting ground for lobbyists. Because you have only one house and only one set of informal leadership, it's noticeably more influenced by lobbying interests than is the Congress."

#### Higher Pay

For many years, the Legislature here was considered "an end rather than a beginning for political careers," said State Sen. Dennis Baack, 43, a wheat farmer from Kimball.

Very few legislators, such as Bereuter, made the leap to statewide or national offices, in part because the \$4,800 annual salary tended to dissuade the young and ambitious from service in the Unicameral. The pay recently was raised to \$12,000, which is expected to lure younger candidates.

Dick Herman, editorial-page editor of the Lincoln Journal and a statehouse observer since the early 1960s, said, "The changes that I see include more young members, more ambitious members, a greater reliance on staff, larger staffs, a move toward 'caseworking' instead of public-policy issues. They've become small congressmen. They are far less citizen legislators than they were 15 or 20 years ago. They're much more professionalized, much more attuned to the exploitative potential of television."

#### Great Compromise

The bicameralism so stubbornly maintained elsewhere in the Union reflects the nearly universal mimicry in state capitals of the Great Compromise that broke the deadlock between large and small states at the Constitutional Convention in 1787.

There, the U.S. Congress was made bicameral, with equal representation in the Senate — thus protecting the interests of smaller states — and proportionate representation in the House, guaranteeing the political clout of large states.

A one-house, popularly elected legislature was considered by many to be potentially radical and unpredictable, and thus a threat to the propertied class.

But in Nebraska, at least, there appears to be widespread concurrence with the political theory recalled not long ago by a lawyer writing in the Mississippi Law Journal. There is no need, he noted, to have "two sets of fools arguing over what to do" when one set can do the job just fine.

# Nebraska's great experiment now beginning its 50th year

The experiment is 50 years old. Nebraska's unicameral legislature launches its golden anniversary year this morning at 10 a.m. when it convenes in an extraordinary regular session at the Capitol.

Special sessions used to be extraordinary — but they're the ones that are more regular now.

Nebraska's grand experiment in government began on Jan. 5, 1937, when the one-house legislature set out on its maiden voyage.

Its father, George Norris, Nebraska's legendary U.S. senator from McCook, was on hand to see his child off. Norris spearheaded the successful effort in 1934 to win citizen approval of an initiative proposal to move to one house.

"Norris on Rostrum as his Lawmaking Dream is Realized," a headline in *The Lincoln Star* trumpeted.

"The largest crowd ever to greet a new legislative session in Nebraska jammed the former House chamber Tuesday noon, packed the aisles and all available floor space at the rear and sides, as well as the galleries, and thronged behind and around every doorway," the *Lincoln Journal* reported somewhat breathlessly.

"Long before the big clock marked the historic moment of noon, legislative fans and followers were in their seats. Nothing quite like this reception was ever seen before in a Nebraska Capitol."

IN A brief address, Norris challenged senators to make the new system work.

"Upon you, and your work, will be focused the eyes of all students of government all over the nation.

"Every professional lobbyist, every professional politician and every representative of greed and monopoly is hoping and praying that your work will be a failure."

Norris wasn't exactly a great admirer of the lobby.

He had long argued that the greatest evil of the two-house system was the conference committee where representatives from each house hammered out the final version of legislation behind closed doors. That's an environment, he said, where lobbyists usually have their way.

But two houses are needed to provide checks and balances, critics contended.

Yeah, Norris retorted, "the politicians get the checks and the special interests get the balance."

**NORRIS**, who won his last term in the Senate as an independent in 1934, was no admirer of party politics



Nebraska State Historical Society

Nebraska Unicameral is called into session on Jan. 5, 1937.



Don Waton

either.

"You are members of the first legislature of Nebraska to hold your positions without any partisan political obligation to any machine, to any boss, or to any alleged political leader," he told the brand new non-partisan Unicameral 50 years ago.

"We expect an economical and efficient administration and, above all, an honest administration free from any partisan bias, political prejudice, or improper influences.

"You have an opportunity to render a service to your fellow citizens that no other Legislature has ever had."

Has the Unicameral worked?  
To perfection, no.

What instrument that relies on human behavior does?

But, in substance, yes. Certainly in terms of providing the openness that Norris wanted. No other legislature in the land is more naked to public view.

And in a body in which there are only 49 members to track, no legislator can avoid accountability or hide unnoticed in the shadows — as

today's 49 senators will quickly discover.

Although its non-partisan aspect may continue to be the subject of occasional debate, Nebraska's one-house Legislature is alive and well at 50. And clearly destined for a long life.

But it's likely to remain unique, too.

**THE UNICAMERAL** is like the bearded lady in the sideshow, its longtime clerk, Hugo Srb, used to say. Everyone wants to see her; but nobody wants to take her to lunch.

A look back at those newspapers now 50 years old is instructive.

The headline in the Jan. 7, 1937 edition of the *Lincoln Journal* essentially may be duplicated in tomorrow's editions.

"No new taxes says Cochran," the bannerline announced.

Kay Orr may deliver the same gubernatorial message when she is inaugurated Thursday.

Fifty years ago, the first Unicameral elected a man from Waverly as its speaker: Charles Warner, its senior member in years of legislative service.

Today his son, Jerry, will be re-elected chairman of the Legislature's Appropriations Committee. He has been speaker, too. And he's the senior member of the Unicameral now.

Times change — but not that much. And there are threads always connecting us with our past.

PLEASE MICROFILM TOP PAGE ONLY

DOCUMENTS WHICH HAVE NOT BEEN  
FILMED BUT ARE AVAILABLE IN THE  
ORIGINAL FILE INCLUDE:

→ REPORT BY JACK RODGERS  
RE: UNICAMERAL'S 50<sup>th</sup> ANNIVERSARY  
THE NEBRASKA LEGISLATURE'S GOLDEN  
ANNIVERSARY 1937-87



Official Business

# Alaska State Legislature

## Senate

### Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

The Honorable Richard Eliason  
President  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Eliason:

In accordance with AS 39.05.080, the Senate Finance Committee reviewed the qualifications of Darrel J. Rexwinkel for appointment as Commissioner of Revenue. There were no stated objections to confirmation of Mr. Rexwinkel by committee members. This does not reflect an intent by any of the members to vote for or against him during any further sessions for the purpose of consideration.

Respectfully,

\_\_\_\_\_  
Senator Pat Pourchot, Co-chairman

\_\_\_\_\_  
Senator Jay Kerttula, Co-chairman

Members:

\_\_\_\_\_  
Senator Jim Duncan

\_\_\_\_\_  
Senator Al Adams

\_\_\_\_\_  
Senator Lyman Hoffman

\_\_\_\_\_  
Senator Dick Shultz

\_\_\_\_\_  
Senator Rick Uehling



OFFICIAL BUSINESS

Alaska State Legislature  
Senate  
Office of the Secretary

STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-3701  
FAX: 465-2832

January 24, 1992

M E M O R A N D U M

TO: Senator Pourchot, Co-Chair  
Senator Kerttula, Co-Chair  
Finance Committee

FROM: Nancy Quinto  
Secretary of the Senate

RE: Confirmation of Governor's Appointees

Pursuant to AS 39.05.080, President Eliason has referred the position noted to your committee for a hearing, recommendation and report:

Department of Revenue  
Commissioner Darrel J. Rexwinkel

w/attached resume

**DARREL J. REXWINKEL**

P.O. Box 33063  
Juneau, Alaska 99803

Home (907) 790-2069  
Office (907) 465-2300

**Employers:**

- 1991 - Present    **Deputy Commissioner, Treasury**  
State of Alaska, Department of Revenue
- 1988 - 1991    **Chief Fiscal Officer**  
Municipality of Anchorage, Alaska, a municipality with diverse operations and combined revenues over \$800 million. Initial Municipal position was Controller.
- 1987 - 1988    **Controller**  
Alaska International Airport System consisting of the Anchorage and Fairbanks International Airports owned by the State of Alaska with over \$50 million in revenue.
- 1985 - 1987    **Vice President, Finance and Administration**  
Frontier Companies of Alaska, Inc., construction and transportation company with over \$110 million in revenue.
- 1982 - 1985    **Vice President, Finance and Administration**  
Calista Corporation, retail land, service, distribution and construction company with over \$70 million in revenue.
- 1966 - 1982    **Manager**  
Ernst & Young; Coopers & Lybrand, CPA's  
Los Angeles, California; Cleveland, Ohio; and Anchorage, Alaska

**Professional Experience:**

Manage treasury functions for the State of Alaska. This includes investment responsibility for over \$7 billion of which \$5 billion held in trust for two major defined benefit pension plans. Act as commissioner of revenue in the commissioner's absence.

Manage the Municipality of Anchorage Finance Department, which includes four major divisions as follows: Controller, Treasury, Property Assessment, and Risk Management. The department has 132 employees and an annual budget of approximately \$14 million. Member of Mayor's Executive Committee.

Administered Alaska International Airport System financial functions in accordance with state, federal, and airline operating agreement requirements.

Managed independent financial audits of several Alaska political subdivisions and performed various consulting services. Interpreted and applied generally accepted accounting principles and federal, state, and local requirements.

Reported to presidents at Frontier and Calista with responsibility for accounting, data processing, procurement, and corporate administrative functions. Assisted presidents with operations supervision.

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HOUSE FINANCE COMMITTEE  
MARCH 11, 1992  
1:40 P.M.

TAPE HFC 92-33, Side 2, #000 - end.  
TAPE HFC 92-34, Side 1, #000 - #633.

CALL TO ORDER

Co-Chair Mike Navarre called the meeting of the House Finance Committee to order at 1:40 p.m.

PRESENT

Co-Chair Navarre	Representative Barnes
Co-Chair MacLean	Representative Brown
Vice-Chair Boyer	Representative Jacko
Representative Koponen	Representative Larson
Representative Phillips	Representative Sharp
Representative Ulmer	

ALSO PRESENT

Darrel Rexwinkel, Commissioner, Department of Revenue.

SUMMARY INFORMATION

Confirmation Hearings:

Department of Revenue - Commissioner Designee  
Darrel Rexwinkel

HB 303 An Act relating to the state's right to appeal in criminal cases; relating to sentence appeals from sentences imposed by the district court; amending Rule 202 of the Alaska Rules of Appellate Procedure; and providing for an effective date.

CS HB 303 (FIN) was reported out of Committee with "individual recommendations" and with zero fiscal notes by the Alaska Court System, the Department of Public Safety, the Department of Administration dated 2/07/92, and the Department of Law dated 2/07/92.

HB 508 An Act relating to the establishment of the Business Park Wetlands Special Management Area; and providing for an effective date.

CS HB 508 (FIN) was reported out of Committee with a

"do pass" recommendation and with zero fiscal notes by the Department of Fish and Game and the Department of Natural Resources dated 2/28/92.

CONFIRMATION HEARING-DEPARTMENT OF REVENUE-DARREL REXWINKEL

Co-Chair Navarre asked the status of the Memorandum of Understanding (MOU) between the Department of Revenue and the Department of Law.

DARREL REXWINKEL, COMMISSIONER, DESIGNEE, DEPARTMENT OF REVENUE, noted that the MOU relates to tax resolutions. There are several tax cases addressing substantial amounts of money going back to 1978. Most funds are included in the 1978 - 1982 time frame. The tax amount is becoming dwarfed by the amount of interest accumulated on those funds.

Commissioner - Designee Rexwinkel commented on the long history between the Department of Revenue and the Department of Law and the Attorney General's authority. The Commissioner of Revenue has the responsibility to establish tax policy, auditing tax returns, making assessments and taking cases through the formal and informal hearing process. The Attorney General has statutory responsibilities that binds the State in tax compromise. He emphasized that the Commissioner of Revenue can only propose the tax with legal advice provided by the Attorney General through the Department of Law.

Co-Chair Navarre asked who would be in charge of the hearing section. Mr. Rexwinkel replied he would be in charge of tax audits, assessments and hearings. He pointed out that once an issue passes the assessment stage it then requires the legal presence by the Department of Law.

Representative Phillips asked about the advice given from the Attorney General's office indicating that a portion of the oil settlement money will not go into the Constitutional Reserve Fund. He asked the Mr. Rexwinkel's position. Commissioner - Designee Rexwinkel noted that there was a constitutional amendment passed by the voters. He pointed out that Mr. Baldwin issued a draft opinion. He looked to the Attorney General to help clarify the language. He stated that he was not in the position to know the intent of the voters.

Representative Phillips felt that Mr. Rexwinkel must have a personal opinion regard this issue and questioned what would be "good" public policy. Commissioner - Designee Rexwinkel stated that he took an oath to uphold the laws of the State and replied that if the Attorney General states that something is the law of the State, as Commissioner, he would uphold that law.

Representative Phillips stated that there are legal opinions

which are not appropriate or "good public policy". He thought that putting oil funds into the Budget Reserve Account would be "poor public policy". Commissioner - Designee Rexwinkel replied that the Legislature should deal with those purposes. He noted that the Legislature is the public policy setter and felt that his position was only procedural.

Representative Brown agreed with Representative Phillips that Mr. Rexwinkel must have an opinion on the Constitutional budget reserve issue. She spoke in regard to Mr. Baldwin's opinions noting the administrative codes. She felt that administrative proceedings have connected with proceedings prescribed in the administrative code. She asked if he agreed. Commissioner - Designee Rexwinkel stated that it connected with administrative law. Representative Brown asked where the line is drawn and when the decision becomes subject to an administrative proceedings therefore destined for the constitutional budget reserve as opposed to the general fund. She noted that the Legislature anticipated the capture of the back tax "windfall".

Commissioner - Designee Rexwinkel noted that he is not in a position to argue the merits of Mr. Baldwin's opinion. He asked that the Committee speak with the Attorney General regarding the opinion. Representative Brown pointed out that there is a place for lawyers and a place for policy makers. She added that she is troubled that the lawyers are running the show in regard to policy. She felt that this situation held significant policy implications. Representative Brown addressed the statutory responsibility regarding the office of Commissioner and felt that Commissioner - Designee Rexwinkel had given away too much authority to the Department of Law.

Mr. Rexwinkel disagreed. He felt that she was isolating statutes. Representative Brown agreed that when it gets to the point of litigation, the Attorney General has broad powers and presently they are addressing the proceedings regulating the Department of Revenue. Commissioner - Designee Rexwinkel stated that everyone is entitled to their opinion. He defended his position with examples of work he had performed in the past week.

Representative Brown asked the historical recovery rate of funds in disputed tax cases from the petroleum producers. Mr. Rexwinkel stated that the returns have not been very good. Representative Brown asked if a threshold recovery amount had been established. Mr. Rexwinkel was not prepared to make that statement. Representative Brown asked if the approach to what would constitute an acceptable settlement in back taxes, relative to what the Department has achieved in past settlements, had been made. Commissioner - Designee Rexwinkel

stated that the Department of Revenue has maintained high standards.

Representative Sharp supported the unified relationship between the Attorney General and the Department of Revenue. He asked if the Department of Revenue had categorized the past due tax assessments and determined what would go into the Constitutional Reserve Fund or the Budget Reserve Fund. Commissioner - Designee Rexwinkel stated that the Governor's Office has not recommended that this be done. He pointed out that he has accumulated a list of the outstanding receivables in conjunction with the Attorney General's Office. Representative Larson supported the work between the two departments.

Representative Ulmer spoke on the fiduciary responsibility of managing \$7 billion dollars for the State of Alaska. She emphasized the responsibility that this role assumes. Commissioner - Designee Rexwinkel noted that this is a cost effective operation. He pointed out that 85% - 90% of the investment returns address an appropriate allocation structure. The Department of Revenue has hired a firm to provide an integrated obligation allocation study which will increase the preservation of the capital without undue risk. Good procedures are being implemented to provide better funded ratios. He added that there is currently a bill being proposed to replace the Commissioner as the sole fiduciary and he would be replaced with an investment Board consisting of eight members.

Representative Ulmer asked if the Permanent Fund application had been simplified. Commissioner - Designee Rexwinkel replied that the Department is trying to make this time consuming program more cost effective. They have developed a form in which a person would only be required to complete the front side of the form. He added that nothing has been changed, just rearranged.

(Tape Change, HFC 92-33, Side 1).

Representative Ulmer advised that the Alaska Permanent Fund application provides an opportunity to obtain statistical information about its residents. Commissioner - Designee Rexwinkel commented that Alaskans pride themselves on their "right to privacy".

Co-Chairman Navarre suggested making the PFD application to include data information beneficial to state policy decisions and making it a requirement to provide this information in order to receive a check.

Representative Brown questioned Mr. Rexwinkel's philosophy on

revenue measure proposals given the State's situation. Commissioner - Designee Rexwinkel replied that the Department is currently not looking at any new revenues except a gas tax. He noted that other taxes would be specialty areas.

Representative Brown believed that the State's financial problems lay in the fact that Alaska is dependent on one source of income. She asked if Mr. Rexwinkel shared the belief that the State needs to fundamentally change the structure of the tax base for the future. Commissioner - Designee Rexwinkel noted that other states have a less strong fiscal base and are having greater financial down grading. He added that Alaska continues to receive higher financial upgradings. He would not at this time propose a broad base tax such as a sales tax or a personal income tax.

Representative Brown referenced HB 329 relating to the net income subject to state income tax for foreign corporations, flights and crew ships. She asked if he would pursue this legislation. Commissioner - Designee Rexwinkel stated that he had not focused on HB 329 although he offered to check on the status of the bill.

Representative Brown asked if the Administration had introduced the motor fuel proposal. Mr. Rexwinkel could not answer that question.

Co-Chair Navarre asked which other States were having a more severe budget crisis than Alaska. He pointed out that everything in Alaska is an output except for oil revenues, which currently covers all services. At this time there is no way to recover costs. The tax base is not in alignment and is not balanced.

Representative Phillips recommended reducing the budget and then at a later date adding taxes. Representative Boyer commented on the planning and timing involved in establishing a broader tax base. He thought that it was brave of Mr. Rexwinkel not to provide a plan with progressive taxation methods to fill the budget projections and bring expenditures under control. He asked that the Commissioner - Designee think through the recommendations made by Committee members.

Commissioner - Designee Rexwinkel noted that the Department has made revenue projections incorporating the possibility of a personal income tax. Should a tax be implemented at this time, it would generate between \$250 - \$400 million dollars a year in revenues.

Representative Ulmer pointed out that the only reason the bond rating for Alaska has not dropped is because of the permanent fund. She asked if the Legislature were to pass a personal

income tax bill, would he recommend the Governor veto or sign the bill. Commissioner - Designee Rexwinkel replied that it would be difficult to recommend a personal income tax.

Representative Brown asked Commissioner - Designee Rexwinkel if he thought the Legislature has the authority to appropriate funds from the Alaska Housing Finance Corporation (AHFC) reserve. Commissioner - Designee Rexwinkel replied that the Legislature does have broad powers and that he did not know the legal implications of that power with regard to the AHFC reserve. He thought that the Board would take a position and then it would be brought to the Legislature for final consideration. Representative Brown pointed out that the Commissioner was a statutory member of that board.

Representative Brown questioned how the Department would balance the different types of taxes to encourage compliance with the law. Commissioner - Designee Rexwinkel replied that all returns from oil and gas are audited. Income and excise audit receives twenty thousand returns each year. Most of the returns which generate tax revenue are audited by the Department. Representative Brown asked if mining license taxes were being collected. Commissioner - Designee Rexwinkel did not know. Representative Brown asked for that information to be provided.

Representative Larson asked what measures the State used to decrease out-of-state permanent fund payments. Mr. Rexwinkel noted that this resulted from using the two year return rule. Representative Larson MOVED for confirmation of Darrel Rexwinkel as Commissioner of Revenue "with individual recommendations". There being NO OBJECTION, it was so ordered.

#### CONFIRMATION OF THE ABC BOARD

Co-Chair Navarre noted that the ABC Board had provided resumes for all the appointees. Confirmation consideration would be rescheduled to Monday, March 16.

#### HOUSE BILL 508

"An Act relating to the establishment of the Business Park Wetlands Special Management Area; and providing for an effective date."

A work draft dated 3/10/92 was provided to the Committee for review. A change was suggested by Representative Barnes and added to Line 13, Page 1, "except for utility easement".

Representative Boyer MOVED to adopt the committee substitute. There being NO OBJECTION, it was adopted. Representative

ALASKA PUBLIC OFFICES COMMISSION  
21 F. NORTH-STAR LIGHTS, #120  
CHORAGE, AK 99508  
77 276-4176

ALASKA PUBLIC OFFICES COMMISSION

1991 CONFLICT OF INTEREST STATEMENT

MAR 17 1991

260

**IMPORTANT**  
**INFORMATION ABOUT HOW TO COMPLETE THIS REPORT**

1. This report is for the preceding calendar year, so include only information about financial interests held during January - December 1990.
2. You must show both your own financial interests and the interests held by your spouse, dependent children and nondependent children residing with you during the preceding calendar year.
3. This statement is required under AS 39.50, so it is important that it be accurate.
4. If you have any questions or need help completing the form, refer to the instruction manual. If you still need help, call APOC at 276-4176.

**BACKGROUND INFORMATION:**

Garrel Rexwinkel 1997 465-2300 1997 465-2389  
NAME DAY PHONE NUMBER FAX

Deputy Commissioner - Department of Revenue  
OCCUPATION

P.O. Box 33063 Juneau AK 99803  
STREET ADDRESS CITY STATE ZIP

**OFFICE SOUGHT OR HELD (CHECK ONE):**

STATE  MUNICIPAL

OFFICE: Employee

TITLE: Deputy Commissioner - Revenue

TERM OF OFFICE: from 2/15/91 to \_\_\_\_\_

**TYPE OF STATEMENT (CHECK ONE):**

- CANDIDATE STATEMENT**  
Must be filed no later than the final filing date for your declaration of candidacy.
- INITIAL STATEMENT**  
For newly appointed state and municipal officials.
- ANNUAL STATEMENT**  
Must be filed by April 15.

**FAMILY MEMBER INFORMATION (list names):**

Spouse: Linda Rexwinkel / Dependent Children: Ellen Rexwinkel  
Brian Rexwinkel

Nondependent children, living with reporting official: \_\_\_\_\_

PC

THE FOLLOWING SUMMARY MUST BE COMPLETED BY ALL FILERS  
DO NOT COMPLETE THIS SUMMARY PAGE UNTIL YOU HAVE  
ALL COMPLETED SCHEDULES.

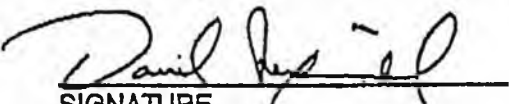
### SUMMARY OF SCHEDULES

Check one box for each schedule:

		SCHEDULE COMPLETED AND ATTACHED	NO REPORTABLE INTERESTS SCHEDULE LEFT BLANK
SCHEDULE A	SOURCES OF INCOME	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCHEDULE B	BUSINESS AND REAL PROPERTY INTERESTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCHEDULE C	BENEFICIAL INTERESTS, LOANS, GOVERNMENTAL CONTRACTS AND NATURAL RESOURCE LEASES	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### CERTIFICATION

I, the undersigned, certify under penalty of perjury that the information in this Statement is, to the best of my knowledge, true, correct and complete. By statute, a person who makes a false sworn certification which s/he does not believe to be true is guilty of perjury.

  
SIGNATURE

3/13/91  
DATE

STATE OFFICIALS send statement to:

AK PUBLIC OFFICES COMMISSION OR  
2221 E. NORTHERN LIGHTS, #128  
ANCHORAGE, AK 99508  
(907) 278-4178  
FAX (907) 278-7018

AK PUBLIC OFFICES COMMISSION  
JUNEAU BRANCH OFFICE  
BOX CO, 112 4th ST. #114  
JUNEAU, AK 99811-0222  
(907) 465-4864

MUNICIPAL OFFICIALS send statement to:

YOUR LOCAL CITY OR BOROUGH  
CLERK'S OFFICE

ALASKA PUBLIC OFFICES COMMISSION  
2221 E. NORTHERN LIGHTS, #128  
ANCHORAGE, AK 99508  
(907) 276-4176

NAME Darrel Rexwinkel

**SCHEDULE A**  
**SOURCES OF INCOME**  
(ACTUAL MONETARY AMOUNTS NOT REQUIRED)

**SALARIED EMPLOYMENT**

NAME OF OFFICIAL, SPOUSE  
OR CHILD:

EMPLOYER:

Darrel  
Darrel  
Linda  
Linda  
Ellen  
Ellen  
Brian

Municipality of Anchorage  
University of Alaska - Adjunct  
Municipality of Anchorage  
Mutual Life Insurance Co. of New York  
Diamond Center Bakery  
Anita Shops, Inc  
Barkin - Robbins

**SELF EMPLOYMENT**

Includes: (1) sole proprietorships; (2) all partnerships; (3) all professional corporations; and (4) corporations in which a controlling interest is held. If you checked nonretail, you MUST list all clients or customers by name.

BUSINESS NAME, TYPE  
AND ADDRESS:

NAMES OF CLIENTS OR CUSTOMERS:

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
RETAIL \_\_\_ NONRETAIL \_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
RETAIL \_\_\_ NONRETAIL \_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
RETAIL \_\_\_ NONRETAIL \_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MAR 18 1991

SCHEDULE A CONTINUED

RENTAL INCOME

Includes all income over \$100 received from real property rentals. You must list managing agent (if any) and all tenants by name.

OWNER:

TENANTS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DIVIDENDS AND INTEREST

RECIPIENT:

SOURCE:

Darrel & Linda  
Darrel & Linda  
Darrel  
Darrel

Alaska USA Federal Credit Un  
MFS Mutual Funds  
MONY Life Insurance Co.  
The Mutual Life Insurance C

OTHER INCOME

(Includes gifts, honoraria, capital gains, retirement, campaign funds taken as personal income and other income over \$100.)

RECIPIENT:

SOURCE AND TYPE OF INCOME:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(CONTINUE ANY SECTION ON BLANK PAPER)

ALASKA PUBLIC OFFICES COMMISSION  
2231 E. NORTHERN LIGHTS, #12A  
ANCHORAGE, AK 99508  
(907) 276-4178

NAME Darrel Rexwinkel

**SCHEDULE B**  
**BUSINESS AND REAL PROPERTY INTERESTS**

**BUSINESS INTERESTS**

*Includes all interests even if they were not a source of income. List ownership interests as stockholder, director, officer, partner or employee.*

\_\_\_\_\_  
Name of official, spouse or children

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Nature of Interest

\_\_\_\_\_  
General description of business activity

\_\_\_\_\_  
Name of official, spouse or children

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Nature of Interest

\_\_\_\_\_  
General description of business activity

\_\_\_\_\_  
Name of official, spouse or children

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Nature of Interest

\_\_\_\_\_  
General description of business activity

(CONTINUE ANY SECTION ON BLANK PAPER)

907 465 4832

SCHEDULE B CONTINUED

REAL PROPERTY INTERESTS

MUST include a street address or a legal description.  
Do not include property held through limited partnerships.  
List limited partnerships on page 5.

Darrel & Linda  
Name of official, spouse or children

6732 E. 99<sup>th</sup> Ave. Anchorage, AK  
Street address or legal description

Ownership  
Nature of interest (for example, option to buy, ownership, leasehold)

1990 - Home  
Current use (for example, vacant, residence, recreational)

Darrel & Linda  
Name of official, spouse or children

Lot 3 B1K 3 Moose Range Meadows, Kenai Peninsula Borough  
Street address or legal description

Ownership  
Nature of interest (for example, option to buy, ownership, leasehold)

Recreational  
Current use (for example, vacant, residence, recreational)

\_\_\_\_\_  
Name of official, spouse or children

\_\_\_\_\_  
Street address or legal description

\_\_\_\_\_  
Nature of interest (for example, option to buy, ownership, leasehold)

\_\_\_\_\_  
Current use (for example, vacant, residence, recreational)

(CONTINUE ANY SECTION ON BLANK PAPER)

ALASKA PUBLIC OFFICERS COMMISSION  
8021 E. NORTHSTAR LIGHTS, #128  
ANCHORAGE, AK 99508  
(907) 279-4178

NAME Darrel Rexus

**SCHEDULE C**  
**BENEFICIAL INTERESTS, LOANS, GOVERNMENT CONTRACTS**  
**AND NATURAL RESOURCE LEASES**

**BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION**

\_\_\_\_\_  
Name of beneficiary

\_\_\_\_\_  
Name of trustor

\_\_\_\_\_  
Type of assets

\_\_\_\_\_  
Extent of interest

\_\_\_\_\_  
Name of beneficiary

\_\_\_\_\_  
Name of trustor

\_\_\_\_\_  
Type of assets

\_\_\_\_\_  
Extent of interest

\_\_\_\_\_  
Name of beneficiary

\_\_\_\_\_  
Name of trustor

\_\_\_\_\_  
Type of assets

\_\_\_\_\_  
Extent of interest

**LOANS AND LOAN GUARANTEES**

Includes all financial obligations of \$500 or more; does not  
include credit card balances.

Darrel & Linda  
Name of Debtor

First National Bank of Anchorage  
Name of Lender

Darrel & Linda  
Name of Debtor

Alaska USA Federal Credit Un.  
Name of Lender

Darrel & Linda  
Name of Debtor

Bowest Corporation  
Name of Lender

Darrel & Linda  
Name of Debtor

Salamatof Native Corporat.  
Name of Lender

(CONTINUE ANY SECTION ON BLANK PAPER)

*[Handwritten marks]*

SCHEDULE C CONTINUED

CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE OR ITS INSTRUMENTALITY

Contracts of your family, including your parents, must be listed. AS 39.50.030(b)(7)

Name of contractor

State Contracting Dept. or Instrumentality

Contract number and description

Indicate: Bid, Held or Offered

Name of contractor

State Contracting Dept. or Instrumentality

Contract number and description

Indicate: Bid, Held or Offered

Name of contractor

State Contracting Dept. or Instrumentality

Contract number and description

Indicate: Bid, Held or Offered

LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL OR OTHER NATURAL RESOURCES

Contracts of your family, including your parents, must be listed. AS 39.50.030(b)(8)

Name of Lessor

Nature of Lease

Identity of Lease

Indicate: Held or Offered

Name of Lessor

Nature of Lease

Identity of Lease

Indicate: Held or Offered

(CONTINUE ANY SECTION ON BLANK PAPER)



Official Business

# Alaska State Legislature

Senate

Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

The Honorable Richard Eliason  
President  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Eliason:

In accordance with AS 39.05.080, the Senate Finance Committee reviewed the qualifications of William M. Bishop, W.E. "Brad" Bradley, James B. Elkins, and James J. McNamee for appointment to the Alcoholic Beverage Control Board. There were no stated objections by committee members to confirmation of the appointees. This does not reflect an intent by any of the members to vote for or against the appointees during any further sessions for the purpose of consideration.

Respectfully,

---

Senator Pat Pourchot, Co-chairman

---

Senator Jay Kerttula, Co-chairman

Members:

---

Senator Jim Duncan

---

Senator Al Adams

---

Senator Lyman Hoffman

---

Senator Dick Shultz

---

Senator Rick Uehling

ABC  
Board



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Senator Dick Shultz

---

Senator Rick Uehling



Official Business

# Alaska State Legislature

Senate

Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

The Honorable Richard Eliason  
President  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Eliason:

In accordance with AS 39.05.080, the Senate Finance Committee reviewed the qualifications of William M. Bishop, W.E. "Brad" Bradley, James B. Elkins, and James J. McNamee for appointment to the Alcoholic Beverage Control Board. There were no stated objections by committee members to confirmation of the appointees. This does not reflect an intent by any of the members to vote for or against the appointees during any further sessions for the purpose of consideration.

Respectfully,

---

Senator Pat Pourchot, Co-chairman

---

Senator Jay Kerttula, Co-chairman

Members:

---

Senator Jim Duncan

---

Senator Al Adams

---

Senator Lyman Hoffman

---

Senator Dick Shultz

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Senator Rick Uehling



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Senator Rick Uehling

# Alaska State Legislature


Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



State Capitol  
Juneau, Alaska 99801-1182  
907-465-3712

## Senate Finance Committee

TO: SENATE FINANCE COMMITTEE MEMBERS  
FROM: SENATOR PAT POURCHOT   
RE: CONFIRMATION OF GOVERNOR'S APPOINTEES  
ALCOHOLIC BEVERAGE CONTROL BOARD  
DATE: APRIL 14, 1992

Attached please find the resumes of the Governor's appointees to the Alcoholic Beverage Control Board, which have been referred to Senate Finance Committee for confirmation review. Please read the information and contact me by April 21, 1992 if you are interested in having a confirmation hearing in Senate Finance for these board members. Otherwise, I will route a letter for your signature which states that "the committee reviewed the qualifications of the ABC Board members and there were no stated objections to their confirmation. This does not reflect any intent by any of the members to vote for or against him during any further sessions for the purpose of consideration". Thank you for your prompt response.



Official Business

# Alaska State Legislature

## SENATE

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3701

February 12, 1992

### M E M O R A N D U M

TO: Senator Pourchot, Co-Chair  
Senator Kerttula, Co-Chair  
Finance Committee

FROM: Nancy Quinto  
Secretary of the Senate

RE: Confirmation of Governor's Appointees

Pursuant to AS 39.05.080, President Eliason has referred the positions noted to your committee for a hearing, recommendation and report:

#### Alcoholic Beverage Control Board

William M. Bishop - Kodiak  
Term began 1/14/92 expires 1/31/93

W.E. "Brad" Bradley - Anchorage  
Term began 1/31/92 expires 1/31/95

James B. Elkins - Ketchikan  
Term began 6/12/91 expires 1/31/94

James J. McNamee - Fairbanks  
Term began 6/12/91 expires 1/31/94

NQ/hc

Enclosures

WILLIAM M. BISHOP, CCM  
302 MARINE WAY  
KODIAK, AK. 99615

Phone: 486-3258 - 486-3573 (H)  
486-3708  
486-3364

Attended: Cornell University - Club Accounting  
University of Hawaii - Food and Beverage Management  
To become a CCM Certified Club Manager.

Presently Self-Employed:

President - Owner/Mgr. The Mecca Corp., Kodiak, AK.  
President - Owner/Mgr. The Ships Corp., Kodiak, AK.  
Owner - The Mecca Jewelry Store, Kodiak, AK.  
Owner - Seaside Seafoods, Kodiak, AK.

Adjutant/Finance Officer - The American Legion, Jack Allman Post 17  
Kodiak, AK.

M/Sgt. U. S. Marine Corp. (Retired)  
Vietnam Veteran

Representing The American Legion as follows:

National Executive Committeeman - Department of Alaska  
Vice Chairman of The Legislative Commission  
Liaison to Senator Ted Stevens  
Liaison to Senator Frank H. Murkowski on Veterans Affairs  
Liaison Committee to the Foreign Relations Commission  
Life Member, Jack Allman Post 17  
Past Department Commander  
Past Department Adjutant

Other Affiliations:

Life Member of The Veterans of Foreign Wars  
Member of Elks, Lions and Club Managers Association of America  
Honorary Member of The Korean Veterans Association  
Medal of Highest Honor from Vocational Assistance Commission for  
Retired Servicemen (VACRS) Republic of China  
Honorary Life Member Army, Navy, Airforce Veterans of Canada

Was Port Director of Kodiak Island for U.S. Customs and Immigration

Personal:

Married - wife, Teresa Cruz Bishop  
three (3) children - Conrado, Virginia and Randall

Personal References:

James L. Fick, Jr. (Diamond Jim) P.O. Box 2068, Kodiak, AK. 99615  
William Hogan, Service Officer, The American Legion, P.O. Box 687  
Kodiak, AK. 99615  
Lois B. Mullen, Secretary, The American Legion, P.O. Box 687  
Kodiak, AK. 99615  
Norman Williams, Attorney at Law, Self-employed: Specializing in  
Criminal Law. 302 Marine Way, Kodiak, AK. 99615

## RESUME

WRAY E. (BRAD) BRADLEY  
1530 Beaver Place  
Anchorage, Alaska 99504-2517  
(907) 337-1060 (Office)  
(907) 333-8760 (Residence)

### PERSONAL

Born in Jackson, North Carolina and lived much of my youth in Pennsylvania. Married to Louise M. Bradley. Anchorage resident since 1965 and homeowner since 1979. My health is excellent with no physical disabilities.

### EDUCATION

Edwards Military Institute, Salemburg, North Carolina, B.S., General Science, 1942. Wake Forest University, Winston-Salem, North Carolina, B.S., History/Government (Political Science), 1944. American University, Fort Benning, Georgia, post graduate courses in Business Administration, 1959. Wildlife Management Course, University of Alaska, Fairbanks, 1970.

### EXPERIENCE

1970 - Present. President, Wonder Park Investments, Anchorage, Alaska, which involves purchase, management, improvement, rent and/or sale of apartment and commercial buildings. Formed real estate syndications (limited partnerships) as General Partner in which residential and commercial buildings, raw and subdivided lands are purchased, developed and marketed. President, Lu-Wray Hideaway Resort. Own and operate a fishing charter business, lodge and resort at King's Lake. Market recreation services, handle guest reservations, and supervise management personal and maintenance of facilities. For a three-year period, owned and operated the Great Land Big Game Guide Service Inc. for hunting and the Great Land Taxidermy Studio, Inc. Sold both businesses to be active in other business endeavors and to be a candidate for the Alaska State Senate and was elected.

1970 - 1972. Deputy Chief of Staff for Personnel and Administration, Headquarters, Alaskan Command, Elmendorf AFB, Alaska. Provided personnel management guidance and administrative support for all army, air force and navy units within the entire joint command. Chairman, Alaskan Command Employment Advisory Council. Dealt with union business agents and private sector contractors in negotiating projects on Department of Defense installations and resolving labor problems. Department of Defense member of Governor Hickel's Employment Advisory Commission during his previous term as Governor. Coordinator, Alaska Native Employment Program (Project HIRE), a federal civil service employment program for native Alaskans on all military installations in the state. I retired from military service as a regular Army officer in August 1972 after 28 years of active service and two years of reserve service, a total of 30 years.

1974 - 1982. Elected Alaska State Senator in 1974. Served on most of the Senate's standing committees. Spent more years on my favorite committees, the Labor and Commerce Committee and the Resources Committee. Member, Governor's Tourism Advisory Board. Chairman, Senate Commerce Committee (later Labor and Commerce Committee) for eight years. Prime mover for Alaska Business Inventory Tax Repeal; revised banking code, corporate and real estate law; expanded state financial loans and was responsible for passage of 10 veterans entitlement programs. Initiated unprecedented insurance and securities, law and order, and fish and game legislation to include splitting the Fish and Game Board into two separate boards, a Fisheries Board and a Game Board. The combined board was monopolized by commercial fisherman with only one game member.

1974 - 1982 (Continued). Sponsored legislation for regulating and sunseting boards and commissions and initiated the elimination of six seldom used boards. Arranged for, and Chairman of, the first Military and Veterans Affairs Committee in the Alaska Legislature and drafted legislation for the first Alaska Veteran's Memorial which is located in the Denali State Park. Elected delegate to the President's White House Conference on Small Business as a result of getting passed more pro-business legislation through Senate Commerce Committee and Legislature in six years than had been passed in any other six year period. Recommended by the Senate President and the Alaska State Chamber of Commerce as delegate.

1984 - 1985. President, Northeast Anchorage Community Council. American Security Council delegate to the International Security Council Conference at Seoul, Korea in 1984 and at Paris, France in 1985. Both conferences had one or more delegates from 12 countries and numerous other international scholars on security matters in the free world. Received Presidential appointment as Republican Chairman of Alaska Veterans for Reagan-Bush Campaign in 1984 and for Bush-Quayle campaign in 1988. As a result of these appointments, I made speeches recommending the Republican presidential candidates to veterans organizations in Alaska.

1985 - 1988. Elected Assemblyman, Section 5, Municipality of Anchorage. Chairman, Economic Development Committee. Coordinated with the State for establishment of a Free Trade Zone in Anchorage and was the Municipality's prime mover for encouraging Federal Express to open their Anchorage Facility. Chairman, Assembly Legislative Affairs Committee. Lobbied the State Legislature for Assembly and Mayor to increase revenue sharing and municipal assistance for Anchorage. Initiator and Vice President, U.S. Constitution Bicentennial Committee for the Municipality of Anchorage. Sponsored municipal legislation for the first Anchorage Veteran's Memorial which is located on Delaney Park, and supervised its construction at no cost to the taxpayers. Sponsored municipal legislation for establishment of the first Anchorage Veterans Affairs Commission. As a result of these three accomplishments, received three Mayor's awards. Appointed by the Mayor as Municipal Liaison to Active Army and Air Force and Alaska National Guard and Reserves. Appointed by the Mayor as Assembly Representative on the Anchorage Veterans Action Committee which manages the Anchorage Veterans Memorial.

#### CIVIC AND PROFESSIONAL ORGANIZATIONS

Member of Commonwealth North, Resource Development Council, Common Sense for Alaska, Alaska Coalition for American Energy Security, Alaska Support Industry Alliance, Alaska Miners Association, Alaska State Chamber of Commerce, Anchorage Chamber of Commerce and UAA Alumni Council. Board Member of both Chugiak Senior Citizens Foundation and Older Persons Action Group Foundation. Retired from a 30-year Regular U.S. Army officer career. Participated in WWII, Korea and extended tours in Vietnam. Member of 16 different veterans organizations in Anchorage area.

#### HOBBIES AND OTHER SPECIAL INTERESTS

Government and politics at all levels, hunting, fishing, military service veterans, senior citizens, youth organizations and writing articles in newspapers and magazines on issues I consider important to the local community, state and nation.

RESUME  
JAMES B. ELKINS  
177 CRANBERRY ROAD NORTH  
KETCHIKAN, ALASKA 99901  
1-907-247-8423

DATE OF BIRTH: APRIL 19, 1937  
PLACE OF BIRTH: ALBANY, OREGON

FAMILY: MARRIED: WIFE, NANCY  
CHILDREN: JAMIE AGE 22  
JEANNETTE AGE 20

HEALTH: EXCELLANT

EDUCATION: GRADUATE: ALBANY UNION HIGH SCHOOL  
ALBANY, OREGON  
ATTENDED: UNIVERSITY OF OREGON  
EUGENE, OREGON

RELIGION: METHODIST

RESIDENCY: BOUGHT BUSINESS AND MOVED TO KETCHIKAN,  
ALASKA IN OCTOBER OF 1968.

MILITARY: NATIONAL GUARD

EMPLOYMENT: FO'C'SLE, INC.  
OWNER-MANAGER

POLITICAL AFFILIATION: REPUBLICAN

POLITICAL SERVICE: ACTIVE REPUBLICAN FOR 31 YEARS

CO-FINANCE CHAIRMAN &  
CAMPAIGN CHARMAN: CONGRESSMAN DON YOUNG SINCE 1973

STATE REPUBLICAN PARTY:  
ASSISTANT TREASURE  
(UNDER CHAIRMAN STOUT)  
  
S.E. FINANCE CHAIRMAN  
(FOLLOWED LLOYD HAMES)  
  
SERVED ON STATE CENTRAL COMMITTEE  
  
CO-CHAIR FINANCE COMMITTEE  
TO ELECT SENATOR MURKOWSKI  
  
ACTIVE IN ELECTION CAMPAIGNS:  
ALL REPUBLICAN PRESIDENTAL CAMPAIGNS  
ALASKA CONGRESSIONAL DELEGATION  
MOST CURRENT: STEVENS, MURKOWSKI, &  
YOUNG

DISTRICT REPUBLICAN PARTY:

FINANCE CHAIRMAN DIST. I

ACTIVE IN ELECTION CAMPAIGNS:

ALL REPUBLICAN LEGISLATORS DIST. I

MOST CURRENT: JONES, TAYLOR & DAVIS

COMMUNITY SERVICE:

3 YEARS - KETCHIKAN GATEWAY BOROUGH  
ASSEMBLYMAN

12 YEARS - KTN. CHAMBER OF COMMERCE  
BOARD OF DIRECTORS

1 YEAR - SOUTHERN S.E. REGIONAL  
AQUACULTURE ASSC. (SSRAA)  
BOARD OF DIRECTORS

LIQUOR INDUSTRY:

ALASKA CABARET, HOTEL, RESTAURANT AND  
RETAILERS ASSC. (CHARR)

18 YEAR - MEMBER

15 YEAR - BOARD MEMBER

PAST CHAIRMAN

OWNER:

3 PACKAGE STORE LICENSES

1 DISPENSARY

MEMBER:

KETCHIKAN CHAMBER OF COMMERCE

ELKS LODGE

REFERENCES:

CONGRESSMAN DON YOUNG  
2331 RAYBURN BUILDING  
WASHINGTON, D.C. 20515  
1-202-225-5765

MR. JENNINGS GRAHAM  
P. O. BOX 5560  
KETCHIKAN, ALASKA 99901  
1-907-225-6658

LT. GOVERNOR  
JACK COGHILL  
P. O. BOX AA  
JUNEAU, ALASKA 99811  
1-907-465-3520

MR. LLOYD HAMES  
P. O. BOX 5377  
KETCHIKAN, ALASKA 99901  
1-907-225-4032

Resume for  
James W. McNamee

Box 1308

Fairbanks, Ak 99707

Appointment to Alcoholic Control Board -

Served on board from 1982 to 1987

State Residence 1954

Occupation - Insurance Agent Retired

Previous Employers Corroon Black

Dawson

John Butrovich

Coop Photo

Military Service

U.S. Navy

WW II -

Korea -

Education

Univ. of Wash.

Seattle Univ.

Personal References -

Sen John Butrovich

Ed Mercedes

Ruth Burnett

Ralph Perdue

Thank you

James McNamee



Official Business

# Alaska State Legislature

## Senate

### Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 24, 1991

The Honorable Richard Eliason  
President  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Eliason:

In accordance with AS 39.05.080, the Senate Finance Committee reviewed the qualifications of Lee E. Fischer for appointment as Commissioner of Revenue. There were no stated objections to confirmation of Mr. Fischer by committee members. This does not reflect an intent by any of the members to vote for or against him during any further sessions for the purpose of consideration.

Respectfully,

Senator Pat Pourchot, Co-chairman

Senator Jay Kerttula, Co-chairman

Members:

  
\_\_\_\_\_  
Senator Jim Duncan  
\_\_\_\_\_  
Senator Al Adams  
\_\_\_\_\_  
Senator Lyman Hoffman  
\_\_\_\_\_  
Senator Dick Shultz  
\_\_\_\_\_  
Senator Rick Uehling



Official Business

# Alaska State Legislature

SENATE

2/22/91  
Delivered to  
Co-chairs  
w/ forms  
Confirmation  
Letter.

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

February 22, 1991

## MEMORANDUM

TO: Senator Pourchot, Co-Chair  
Senator Kerttula, Co-Chair  
Finance Committee

FROM: Nancy Quinto *NQ*  
Secretary of the Senate

RE: Confirmation of Governor's Appointees

Pursuant to AS 39.05.080, President Eliason has referred the position noted to your committee for a hearing, recommendation and report:

DEPARTMENT OF REVENUE  
Commissioner Lee Fisher

w/attached resume

## RESUME

**LEE E. FISHER, C.P.A.**

### PERSONAL

Born May 6, 1927 in Spokane, Washington. Married June 20, 1949 to Arlene Mae Hoersch - divorced - one child Rodrick Gail. Married July 20, 1956 to Phyllis Diane Harrington (Sexson) - a widow with one son - Scott Richard Sexson. Two children - Todd Elliott and Lora Diane. Six grandchildren - (5 in Alaska).

1944 - 1946 - Served in U.S. Navy Aircorps as a combat aircrewman.

Member - All Saints' Episcopal Church.

Republican

Member - Woodhaven Country Club, Palm Desert, California.

Hobbies - Sports fishing, golf and singing in choral groups.

### EDUCATION

M.A. with Honors - 1949 - Kinman Business University  
B.C.S. - 1951 - Kinman Business University, Spokane, Washington.

Post graduate work in taxation - New York University.  
Instructor and participant in numerous Coopers & Lybrand technical and managerial seminars during 1975 - 1988.

### EMPLOYMENT

1975 - 1988 - Managing partner, Coopers & Lybrand, Anchorage, Alaska.

1964 - 1974 - Managing partner, Fisher, Vasak & Hendrix and related predecessor partnerships, Anchorage, Alaska.

1961 - 1963 - Associate - R. William Lovern, CPA, Anchorage, Alaska.

1958 - 1961 - Senior Accountant - Rettig, Scott & Co. CPA's Anchorage, Alaska.

1956 - 1957 - Controller - Pigeon Hole Parking, Inc. - Spokane, Washington.

1949 - 1955 - Junior to Senior Accountant - Morris, Lee & Co. CPA's, Spokane, Washington.

## PROFESSIONAL

Member - American Institute of CPA's  
Member - Alaska Society of CPA's

## COMMUNITY/STATE SERVICE

Past President and Founder

- \*Crime Stoppers of Anchorage
- \*Resource Development Council for Alaska
- \*People Against State Income Tax

Past President and Director

- \*Anchorage Chamber of Commerce (1982 Gold Pan Winner)
- \*United Way of Anchorage

Former Director

- \*Alaska Mutual Bank (25 years)
- \*Boys' Club of Alaska
- \*American Bald Eagle Foundation
- \*Common Sense for Alaska

1978 - 1989 - State Chairman, Guardian Advisory Council, National Federation of Independent Business. Alaska delegate - 1986 White House Conference on Small Business

October 1988 - State Chairman - Alaska Exhibit - EXPO 88, Brisbane, Australia.

Member - Rotary Club of Anchorage.

## RESUME

**LEE E. FISHER, C.P.A.**

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Former Director

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October 1988 - State Chairman - Alaska Exhibit - EXPO 88, Brisbane, Australia.

Member - Rotary Club of Anchorage.



THE FOLLOWING SUMMARY MUST BE COMPLETED BY ALL FILERS  
DO NOT COMPLETE THIS SUMMARY PAGE UNTIL YOU HAVE  
ALL COMPLETED SCHEDULES.

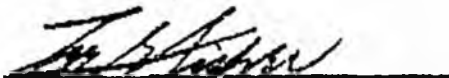
### SUMMARY OF SCHEDULES

Check one box for each schedule:

	SCHEDULE COMPLETED AND ATTACHED	NO REPORTABLE INTERESTS SCHEDULE LEFT BLANK
<b>SCHEDULE A      SOURCES OF INCOME</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>SCHEDULE B      BUSINESS AND REAL PROPERTY INTERESTS</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>SCHEDULE C      BENEFICIAL INTERESTS, LOANS, GOVERNMENTAL CONTRACTS AND NATURAL RESOURCE LEASES</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### CERTIFICATION

I, the undersigned, certify under penalty of perjury that the information in this Statement is, to the best of my knowledge, true, correct and complete. By statute, a person who makes a false sworn certification which s/he does not believe to be true is guilty of perjury.

  
SIGNATURE

April 8, 1991  
DATE

**STATE OFFICIALS** send statement to:

AK PUBLIC OFFICES COMMISSION OR  
2221 E. NORTHERN LIGHTS, #123  
ANCHORAGE, AK 99508  
(907) 276-4173  
FAX (907) 276-7018

AK PUBLIC OFFICES COMMISSION  
JUNEAU BRANCH OFFICE  
BOX CO, 112 4th ST. #114  
JUNEAU, AK 99811-0222  
(907) 455-4864

**MUNICIPAL OFFICIALS** send  
statement to:

YOUR LOCAL CITY OR BOROUGH  
CLERK'S OFFICE

NAME Lee E. Fisher

**SCHEDULE A**  
**SOURCES OF INCOME**  
(ACTUAL MONETARY AMOUNTS NOT REQUIRED)

**SALARIED EMPLOYMENT**

NAME OF OFFICIAL, SPOUSE  
OR CHILD:

EMPLOYER:

Lee E. Fisher

State of Alaska

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SELF EMPLOYMENT**

Includes: (1) sole proprietorships; (2) all partnerships; (3) all professional corporations; and (4) corporations in which a controlling interest is held. If you checked nonretail, you MUST list all clients or customers by name.

BUSINESS NAME, TYPE  
AND ADDRESS:

NAMES OF CLIENTS OR CUSTOMERS:

1. Alaska Wild Game Cookbook  
(a partnership)  
2905 East 20th Ave.  
Anchorage, Ak. 99508

Retail - general public  
Wholesale - predominately to  
Alaska News Agency

RETAIL  and  
NONRETAIL

2. \_\_\_\_\_

\_\_\_\_\_

RETAIL  NONRETAIL

3. \_\_\_\_\_

\_\_\_\_\_

RETAIL  NONRETAIL

\_\_\_\_\_

(CONTINUE ANY SECTION ON BLANK PAPER)

APR 11 1991

SCHEDULE A CONTINUED

RENTAL INCOME

Includes all income over \$100 received from real property rentals.  
You must list managing agent (if any) and all tenants by name.

OWNER:

none

TENANTS:

DIVIDENDS AND INTEREST

RECIPIENT:

Lee E. & Phyllis D. Fisher  
Lee E. & Phyllis D. Fisher  
Lee E. & Phyllis D. Fisher  
Phyllis D. Fisher  
Lee E. & Phyllis D. Fisher  
Lee E. & Phyllis D. Fisher

SOURCE:

Anchorage Municipal Bond due 1995  
Anchorage Municipal Bond due 1999  
Anchorage Hospital Bond due 1996  
Falconer & Falconer installment contract  
Dean Witter Reynolds cash mgmt. account  
Allstate Prime Income Trust

OTHER INCOME

(Includes gifts, honoraria, capital gains, retirement, campaign funds taken as personal income  
and other income over \$100.)

RECIPIENT:

Lee E. Fisher, CPA  
Lee E. Fisher, CPA  
Lee E. Fisher, CPA

SOURCE AND TYPE OF INCOME:

Coopers & Lybrand, Retirement  
Coopers & Lybrand, Growth Fund-investment ac  
Coopers & Lybrand, Deferral Fund investment a

(CONTINUE ANY SECTION ON BLANK PAPER)

NAME Lee E. Fisher

**SCHEDULE B**  
**BUSINESS AND REAL PROPERTY INTERESTS**

**BUSINESS INTERESTS**

*Includes all interests even if they were not a source of income. List ownership interests as stockholder, director, officer, partner or employee.*

Lee E. Fisher

Name of official, spouse or children

Coopers & Lybrand Growth Fund

New York, N.Y.

Name of Business

Address

Partner

Nature of Interest

Investments

General description of business activity

Lee E. Fisher

Name of official, spouse or children

Coopers & Lybrand, Deferral Fund

New York, N.Y.

Name of Business

Address

PARTNER

Nature of Interest

Investments

General description of business activity

Lee E. and Phyllis D. Fisher

Name of official, spouse or children

Alaska Wild Game Cookbook

2905 E. 20th. Ave.

Anchorage, Ak, 99508

Name of Business

Address

Partners

Nature of Interest

Retail & wholesale sales of Cook Book (since 1961)

General description of business activity

(CONTINUE ANY SECTION ON BLANK PAPER)

SCHEDULE B CONTINUED

REAL PROPERTY INTERESTS

MUST include a street address or a legal description.  
Do not include property held through limited partnerships.  
List limited partnerships on page 5.

---

Lee E. and Phyllis D. Fisher  
Name of official, spouse or children

---

Lots 1, 2 & 4, Block 5, West Alexander Creek Subdivision  
Street address or legal description

---

Ownership  
Nature of Interest (for example, option to buy, ownership, leasehold)

---

vacant  
Current use (for example, vacant, residence, recreational)

---

---

Name of official, spouse or children

---

Street address or legal description

---

Nature of Interest (for example, option to buy, ownership, leasehold)

---

Current use (for example, vacant, residence, recreational)

---

---

Name of official, spouse or children

---

Street address or legal description

---

Nature of interest (for example, option to buy, ownership, leasehold)

---

Current use (for example, vacant, residence, recreational)

---

(CONTINUE ANY SECTION ON BLANK PAPER)

APR 11 1995

NAME Lee E. Fisher

**SCHEDULE B**  
**BUSINESS AND REAL PROPERTY INTERESTS**

**BUSINESS INTERESTS**

*Includes all interests even if they were not a source of income. List ownership interests as stockholder, director, officer, partner or employee.*

Lee E. Fisher

Name of official, spouse or children

Coopers & Lybrand Growth Fund

New York, N.Y.

Name of Business

Address

Partner

Nature of Interest

Investments

General description of business activity

Lee E. Fisher

Name of official, spouse or children

Coopers & Lybrand, Deferral Fund

New York, N.Y.

Name of Business

Address

PARTNER

Nature of Interest

Investments

General description of business activity

Lee E. and Phyllis D. Fisher

Name of official, spouse or children

Alaska Wild Game Cookbook

2905 E. 20th. Ave.

Anchorage, Ak, 99508

Name of Business

Address

Partners

Nature of Interest

Retail & wholesale sales of Cook Book (since 1961)

General description of business activity

(CONTINUE ANY SECTION ON BLANK PAPER)

NAME Lee E. Fisher

**SCHEDULE B**  
**BUSINESS AND REAL PROPERTY INTERESTS**

**BUSINESS INTERESTS**

*Includes all interests even if they were not a source of income.* List ownership interests as stockholder, director, officer, partner or employee.

---

Phyllis D. Fisher and Amy Springer 2905 E. 20th Ave.  
Anchorage, Ak. 99508  
Name of official, spouse or children

A&P Land Co. (partners) " " "  
Name of Business Address

Investment in 20 acres un subdivided land at Homer, Ak.  
Nature of Interest

Investment  
General description of business activity

---

Name of official, spouse or children

Name of Business Address

Nature of Interest

General description of business activity

---

Name of official, spouse or children

Name of Business Address

Nature of Interest

General description of business activity

---

(CONTINUE ANY SECTION ON BLANK PAPER)



SCHEDULE B CONTINUED

REAL PROPERTY INTERESTS

**MUST** include a street address or a legal description.  
Do not include property held through limited partnerships.  
List limited partnerships on page 5.

---

Lee E. & Phyllis D. Fisher  
Name of official, spouse or children

---

2905 E. 20th Ave., Anchorage, Ak. 99503  
Street address or legal description

---

Ownership  
Nature of interest (for example, option to buy, ownership, leasehold)

---

Personal residence  
Current use (for example, vacant, residence, recreational)

---

---

Lee E. & Phyllis D. Fisher  
Name of official, spouse or children

---

Lot C-27, Kenai Riverband Campground, Kenai, Ak.  
Street address or legal description

---

Leasehold  
Nature of interest (for example, option to buy, ownership, leasehold)

---

Recreational  
Current use (for example, vacant, residence, recreational)

---

---

Lee E. & Phyllis D. Fisher  
Name of official, spouse or children

---

77-722 Woodhaven Drive So., Palm Desert, CA. 92260  
Street address or legal description

---

Ownership  
Nature of interest (for example, option to buy, ownership, leasehold)

---

Vacation condominium  
Current use (for example, vacant, residence, recreational)

---

ALASKA PUBLIC OFFICES COMMISSION

1990 CONFLICT OF INTEREST STATEMENT

JAN 1990

*[Handwritten initials]*

273  
*[Handwritten circle around 273]*

1124

IMPORTANT  
INFORMATION ABOUT HOW TO COMPLETE THIS REPORT

1. This report is for the preceding calendar year, so include only information about financial interests held during January - December 1989.
2. You must show both your own financial interests and the interests held by your spouse, dependent children and nondependent children residing with you during the preceding calendar year.
3. This statement is required under AS 39.50, so it is important that it be accurate.
4. If you have any questions or need help completing the form, refer to the instruction manual. If you still need help, call APOC at 276-4176.

BACKGROUND INFORMATION:

272-1522 - Anchorage Business  
279-3703 - Anchorage home  
(907) 465-2300 - Juneau Business

Lee E. Fisher

NAME

DAY PHONE NUMBER

Commissioner of Revenue

OCCUPATION

2905 E, 20th Ave., Anchorage, AK 99508

MAILING ADDRESS

OFFICE SOUGHT OR HELD (CHECK ONE):

STATE

MUNICIPAL

OFFICE: Alaska Department of Revenue

TITLE: Commissioner

TERM OF OFFICE: from 12/21/90 to 12/94

TYPE OF STATEMENT (CHECK ONE):

CANDIDATE STATEMENT

Must be filed no later than the final filing date for your declaration of candidacy.

INITIAL STATEMENT

For newly appointed state and municipal officials.

ANNUAL STATEMENT

Must be filed by April 15.

FAMILY MEMBER INFORMATION (list names):

Spouse: Phyllis D. Dependent Children: None

Nondependent children, living with reporting official: None

PC

THE FOLLOWING SUMMARY MUST BE COMPLETED BY ALL FILERS  
DO NOT COMPLETE THIS SUMMARY PAGE UNTIL YOU HAVE  
COMPLETED ALL SCHEDULES.

### SUMMARY OF SCHEDULES

Check one box for each schedule:

SCHEDULE A	SOURCES OF INCOME	SCHEDULE COMPLETED AND ATTACHED	NO REPORTABLE INTERESTS— SCHEDULE LEFT BLANK
		<input checked="" type="checkbox"/>	<input type="checkbox"/>

---

SCHEDULE B	BUSINESS AND REAL PROPERTY INTERESTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
------------	---	-------------------------------------	--------------------------

---

SCHEDULE C	BENEFICIAL INTERESTS, LOANS, GOVERNMENTAL CONTRACTS AND NATURAL RESOURCE LEASES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
------------	---	-------------------------------------	--------------------------

### CERTIFICATION

I, the undersigned, certify under penalty of perjury that the information in this Statement is, to the best of my knowledge, true, correct and complete. By statute, a person who makes a false sworn certification which s/he does not believe to be true is guilty of perjury. -

*[Signature]*  
SIGNATURE

*January 23, 1991*  
DATE

Forward Statements as follows:

#### STATE OFFICIALS

#### MUNICIPAL OFFICIALS

STATE OF ALASKA  
PUBLIC OFFICES COMMISSION  
2221 E. NORTHERN LIGHTS, #128  
ANCHORAGE, AK 99508  
Telephone (907) 276-4176  
FAX (907) 276-7018

STATE OF ALASKA  
PUBLIC OFFICES COMMISSION  
P.O. BOX CO  
JUNEAU, AK 99811  
Telephone (907) 465-4864

THE LOCAL CITY OR BOROUGH CLERK  
IN THE JURISDICTION IN WHICH  
YOU HOLD OFFICE.

NAME Lee E. Fisher

**SCHEDULE A**  
**SOURCES OF INCOME OVER \$100**  
(ACTUAL MONETARY AMOUNTS NOT REQUIRED)

**SALARIED EMPLOYMENT**

NAME OF OFFICIAL, SPOUSE  
OR CHILD:

EMPLOYER:

None

**SELF EMPLOYMENT**

Includes: (1) sole proprietorships; (2) all partnerships; (3) all professional corporations; and (4) corporations in which a controlling interest is held. If you check nonretail, you MUST list all clients or customers by name.

BUSINESS NAME, TYPE  
AND ADDRESS:

NAMES OF CLIENTS OR CUSTOMERS:

1. Alaska Wildgame Cookbook  
A partnership  
2905 E. 20th Avenue  
Anchorage, AK 99508

Retail - general public  
Wholesale - predominately Alaska  
News Agency

RETAIL  NONRETAIL  <sup>and</sup>

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RETAIL \_\_\_\_\_ NONRETAIL \_\_\_\_\_

3. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RETAIL \_\_\_\_\_ NONRETAIL \_\_\_\_\_

(CONTINUE ANY SECTION ON BLANK PAPER)

SCHEDULE A CONTINUED

RENTAL INCOME

Includes all income over \$100 derived from real property rentals.  
List managing agent (if any) and all tenants by name.

OWNER:

None

TENANTS:

_____	_____
_____	_____
_____	_____
_____	_____

DIVIDENDS AND INTEREST

RECIPIENT:

SOURCE:

Lee E. & Phyllis D. Fisher	Anchorage Municipal Bond - due 1995
" " "	" " " " 1999
" " "	Anchorage Hospital Bond - due 1996
Phyllis D. Fisher	Falconer & Falconer - installment sale
Lee E. & Phyllis D. Fisher	Dean, Witter, Reynolds - cash mgmt acct.

OTHER INCOME

Includes gifts, honoraria, income from the sale of real property, retirement, campaign funds taken as personal income, social security and other income over \$100.

RECIPIENT:

SOURCE AND TYPE OF INCOME:

Lee E. Fisher, CPA	Coopers & Lybrand, CPA's - Retirement
Lee E. Fisher	Coopers & Lybrand, Growth Fund <sup>Investmen</sup> -acct.
Lee E. Fisher	Coopers & Lybrand, Defferal fund <sup>Investment</sup> Income
Lee E. Fisher	Social Security - Retirement

(CONTINUE ANY SECTION ON BLANK PAPER)



SCHEDULE B CONTINUED

REAL PROPERTY INTERESTS

MUST include a street address or actual legal description.  
Does not include property held through limited partnerships.  
List limited partnerships on page 7.

---

Name of official, spouse or children

Lee E. & Phyllis D. Fisher

---

Street address or legal description

2905 E. 20th Avenue, Anchorage, AK 99508

---

Nature of interest (for example, option to buy, ownership, leasehold)

Ownership

---

Current use (for example, vacant, residence, recreational)

Personal residence

---

---

Name of official, spouse or children

Lee E. & Phyllis D. Fisher

---

Street address or legal description

Lot C-27, Kenai Riverbend Campground, Kenai, AK

---

Nature of interest (for example, option to buy, ownership, leasehold)

Leasehold

---

Current use (for example, vacant, residence, recreational)

Recreational

---

---

Name of official, spouse or children

Lee E. & Phyllis D. Fisher

---

Street address or legal description

77-722 Woodhaven Drive So., Palm Desert, CA 92260

---

Nature of interest (for example, option to buy, ownership, leasehold)

Ownership

---

Current use (for example, vacant, residence, recreational)

Vacation condominium

---

(CONTINUE ANY SECTION ON BLANK PAPER)

Name Lee E. Fisher

**SCHEDULE B**  
**BUSINESS AND REAL PROPERTY INTERESTS**

**BUSINESS INTERESTS**

Includes all interests even if they were not a source of income.  
List ownership interests as a stockholder, owner, officer, partner, or employee.

Phyllis D. Fisher & Amy Springer 2905 E. 20th Avenue  
Anchorage, Ak 99508  
Name of official, spouse or children

A&P Land Co. Partners  
Name of Business Address

Investment in 20 acre un subdivided land at Homer, Alaska  
Nature of Interest

General description of business activity

Name of official, spouse or children

Name of Business Address

Nature of Interest

General description of business activity

Name of official, spouse or children

Name of Business Address

Nature of Interest

General description of business activity

(CONTINUE ANY SECTION ON BLANK PAPER)

SCHEDULE B CONTINUED

REAL PROPERTY INTERESTS

MUST include a street address or actual legal description.  
Does not include property held through limited partnerships.  
List limited partnerships on page 7.

---

continued

---

Name of official, spouse or children

Lee E. & Phyllis D. Fisher

---

Street address or legal description

Lots 1, 2 & 4, Block 5  
- West Alexander Creek Subdivision

---

Nature of interest (for example, option to buy, ownership, leasehold)

Ownership

---

Current use (for example, vacant, residence, recreational)

vacant

---

---

Name of official, spouse or children

---

Street address or legal description

---

Nature of interest (for example, option to buy, ownership, leasehold)

---

Current use (for example, vacant, residence, recreational)

---

---

Name of official, spouse or children

---

Street address or legal description

---

Nature of interest (for example, option to buy, ownership, leasehold)

---

Current use (for example, vacant, residence, recreational)

---

(CONTINUE ANY SECTION ON BLANK PAPER)

JAN 28 1991

NAME Lee E. Fisher

**SCHEDULE C**  
**BENEFICIAL INTERESTS, LOANS, GOVERNMENT CONTRACTS**  
**AND NATURAL RESOURCE LEASES**

**BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION**

<u>None</u>	
<u>Name of beneficiary</u>	<u>Name of trustor</u>
<u>Type of assets</u>	<u>Extent of interest</u>
<u>Name of beneficiary</u>	<u>Name of trustor</u>
<u>Type of assets</u>	<u>Extent of interest</u>
<u>Name of beneficiary</u>	<u>Name of trustor</u>
<u>Type of assets</u>	<u>Extent of interest</u>
<u>Name of beneficiary</u>	<u>Name of trustor</u>
<u>Type of assets</u>	<u>Extent of interest</u>

**LOANS AND LOAN GUARANTEES**

Includes all financial obligations of \$500 or more; does not include credit card balances.

<u>Lee E. &amp; Phyllis D. Fisher</u>	<u>National Bank of Alaska</u>
Name of Debtor	Name of Lender
<u>Lee E. &amp; Phyllis D. Fisher</u>	<u>Palm Springs Savings Bank</u>
Name of Debtor	Name of Lender
<u>Lee E. Fisher, Thomas E. and Lora Diane O'Loughlin</u>	<u>Security Pacific Bank Alaska</u>
Name of Debtor	Name of Lender
<u>Name of Debtor</u>	<u>Name of Lender</u>

(CONTINUE ANY SECTION ON BLANK PAPER)

JAN 28 1991

SCHEDULE C CONTINUED

CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE  
OR ITS INSTRUMENTALITY

Contracts of the reporting official's family, including the official's mother and/or father must be listed.  
AS 39.50.035(8)

None

\_\_\_\_\_  
Name of contractor

\_\_\_\_\_  
State Contracting Dept. or Instrumentality

\_\_\_\_\_  
Contract number and description

\_\_\_\_\_  
Indicate: Bid, Held or Offered

\_\_\_\_\_  
Name of contractor

\_\_\_\_\_  
State Contracting Dept. or Instrumentality

\_\_\_\_\_  
Contract number and description

\_\_\_\_\_  
Indicate: Bid, Held or Offered

\_\_\_\_\_  
Name of contractor

\_\_\_\_\_  
State Contracting Dept. or Instrumentality

\_\_\_\_\_  
Contract number and description

\_\_\_\_\_  
Indicate: Bid, Held or Offered

LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL OR  
OTHER NATURAL RESOURCES

Contracts of the reporting official's family, including the official's mother and/or father must be listed.  
AS 39.50.035(8)

None

\_\_\_\_\_  
Name of Lessor

\_\_\_\_\_  
Nature of Lease

\_\_\_\_\_  
Identity of Lease

\_\_\_\_\_  
Indicate: Held or Offered

\_\_\_\_\_  
Name of Lessor

\_\_\_\_\_  
Nature of Lease

\_\_\_\_\_  
Identity of Lease

\_\_\_\_\_  
Indicate: Held or Offered

(CONTINUE ANY SECTION ON BLANK PAPER)

# Alaska State Legislature



**Mike Navarre**  
Co-Chair  
(907) 465-3706

INTERIM ADDRESS  
34824 Kallifornsky Beach Rd.  
Soldotna, Alaska 99669  
(907) 262-7842

**Eileen MacLean**  
Co-Chair  
(907) 465-3722

INTERIM ADDRESS  
P.O. Box 290  
Barrow, Alaska 99723  
(907) 852-7111

## House of Representatives

Committee on Finance  
P.O. Box V, Juneau, Alaska 99811

April 8, 1991

Honorable Lee Fisher, Commissioner  
Department of Revenue  
PO Box S  
Juneau, AK 99811

Dear Commissioner Fisher:

Enclosed is a copy of a letter I recently received from your attorney, Mr. John K. Norman, of the firm of Hartig, Rhodes, Norman, Mahoney and Edwards. I appreciate the fervor with which Mr. Norman represents you, but I believe you might be better served if he focused his resources on the legal proceedings, and did not attempt to interfere with the constitutional and statutory function of the Finance Committee.

I fully agree that you and the 32 other defendants deserve your day in court, and you can rest assured that I have no intention of "trying the case" before the House Finance Committee. However, allegations have been raised by the FDIC (negligence, gross negligence, breach of express and implied contract, breach of fiduciary duty, statutory violations) which are directly related to the exercise of your authority, duty and responsibility as Commissioner of Revenue. The House Finance Committee is obligated to make a recommendation to the full House on the matter of your confirmation, and in this context the lawsuit simply cannot be ignored. I would think that you would welcome the opportunity to address the committee's concerns.

In Mr. Norman's closing paragraph he suggests that I "not leap to conclusions based on newspaper reports or vague and general allegations." Please convey to him that he might afford me the same courtesy.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Navarre  
Co-Chair, House Finance Committee

cc: Governor Walter J. Hickel  
John K. Norman

enclosure

# Revenue chief faces second House review

Suit could prompt confirmation hearing

By DAVE PATRICK

TIMES CAPITAL BUREAU

JUNEAU — State Revenue Commissioner Lee Fisher likely will face a second confirmation hearing before the House Finance Committee after being sued by federal banking regulators, said Rep. Mike Navarre, committee co-chairman.

"There certainly are allegations that should be addressed in his overall responsibility as commissioner of Revenue," said Navarre, a Kenai Democrat. No hearing date has been scheduled, he said.

Fisher also would be asked about his recent refusal to answer lawmakers' questions regarding his philosophy and the operation of his department, Navarre said.

The Federal Deposit Insurance Corp. lawsuits name Fisher among 33 former directors and officers of the now-defunct Alaska Mutual Bank and United Bank of Alaska. The FDIC seeks \$56 million in compensation for loan losses it blames on poor management.



Lee Fisher

Fisher, a former Alaska Mutual director, said Sunday that loan losses were caused by plummeting oil prices in 1986, which triggered a crash in real estate values. He also said the FDIC is suing to make claims on liability insurance covering officers and directors of Alaska. See Fisher, back page

ANCH. TIMES

## Fisher

Continued from page A1

Mutual.

The state revenue commissioner administers and enforces the revenue and tax laws of the state and is responsible for the collection, accounting, custody, investment and management of virtually all state funds.

The commissioner sits as a director on the Alaska Permanent Fund Corporation, the State Bond Committee, Municipal Bond Bank Authority, Alaska

Housing Finance Corporation, Alaska Student Loan Corporation, and Alaska Industrial Development and Export Authority.

Fisher's outspoken and blunt demeanor have hurt him in dealings with the Legislature, lawmakers said. In a March 11 confirmation hearing before the House Finance Committee, legislators questioned Fisher closely on his role in helping write Gov. Walter J. Hickel's cost-cutting budget proposal.

In an unusual move, the committee said it would withhold a confirmation vote until after Fisher responded to written

questions from lawmakers.

The March 11 committee questionnaire asked Fisher about his understanding of fiduciary responsibility, management of debt and his role on boards and commissions. Fisher refused to answer the questions in a March 18 reply, saying they were too broad and a waste of time.

"Writing a thesis on policies I would promote as a director of boards and commissions would detract from the appropriate use of my time," Fisher said. "If you have any evidence of my fiduciary conduct that makes me unfit for this position, I suggest you

furnish it to Governor Hickel so he may have an opportunity to reconsider my appointment."

Fisher did not return a phone call Tuesday. Navarre said the tone of the letter shows Fisher's irritation over the confirmation process.

"That's too bad, but that doesn't change the fact that we have to take these questions seriously," Navarre said.

"He shouldn't take it so personally, he should just answer the questions," said Rep. Kay Brown, D-Anchorage, a committee member. "If we weren't able to get the answers in writing per-

haps we should get them from him personally."

Fisher, 63, is a former Anchorage accounting firm executive and longtime friend of Hickel. Legislators have described Fisher as combative and abrasive. Senate Finance Committee members recently criticized Fisher for choosing to vacation near Palm Springs rather than attend hearings on his department's budget.

The House Finance Committee members said they cut \$500,000 from the Revenue Department's proposed budget after Fisher failed to attend the

hearing and defend the expenditure.

He most recently opposed legislation proposed by Hickel to charge compound interest to \$3.6

billion in disputed oil royalties and taxes. Fisher later recanted and endorsed the bill.

The Senate Finance Committee has not yet held any hearings on Fisher's confirmation as revenue commissioner. The joint Legislature will meet later in the session to consider the committees' recommendations and vote on Cabinet appointments.

# HOUSE FINANCE COMMITTEE CONFIRMATION HEARING

LEE FISHER  
COMMISSIONER OF REVENUE

March 11, 1991

## Questions and Issues

### Fiduciary Conduct

- \* What is your understanding of fiduciary responsibility, duty of prudence, duty of loyalty, personal liability, co-fiduciary liability, and best interests of beneficiaries?
- \* Give an example of actions you took in your role as a managing partner of a CPA firm to force adherence to fiduciary responsibility by an audit client.
- \* What role does the governor play in exercise of your fiduciary responsibilities?
- \* What does the fiduciary role obligate the commissioner to provide to beneficiaries and trustors as disclosure and reporting?

### Debt Management

- \* As a member of the State Bond Committee, what State debt policies will you promote?
- \* What impact do you think this administration's large-scale development projects would have on the State's credit if they require State equity, subsidy or credit support?
- \* What will be the process for making decisions on debt management?

### Boards and Commissions

- \* As a member of AHFC, AIDA, the Bond Bank, and the Student Loan Corporation, what policies will you promote?
- \* What attitude do you have towards the State reappropriating State funds given to these corporations or receiving dividends from them?
- \* What is your attitude toward dedicated funds?
- \* What programs should the State subsidize?

# Alaska State Legislature

**Mike Navarre**  
Co-Chair  
(907) 465-3706

INTERIM ADDRESS  
34824 Kallifornsky Beach Rd.  
Soldotna, Alaska 99669  
(907) 262-7842



**Eileen MacLean**  
Co-Chair  
(907) 465-3722

INTERIM ADDRESS  
P.O. Box 290  
Barrow, Alaska 99723  
(907) 852-7111

## House of Representatives

Committee on Finance  
P.O. Box V, Juneau, Alaska 99811

March 11, 1991

Commissioner Lee Fisher  
Department of Revenue  
11th floor  
State Office Bldg.  
Juneau, Alaska

Dear Commissioner Fisher,

I want to thank you for your candid remarks during today's confirmation hearing. As you quickly surmised, the House Finance Committee is very much interested in your appointment.

As I stated during the close of today's meeting I would be submitting some additional questions (see enclosure). Please return your written responses as soon as practical.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Representative Mike Navarre

MN/rw

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300  
TELEFAX: (907) 465-2389

March 18, 1991

The Honorable Mike Navarre  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Navarre:

Your letter of March 11, 1991 was faxed to me last Thursday. I will try to make this written response as candid as my oral remarks.

If, as you state, the House Finance Committee is "very much interested in my appointment" then may I suggest that future questions address my background and qualifications rather than a continuation of the political rhetoric that dominated last Monday's session.

Attempts to direct the Department of Revenue toward de-emphasis of material tax issues in favor of miniscule mining tax matters and queries about my role in the Education Department's budget are not germane to my qualifications as Governor Hickel's choice for Commissioner of Revenue.

As to your written questions and issues, the entire "fiduciary conduct" section can be succinctly answered. My conduct has met, without challenge, the code of ethics of the American Institute of Certified Public Accountants as an employee and employer for 39 years. Further, I performed the duties of managing partner for the "Big 8" international firm Coopers & Lybrand for fifteen years which required even higher standards than the AICPA.

The second query in this section displays a clear lack of understanding of the role of a CPA and the attest function of an auditor. A response is unwarranted.

The third query might better be addressed to Governor Hickel. From my standpoint it is insulting to even suggest that the Governor (or anyone else) exercises control over my fiduciary responsibilities.

The Honorable Mike Navarre  
March 18, 1991  
Page 2

The final query in this section might better have been asked of my predecessor who in fiscal 1988 was responsible for investment decisions that led to the loss of tens of millions in the PERS/TRS portfolios.

Then, rather than reporting these losses and the independent auditor's "except for" opinion, the financials were excluded from the PERS/TRS published reports in a departure from statutory requirements of disclosure and reporting to beneficiaries and trustors, resulting in a scathing report from LB&A dated June 19, 1989.

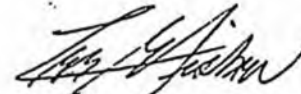
If you have any evidence of my fiduciary conduct that makes me unfit for this position, I suggest you furnish it to Governor Hickel so he may have an opportunity to reconsider my appointment.

The other two categories of questions are entirely too broad to be responded to satisfactorily in writing. I have a major job to perform (daily) involving issues which draw on my forty years of successful business, accounting, auditing, tax, management, planning and personnel expertise. Writing a thesis on policies I would promote as a director of boards and commissions would detract from the appropriate use of my time. Suffice to say, any and all decisions I will make will be in furtherance of, and for the benefit of, all Alaskans.

I am a firm advocate of the constitutionally mandated separation of powers between the judicial, the legislative and the administrative branches of Alaska's government. I sensed in last Monday's questions (and rhetoric) and in your written questions, a strong flavor of legislative attempt to control the Department of Revenue.

I believe it is my fiduciary responsibility to not allow any such control.

Very truly yours,



Lee E. Fisher  
Commissioner

LEF:m11  
91-34

cc: Governor Walter J. Hickel

# Alaska State Legislature

**Mike Navarre**  
Co-Chair  
(907) 465-3706

INTERIM ADDRESS  
34824 Kalifornsky Beach Rd.  
Soldotna, Alaska 99669  
(907) 262-7842



**Eileen MacLean**  
Co-Chair  
(907) 465-3722

INTERIM ADDRESS  
P.O. Box 290  
Barrow, Alaska 99723  
(907) 852-7111

## House of Representatives

Committee on Finance  
P.O. Box V, Juneau, Alaska 99811

April 3, 1991

Honorable Lee Fisher, Commissioner  
Alaska Department of Revenue  
P.O. Box S  
Juneau, AK 99811

Dear Commissioner Fisher:

Your letter of March 18, 1991 was received in my office on Thursday, March 28. I appreciate your candor, but frankly, I am disappointed and perplexed by the tone of your reply. You were obviously offended by the hearing, and by the follow-up questions that I sent you. Though I don't understand your reaction, please accept my sincere apology.

We may disagree about whether or not "political rhetoric" dominated the session, but I want to assure you that the Committee is still quite interested in gaining more knowledge about your background and qualifications. Questions seeking your thoughts on matters not strictly germane to those qualifications were posed by committee members trying only to gain a better understanding of you, and were not part of another political agenda. As I'm sure you're aware, the recommendation of the Finance Committee serves as an endorsement to the entire House of Representatives.

Your response (or lack thereof) to the written questions submitted is unsatisfactory. Refusing to allow the Committee an opportunity to understand how you view your role as Revenue Commissioner is counterproductive, and I respectfully request that you review your answers.

I too am a firm advocate of the separation of powers between the three branches of government. The legislature has the constitutional and statutory burden of reviewing and confirming the Cabinet, and we are trying to uphold that responsibility. Moreover, the legislature writes the statutes that the departments are charged with carrying out. It only makes good sense to have an understanding of each other if the legislature and the administrative branch are to work together in a cooperative manner for the good of Alaska.

I'm looking forward to your reply.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Rep. Mike Navarre

MN/pm

cc: Governor Walter J. Hickel

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF REVENUE**

OFFICE OF THE COMMISSIONER

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300  
TELEFAX: (907) 465-2389

April 5, 1991

The Honorable Mike Navarre, Co-Chair  
House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Navarre:

The Juneau rumor mill is probably as unreliable as Fourth Avenue gossip in Anchorage. Normally I would not respond to or rely on, either. However, a reputable member of this community has advised me that you and perhaps some other members of the House Finance Committee believe, and are communicating to others, that I don't agree with and/or don't respect the constitutional process of confirmation hearings.

The sole purpose of this letter is to assure you that any such perception is not only incorrect, it is absurd.

I fully support the constitutional process of confirmation carried on in a dignified atmosphere where both parties use and display respect. The process becomes something else when personal dislikes and political difference of opinion overshadow the single purpose of the process. Is the nominee qualified to hold the office?

I hope that the continuation of my confirmation hearing can be limited to addressing this sole issue, with respect.

The record of the past three months reflects my ability and willingness to respond to you and the Legislature in a professional manner when treated fairly and respectfully. The record also reflects that I will not be maligned or treated with disrespect.

The decision as to how this process continues is almost exclusively within your powers. I'm proud of my thirty-three year history of business and civic service to Alaska. Muckracking in the media has never been, nor will it ever be, my forte.

The Honorable Mike Navarre  
April 5, 1991  
Page 2

If this letter doesn't serve to put my confirmation process back on a reasonable track, then I respectfully request that we schedule a private meeting with the Governor. I am, after all, his choice.

Very truly yours,



Lee E. Fisher  
Commissioner

LEF:m11  
91-54

cc: The Honorable Walter J. Hickel

HARTIG, RHODES, NORMAN, MAHONEY & EDWARDS

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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CHRISTINE FOOTE HYATT  
ROBERT J. MAHONEY  
JOHN K. NORMAN  
SEAN R. PARNELL  
DOUGLAS C. PERKINS  
JAMES D. RHODES  
L. ANDREW ROBINSON  
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L. ANDREW ROBINSON

OF COUNSEL

GRUENING & SPITZFADEN  
217 SECOND STREET, SUITE 204  
JUNEAU, ALASKA 99801  
TELEPHONE (907) 588-8110

April 3, 1991

REPLY TO:  
Anchorage

APR 5 1991

The Honorable Mike Navarre  
Alaska State House  
of Representatives  
P. O. Box V  
Juneau, AK 99811

Re: FDIC v. Miller, et al.  
FDIC v. Argetsinger, et al.

Dear Representative Navarre:

Statements attributed to you by the media this morning indicate that you consider the FDIC's filing of a lawsuit in connection with failure of Alliance Bank to be cause for you to question Lee Fisher's qualifications to hold the position of Commissioner of Revenue for the State of Alaska.

Mr. Fisher has been a long-time client of our firm and I am writing to remind you that the mere naming of an individual in a lawsuit does not constitute evidence of wrongdoing. If it did, there would be no need to give a defendant the right to answer a complaint and dispute allegations therein, and there would certainly be no point in having a trial.

As you know, last week the FDIC filed two complaints naming 33 prominent Alaskans as defendants in connection with closure of Alliance Bank, the successor to Alaska Mutual Bank and United Bank of Alaska. You appear to have accepted at face value everything the FDIC has alleged against these defendants. If you have, then you do these individuals a great disservice by judging them before they have had a chance to respond to the FDIC's allegations. Most defendants have yet to even be served with a copy of the complaint.

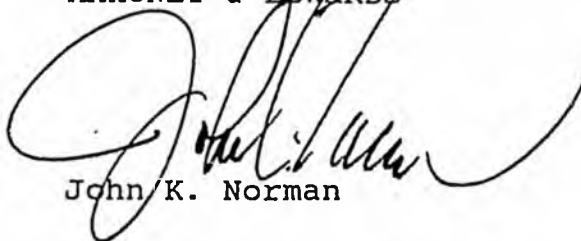
If your intent is simply to use the FDIC complaint as a basis for criticizing Mr. Fisher, then this would lead one to conclude that you are only motivated by politics.

The Honorable Mike Navarre  
Alaska State House  
of Representatives  
Page 2  
April 3, 1991

The 33 defendants deserve their day in court. This is a civil lawsuit and allegations made by the FDIC in that context should not be accorded any greater weight than allegations made by any plaintiff in any other civil litigation. Ultimately judge and jury will decide this case. I suggest that in fairness to all defendants, you allow the judicial process to take its course and that you not leap to conclusions based on newspaper reports or vague and general allegations.

Very truly yours,

HARTIG, RHODES, NORMAN,  
MAHONEY & EDWARDS

A large, stylized handwritten signature in black ink, appearing to read 'John K. Norman', is written over the typed name below it.

John K. Norman

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Mark E. Friedman, OSB # 73094  
Rodney B. Carman, ASB #7906010; WSB #19366  
GARVEY, SCHUBERT & BARER  
121 S.W. Morrison Street. 11th Floor  
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Of Attorneys for Plaintiff

Richard Foley  
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Telephone: (507) 279-4111

Of Attorneys for Plaintiff

Jeffrey Ross Williams  
Legal Division  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington, D.C. 20429

Of Counsel for Plaintiff

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA :

THE FEDERAL DEPOSIT INSURANCE )  
CORPORATION, a federal )  
corporation, )  
Plaintiff, )  
v. )  
JOSEPH C. MILLER, ROBERT E. BAER, )  
BRIAN J. BRUNDIN, ROBERT L. )  
DOSS, JR., LEE E. FISHER, D. MAX )  
HODEL, GEORGE J. JANSSEN, )  
JAMES W. ROMERDAHL, RICHARD L. )  
SILBERER, WILLIAM J. TOBIN, )  
ROBERT M. WINSLOW, and VICTOR )  
P. MOLLOZZI, )  
Defendants. )

Case No.  
COMPLAINT  
(Negligence, Gross  
Negligence, Breach of  
Express and Implied  
Contract, Breach of  
Fiduciary Duty, Statutory  
Violations)  
(Demand for Jury Trial)

LAW OFFICES  
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TENTH FLOOR  
1011 WESTERN AVENUE  
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11 550 17th Street, N.W.  
Washington, D.C. 20429

12 Of Counsel for Plaintiff

13 IN THE UNITED STATES DISTRICT COURT  
14 FOR THE DISTRICT OF ALASKA

15 THE FEDERAL DEPOSIT INSURANCE )  
16 CORPORATION, a federal )  
corporation, )

17 Plaintiff, )

18 v. )

19 JOSEPH C. MILLER, ROBERT E. BAER, )  
20 BRIAN J. BRUNDIN, ROBERT L. )  
DOSS, JR., LEE E. FISHER, D. MAX )  
21 HODEL, GEORGE J. JANSSEN, )  
22 JAMES W. ROMERDAHL, RICHARD L. )  
SILBERER, WILLIAM J. TOBIN, )  
23 ROBERT M. WINSLOW, and VICTOR )  
P. MOLLOZZI, )

24 Defendants. )

Case No.

COMPLAINT

(Negligence, Gross  
Negligence, Breach of  
Express and Implied  
Contract, Breach of  
Fiduciary Duty, Statutory  
Violations)

(Demand for Jury Trial)

# Banks' directors took fiscal beating

ANCH. TIMES 4.3.91

By PATRICIA SOLOVEICHIK

TIMES BUSINESS WRITER

A proxy statement given to stockholders of Alaska Mutual Bank and United Bank Alaska when the two banks were taken over by federal regulators and merged in 1987 shows many of AMB's directors and officers took a financial beating along with the banks.

The Alaska Mutual directors named in the Federal Deposit Insurance Corp. lawsuit filed Friday did not make money on the bank shares they held and eventually lost their entire stock investment.

Alaska Mutual Bank started out modestly enough as a savings institution in 1961 lacking the authority to take on corporate deposits or make commercial loans. The state commerce commissioner at that time, A.H. Romick, said, "Nobody can go in

■ Federal suit may chill service on boards, bankers say A10

■ Former United Bank Alaska director defends actions A10

and make a killing" under such restrictions.

However, Alaska Mutual directors, not satisfied with the bank's charter as a home loan bank, ventured into new territory. Incorporators Arnold Espe, Melvin Cook, Victor Gill, Larry Landry, Ron Rettig and Robert J. Shimek wanted a piece of the commercial banking business.

After much lobbying, Espe incorporated Alaska Pacific Bank and set up shop upstairs from AMB, sharing tellers, data processing, lobbies and operations. The two banks had the advantage of higher interest rates on savings accounts at the Mutual and the services permitted a

See FDIC, back page

## FDIC

Continued from page A1

commercial bank at Pacific.

Another lobbying effort in the Alaska Legislature won state-chartered banks the right to exercise the powers of commercial banks and the option of converting from mutual to stock ownership. The name "Savings" was dropped quietly from the bank's name in September 1980.

Rumors of a possible purchase by Seattle's Seafirst Corp. at about the time of the stock sale, may have prompted the decision to become a publicly held bank.

With Reagan economists predicting an upswing, a deal was made to sell out to Seafirst for \$33.5 million. But the transaction fell through when Oklahoma City's Penn Square Bank went belly-up and dropped heavy loan losses on the back of Seafirst Bank.

Alaska Mutual offered its stock to the public for the first time in March 1982, selling 1 million shares for between \$12.32 and \$16.67 per share.

Directors, officers and depositors got the first shot and bought up the shares before they were offered to the public.

AMB's officers and directors bought a total of 200,000 shares. State law requires directors to hold only 100 shares of a bank's stock.

In AMB's stock prospectus in 1982, the directors and officers' holdings were: President Earl Miller, 10,000 shares; Vice President Richard Anglemeyer, 5,000 shares; directors Kenneth L. Brady, 16,700 shares; Richard L. Silberer, 20,000 shares, and David Fritz, 13,500 shares. A few other directors and officers held 10,000 shares each and the lowest insider purchase was 300 shares.

The investment started out with considerable promise as Alaska Mutual grew from a small home loan bank into the third-largest bank in Alaska behind National Bank of Alaska and First National Bank of Anchorage.

But by the time the bank failed five years later, the stock was worth about 81 cents a share. The board of directors at the time AMB was closed held a substantial numbers of shares, according to the final proxy statement, dated Sept. 29, 1987.

Gov. Walter Hickel's Chief of Staff Max Hodel held 38,110 shares, Anchorage businessman Richard Silberer had 55,902 shares, Robert Baer had 1,155 shares, Revenue Commissioner Lee Fisher had 2,840 shares, James W. Romerdahl had 11,000 shares, George J. Janssen had 116,000 shares, and Anchorage Times Assistant Publisher William J. Tobin had 4,844 shares.

UBA also had taken the 1980s economic boom to heart. But the only UBA director to take a direct hit was NANA Development Corp. President William L. Hensley, who owned 3,876 shares of the almost worthless UBA stock.

However, Native corporations that had purchased large ownership interests in UBA were badly bruised. Sealaska Corp. held 522,290, or 13.8 percent of that bank's shares, NANA Regional Corp. had 515,460 shares, or 13.6 percent, Bristol Bay had 425,315 shares, or 11.2 percent, Doyon Ltd. had 372,790 shares, or 9.9 percent, and Ahtna Corp. had 189,970 shares, or 5 percent.

At its peak value, the UBA stock sold for \$10.34 a share. By late 1987, the stock had plummeted to 63 cents per share.

If the bank directors had given thought to selling off their shares when things started looking bleak in 1986, securities regulations would not have allowed the transaction because they were privy to insider information.



Official Business

# Alaska State Legislature

## Senate

### Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

The Honorable Richard Eliason  
President  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Eliason:

In accordance with AS 39.05.080, the Senate Finance Committee reviewed the qualifications of Darrel J. Rexwinkel for appointment as Commissioner of Revenue. There were no stated objections to confirmation of Mr. Rexwinkel by committee members. This does not reflect an intent by any of the members to vote for or against him during any further sessions for the purpose of consideration.

Respectfully,

Senator Pat Pourchot, Co-chairman

  
Senator Jay Kerttula, Co-chairman

Members:

  
Senator Jim Duncan  
Senator Al Adams  
Senator Lyman Hoffman  
Senator Dick Shultz  
Senator Rick Uehling



Alaska State Legislature  
Senate

Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE:

May 12, 1992

TO SENATE COMMITTEE:

Finance

FROM: Office of the Senate Secretary

The Chairman of the above-referenced Committee has waived the Committee referral on the following bill(s):

CSHJR 13

Run-Off Election: Gov. + Lt. Gov.

CSHB 356

Green Construction Standards

Please give the bill file(s) to the page delivering this message for forwarding to the next Committee of referral.

Thank you for your prompt attention to this request.

JR/s

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



State Capitol  
Juneau, Alaska 99801-1182  
907-465-3712

## Senate Finance Committee

### MEMORANDUM

TO: Senate Finance Committee Members  
FROM: Senator Pat Pourchot *Pat*  
RE: Introduction of Mental Health Settlement Bill  
DATE: April 10, 1992

Last year's Mental Health Lands "Settlement" has encountered numerous problems. An alternative proposal is being discussed by many affected parties which may have potential for a simpler, faster settlement. Without endorsing this alternative, I would like to introduce a Finance Committee bill incorporating this proposal to provide a forum for review of the on-going problems and explore alternatives.

Attached is a draft which we intend to introduce on Monday unless there is strong objection from the committee.

Attachment

7-LS2152P  
Chenoweth  
4/7/92

## SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Introduced:  
Referred:

## A BILL

## FOR AN ACT ENTITLED

1 "An Act amending provisions of ch. 66, SLA 1991, that relate to reconstitution of the  
2 corpus of the mental health trust, the management of trust assets, and to the manner of  
3 enforcement of the obligation to compensate the trust; and providing for an effective date."

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

5 \* Section 1. AS 22.05.010 is amended by adding a new subsection to read:

6 (f) The supreme court has original and exclusive jurisdiction to hear and determine any  
7 dispute arising under AS 37.14.036(c) - (e).

8 \* Sec. 2. AS 37.14.009(a) is amended to read:

9 (a) The Alaska Mental Health Trust Authority

10 (1) shall manage the assets of the trust in a fiduciary manner to fulfill the  
11 purposes of the trust;

12 (2) may, consistent with (1) of this subsection and AS 47.30.036(1), sell, lease,  
13 exchange, or otherwise dispose of land in the trust;

14 (3) may, consistent with (1) of this subsection, use land that is an asset of the

1 trust directly for the integrated comprehensive mental health program;

2 (4) shall, upon terms satisfactory to the authority, [MAY] contract with the  
3 Department of Natural Resources to manage the land assets of the trust, unless the authority  
4 determines that the best interests of trust beneficiaries would be served by other  
5 arrangements; and

6 (5) shall contract with the Alaska Permanent Fund Corporation for management of the  
7 trust's cash assets, unless the authority finds that the best interests of trust beneficiaries would  
8 be served by contracting with another entity.

9 \* Sec. 3. AS 37.14.031, added by sec. 11, ch. 66, SLA 1991, is amended to read:

10 Sec. 37.14.031. TRUST FUND ESTABLISHED. The mental health trust fund is  
11 established as a separate fund within the state treasury. The fund consists of the cash assets of  
12 the principal of the trust, including the proceeds earned from the management of the land  
13 placed in the trust corpus under AS 38.05.800.

14 \* Sec. 4. AS 37.14.036(c), added by sec. 11, ch. 66, SLA 1991, is repealed and reenacted to read:

15 (c) As compensation for the land that constituted the trust established by the enabling Act  
16 and that is not reconstituted as part of the mental health trust corpus established under  
17 AS 38.05.800, the state shall make an annual payment of six percent of the unrestricted general  
18 fund revenue of the state during each fiscal year. The commissioner of revenue shall annually  
19 allocate that amount from the general fund to the mental health trust income account established  
20 in (a) of this section.

21 \* Sec. 5. AS 37.14.036, added by sec. 11, ch. 66, SLA 1991, is amended by adding new subsections  
22 to read:

23 (d) To secure the allocation of amounts required under (c) of this section, land granted  
24 to the state under the enabling act, and that is, on the effective date of this subsection, designated  
25 by law as a state park, state forest, state game refuge, state wildlife refuge, state game sanctuary,  
26 state recreational area, state recreational river, state wilderness park, state marine park, state  
27 special management area, state public use area, critical habitat area, bald eagle preserve, bison  
28 range, or moose range, is pledged as security to the mental health trust. Title to this land  
29 remains in the state and, so long as a default does not exist under (c) of this section, income from  
30 that land shall be deposited in the general fund and considered unrestricted general funds of the  
31 state.

1 (e) Upon default, the foreclosure of the lands pledged as security under (d) of this  
2 section, including the parcels to be foreclosed and the manner of foreclosure, shall be determined  
3 by the supreme court.

4 \* Sec. 6. AS 38.05.800 is repealed and reenacted to read:

5 Sec. 38.05.800. RECONSTITUTION OF MENTAL HEALTH TRUST CORPUS. The  
6 corpus of the mental health trust includes land granted to the state under the Alaska Mental  
7 Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, that, on the effective date of this Act,

8 (1) has not been conveyed or encumbered by the state, or reserved by law from  
9 the public domain;

10 (2) is subject to only one or more of the following:

11 (A) an oil or gas lease, coal lease, or other lease;

12 (B) a timber contract;

13 (C) a mining claim;

14 (D) a sale of materials under AS 38.05.110 - 38.05.120;

15 (E) a land use permit or right-of-way issued by the department under this  
16 chapter;

17 (3) is not necessary to carry out the purposes of an interagency land management  
18 agreement; or

19 (4) was selected by a municipality under AS 29.65 or under former  
20 AS 29.18.190 - 29.18.200 and the selection of which, on the effective date of this Act, has been  
21 neither approved nor disapproved by the director.

22 \* Sec. 7. Section 49, ch. 66, SLA 1991, is amended to read:

23 Sec. 49. AS 37.14.011, 37.14.021, [AS 38.05.800,] AS 47.30.546, secs. 1, 2, 4, and 5,  
24 ch. 132, SLA 1986; and secs. 7 - 10, ch. 48, SLA 1987 are repealed.

25 \* Sec. 8. Sections 54, 55, 56, and 57, ch. 66, SLA 1991, are repealed.

26 \* Sec. 9. COURT JURISDICTION. (a) If for any reason the Alaska Supreme Court determines that  
27 the jurisdiction conferred under AS 22.05.010(f), added by sec. 1 of this Act, is invalid, the superior  
28 court shall have jurisdiction over proceedings described in AS 22.05.010(f).

29 (b) The Alaska Supreme Court or, if applicable, the Superior Court may refer the proceedings  
30 under AS 22.05.010(f), added by sec. 1 of this Act, to a special master.

31 \* Sec. 10. This Act takes effect on the effective date of ch. 66, SLA 1991.

*Bannister*

*4-5-91 Approved by  
Committee for  
Introduction*  
7-LS1167A



SENATE BILL NO. *245* *Introduced*  
*4-8-91*

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:  
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state purchases of heavy trucks and heavy equipment."

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

3 \* Section 1. LEGISLATIVE INTENT. It is the intent of the legislature that the state take into  
4 account certain factors in addition to price when purchasing heavy trucks and heavy equipment. The  
5 state should consider resale value, durability as measured by projected operating and maintenance costs,  
6 and service requirements, including warranty, parts availability, and service locations. These factors  
7 should be considered with the goal of acquiring the best value for the state considering the price and  
8 quality of the equipment purchased.

9 \* Sec. 2. AS 36.30.040(b) is amended to read:

10 (b) The commissioner shall adopt regulations pertaining to the following:

- 11 (1) suspension, debarment, and reinstatement of prospective bidders and
- 12 contractors;
- 13 (2) bid protests;
- 14 (3) conditions and procedures for the procurement of perishables and items for

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**SENATE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Introduced:**

**Referred:**

**A RESOLUTION**

**1 Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature**  
**2 concerning House Bill No. 486, making a contingent appropriation to the Exxon Valdez**  
**3 Oil Spill Trust.**

**4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the provisions of**  
**6 Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the title of a bill, are**  
**7 suspended in consideration of House Bill No. 486, making a contingent appropriation to the Exxon**  
**8 Valdez Oil Spill Trust.**

*Not used.*

Cramer

**SENATE CONCURRENT RESOLUTION NO.  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Introduced:**

**Referred:**

**A RESOLUTION**

**1 Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature  
2 concerning House Bill No. 486, making a contingent appropriation to the Exxon Valdez  
3 Oil Spill Trust.**

**4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the provisions of  
6 Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the title of a bill, are  
7 suspended in consideration of House Bill No. 486, making a contingent appropriation to the Exxon  
8 Valdez Oil Spill Trust.**

**SENATE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Introduced:**

**Referred:**

**A RESOLUTION**

**1 Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature**  
**2 concerning House Bill No. 486, making a contingent appropriation to the Exxon Valdez**  
**3 Oil Spill Trust.**

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**5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the provisions of**  
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**8 Valdez Oil Spill Trust.**

**SENATE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Introduced:**

**Referred:**

**A RESOLUTION**

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**2 concerning House Bill No. 486, making a contingent appropriation to the Exxon Valdez**  
**3 Oil Spill Trust.**

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**5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the provisions of**  
**6 Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the title of a bill, are**  
**7 suspended in consideration of House Bill No. 486, making a contingent appropriation to the Exxon**  
**8 Valdez Oil Spill Trust.**

# Alaska State Legislature.

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling

## Senate Finance Committee

February 19, 1991

The Honorable Richard Eliason  
President, Alaska State Senate  
Alaska State Legislature  
Juneau, AK 99811

Dear Mr. President:

The Senate Finance Committee has considered the following Executive Order:

Executive Order 78, relating to the transfer of the office of equal opportunity from the office of the Governor to the Department of Administration.

There were no stated objections to this order by the committee members.

Respectfully,

Handwritten signature of Senator Pat Pourchot.

Senator Pat Pourchot, Co-Chair

Handwritten signature of Senator Jalmar Kerttula.  
Senator Jalmar Kerttula, Co-ChairHandwritten signature of Senator Jim Duncan.  
Senator Jim DuncanHandwritten signature of Senator Lyman Hoffman.  
Senator Lyman HoffmanHandwritten signature of Senator Al Adams.  
Senator Al AdamsHandwritten signature of Senator Rick Uehling.  
Senator Rick UehlingHandwritten signature of Senator Richard Shultz.  
Senator Richard Shultz

Introduced: 1/21/91

IN THE HOUSE  
Referred: Judiciary

IN THE SENATE  
Referred: State Affairs, Finance

**EXECUTIVE ORDER NO. 78**

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with  
2 AS 24.08.210, I order the following:

3 \* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient  
4 administration to transfer the office of equal employment opportunity from the Office of the Governor  
5 to the Department of Administration.

6 \* Sec. 2. AS 44.21.020 is amended by adding a new paragraph to read:

7 (14) administer the office of equal employment opportunity.

8 \* Sec. 3. AS 44.21 is amended by adding new sections to read:

9 ARTICLE 8. OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY.

10 Sec. 44.21.500. OFFICE ESTABLISHED. The office of equal employment opportunity  
11 is established in the department.

12 Sec. 44.21.501. POWERS AND DUTIES OF THE OFFICE. (a) The office shall  
13 administer the equal employment opportunity program for the executive branch of state  
14 government to ensure compliance with AS 44.21.500 - 44.21.508 and shall

15 (1) assist state officials to carry out their equal employment opportunity  
16 responsibilities, including promoting the recruitment, employment, training, and retention of  
17 members of protected classes, and recommend solutions to any problems identified;

18 (2) train state managers and supervisors in their equal employment opportunity  
19 and affirmative action responsibilities and offer orientation programs to employees to inform  
20 them of their rights and responsibilities under AS 44.21.500 - 44.21.508.

21 (3) monitor records of personnel actions, develop auditing and reporting systems  
22 to acquire statistical information, and prepare federal and state reports concerning the composition  
23 of the work force;

1 (4) prepare and submit the affirmative action plan for employment in the  
2 executive branch of state government to the governor;

3 (5) prepare guidelines for the affirmative action programs of agencies and review,  
4 audit and make recommendations concerning the programs;

5 (6) ensure that agencies comply with the affirmative action plan and with the  
6 agency affirmative action program;

7 (7) implement standards by which performance evaluations of supervisors reflect  
8 compliance with affirmative action plans and objectives, including the granting or denial of merit  
9 increases;

10 (8) assist the division of labor relations in collective bargaining negotiations  
11 between the state and employee bargaining organizations to ensure that each collective bargaining  
12 agreement negotiated by the state ensures equal employment opportunity;

13 (9) file quarterly reports with the governor and the legislature concerning agency  
14 compliance with and progress in its affirmative action program, the affirmative action plan, state  
15 and federal equal employment opportunity laws and regulations;

16 (10) accept, investigate, and resolve complaints of discrimination from employees,  
17 previous employees, or applicants for employment;

18 (11) serve as primary liaison between the executive branch and state and federal  
19 agencies, minority and women's organizations, and community groups concerned with equal  
20 employment opportunity; and

21 (12) prepare and submit an annual report to the governor and the legislature by  
22 February 15 on the progress and problem areas in the equal employment opportunity program  
23 and the implementation of the affirmative action plan.

24 (b) The office may

25 (1) recommend legislative or administrative action to the governor relating to  
26 equal employment opportunity and affirmative action matters;

27 (2) require the purging of the records of a complaint of unlawful discrimination  
28 from the personnel file of an employee who has filed a complaint of unlawful discrimination;

29 (3) forbid an agency to hire or promote employees based on a discriminatory  
30 employment practice;

31 (4) require an agency to reverse a personnel action including a hiring decision if

1 it finds that the action was based on a discriminatory employment practice;

2 (5) require an agency to change its selection procedures if it finds that the  
3 procedures violate state or federal laws prohibiting employment discrimination; and

4 (6) when there is reason to believe that an employee has violated this subsection,  
5 require the agency to investigate and to impose discipline if the investigation reveals facts  
6 warranting it.

7 (c) A collective bargaining agreement adopted under AS 23.40.070 - 23.40.260 (Public  
8 Employment Relations Act) must be consistent with principles of equal employment opportunity  
9 and affirmative actions. AS 44.21.500 - 44.21.508 supersede the provisions of AS 39.25 (State  
10 Personnel Act).

11 Sec. 44.21.502. ADMINISTRATIVE REGULATIONS. The commissioner shall adopt  
12 regulations under the Administrative Procedure Act (AS 44.62) to carry out the office's duties.

13 Sec. 44.21.503. AFFIRMATIVE ACTION PLAN. The department shall establish an  
14 equal employment opportunity program and adopt annually an affirmative action plan for the  
15 executive branch of state government. The plan remains in effect until the department establishes  
16 a subsequent plan. The office shall work with each agency to enhance equal employment  
17 opportunity.

18 Sec. 44.21.504. COMPLIANCE WITH AFFIRMATIVE ACTION PLAN. (a) Each  
19 agency shall comply with the affirmative action plan. Each commissioner or executive head of  
20 an agency shall adopt an affirmative action program to implement the plan within the agency.  
21 At the request of the office, a state official shall report to the office about agency employment  
22 practices and activities to implement and comply with the plan or program.

23 (b) When the office finds that an agency has violated the affirmative action plan or its  
24 affirmative action program, the office may

25 (1) suspend the hiring authority of the agency; and

26 (2) impose mandatory affirmative action measures on the agency to bring the  
27 agency into compliance.

28 Sec. 44.21.505. EMPLOYMENT DISCRIMINATION COMPLAINTS. (a) The office  
29 shall accept complaints of employment discrimination in the executive branch of state  
30 government and shall confer with the complainant and the agency involved to bring about an  
31 informal resolution of complaint.

1 (b) An agency shall notify the office when the agency receives a complaint alleging  
2 employment discrimination.

3 (c) The office may not make public the records of a complaint or investigation.

4 Sec. 44.21.506. RETALIATION PROHIBITED. (a) An agency, officer, or state  
5 employ ee may not directly or indirectly refuse to hire, transfer or promote, or dismiss, demote,  
6 suspend, lay off, or otherwise discipline a person for filing a complaint with the office for a  
7 failure to comply with affirmative action or equal employment opportunity or for assisting the  
8 office in an investigation of a complaint.

9 (b) A person who knowingly violates this section is liable for a civil penalty of not more  
10 than \$1,000.

11 Sec. 44.21.507. ACCESS TO CONFIDENTIAL RECORDS. The office may have access  
12 to all data, records, and reports necessary to carry out its functions under AS 44.21.500 -  
13 44.21.508. The office may not make public information designated as confidential by AS  
14 39.25.080 or another law. However, the office may make public statistical information compiled  
15 from confidential records.

16 Sec. 44.21.508. DEFINITIONS. In AS 44.21.500 - 44.21.508,

17 (1) "agency" means a department, office, agency, public corporation, board,  
18 commission, authority, or other organizational unit of the executive branch;

19 (2) "commissioner" means the commissioner of administration;

20 (3) "department" means the Department of Administration;

21 (4) "employment in the executive branch of state government" includes  
22 employment as a permanent, probationary, provisional, nonpermanent, or temporary employee  
23 in the classified, partially exempt, or exempt services in the executive branch of state  
24 government;

25 (5) "member of a protected class" means a person protected by federal or state  
26 laws that prohibit discrimination in employment or a person who experiences or has experienced  
27 difficulty in obtaining employment or advancement in employment because of another factor not  
28 related to merit;

29 (6) "office" means the office of equal employment opportunity in the department.

30 \* Sec. 4. AS 44.19.441, 44.19.442, 44.19.443, 44.19.444, 44.19.445, 44.19.446, 44.19.447, 44.19.448,  
31 and 44.19.449 are repealed.

1 \* Sec. 5. Transition. (a) Litigation, hearings, investigations, and other proceedings pending under  
2 a law amended or repealed by this Order, or in connection with functions transferred by this Order,  
3 continue in effect and may be continued and completed notwithstanding a transfer or amendment or  
4 repeal provided for in this Order.

5 (b) Regulations adopted by the office of equal employment opportunity under authority of  
6 AS 44.19.443 before March 23, 1991, remain in effect until regulations are adopted under AS 44.21.502  
7 by the commissioner of administration, and take effect. The Department of Administration may enforce  
8 the regulations adopted under AS 44.19.443 until its own take effect.

9 (c) Contracts, rights, liabilities, and obligations created by or under a law amended or repealed  
10 by this Executive Order, and in effect on March 22, 1991, remain in effect notwithstanding this Order's  
11 taking effect. Records, equipment, appropriations, and other property of agencies of the state whose  
12 functions are transferred under this Order shall be transferred to implement the provisions of this Order.

13 \* Sec. 6. This Order takes effect March 23, 1991.

14

15

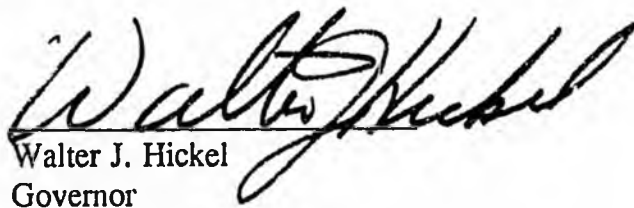
DATED: 1-21-91

16

17

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19

  
Walter J. Hickel  
Governor



OFFICIAL BUSINESS

# Alaska State Legislature

## Senate

### Office of the Secretary

PO BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

January 22, 1991

#### MEMORANDUM

TO: Senator Jalmar Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Finance Committee

FROM: Nancy Quinto *NQ*  
Secretary of the Senate

RE: Executive Order No. 78

The President has referred Executive Order No. 78 (to transfer the office of equal employment opportunity from the Office of the Governor to the Department of Administration) to your committee.

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate Finance Committee

### MEMORANDUM

TO: Senate Finance Committee Members  
FROM: Senator Pat Pourchot  
RE: Executive Orders  
DATE: February 7, 1991

Please find attached Executive Order 78, relating to the transfer of the Office of Equal Opportunity from the Office of the Governor to the Department of Administration and Executive Order 79, relating to the transfer of the Office of International Trade from the Governor's Office to the Department of Commerce and Development. These have been referred to the Finance Committee.

Please notify my office by Friday, February 15, 1991 if you would like the Finance Committee to hold a hearing on either order. If no requests for a hearing are received, I will present the committee with a letter for individual signature, stating the Finance Committee's non-objection to the orders.

Patrick M. Rodey  
Senator

# Alaska State Legislature



Senate


3111 C. St., Suite 510  
Anchorage, Alaska 99503  
(907) 561-7618

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3793

## Memorandum

Date: January 28, 1991

To: Senator Jay Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Senate Finance Committee

From: Senator Pat Rodey, Chair  
Senate State Affairs Committee 

Subj: Executive Order - 78  
EEO transfer from Governor's Office to Administration

The Senate State Affairs Committee met and considered the Governor's Executive Order-78, transferring the Office of Equal Employment Opportunity from the Governor's Office to the Department of Administration.

Members decided to take no action opposing the Executive Order. I am forwarding the Executive Order to you as it was also given a Senate Finance Committee referral.



# Alaska State Legislature

## Senate

### Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

January 22, 1991

#### MEMORANDUM

TO: Senator Pat Rodey, Chair  
State Affairs Committee

FROM: Nancy Quinto *ng*  
Secretary of the Senate

RE: Executive Order No. 78

The President has referred Executive Order No. 78 (to transfer the office of equal employment opportunity from the Office of the Governor to the Department of Administration) to your committee.

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment

Introduced: 1/21/91  
Referred in the Senate: State Affairs  
and Finance  
Referred in the House: Judiciary

7-GS0039

### EXECUTIVE ORDER NO. 78

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with  
2 AS 24.08.210, I order the following:

3 \* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient  
4 administration to transfer the office of equal employment opportunity from the Office of the Governor  
5 to the Department of Administration.

6 \* Sec. 2. AS 44.21.020 is amended by adding a new paragraph to read:

7 (14) administer the office of equal employment opportunity.

8 \* Sec. 3. AS 44.21 is amended by adding new sections to read:

9 ARTICLE 8. OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY.

10 Sec. 44.21.500. OFFICE ESTABLISHED. The office of equal employment opportunity  
11 is established in the department.

12 Sec. 44.21.501. POWERS AND DUTIES OF THE OFFICE. (a) The office shall  
13 administer the equal employment opportunity program for the executive branch of state  
14 government to ensure compliance with AS 44.21.500 - 44.21.508 and shall

15 (1) assist state officials to carry out their equal employment opportunity  
16 responsibilities, including promoting the recruitment, employment, training, and retention of  
17 members of protected classes, and recommend solutions to any problems identified;

18 (2) train state managers and supervisors in their equal employment opportunity  
19 and affirmative action responsibilities and offer orientation programs to employees to inform  
20 them of their rights and responsibilities under AS 44.21.500 - 44.21.508.

21 (3) monitor records of personnel actions, develop auditing and reporting systems  
22 to acquire statistical information, and prepare federal and state reports concerning the composition  
23 of the work force;

1 (4) prepare and submit the affirmative action plan for employment in the  
2 executive branch of state government to the governor;

3 (5) prepare guidelines for the affirmative action programs of agencies and review,  
4 audit and make recommendations concerning the programs;

5 (6) ensure that agencies comply with the affirmative action plan and with the  
6 agency affirmative action program;

7 (7) implement standards by which performance evaluations of supervisors reflect  
8 compliance with affirmative action plans and objectives, including the granting or denial of merit  
9 increases;

10 (8) assist the division of labor relations in collective bargaining negotiations  
11 between the state and employee bargaining organizations to ensure that each collective bargaining  
12 agreement negotiated by the state ensures equal employment opportunity;

13 (9) file quarterly reports with the governor and the legislature concerning agency  
14 compliance with and progress in its affirmative action program, the affirmative action plan, state  
15 and federal equal employment opportunity laws and regulations;

16 (10) accept, investigate, and resolve complaints of discrimination from employees,  
17 previous employees, or applicants for employment;

18 (11) serve as primary liaison between the executive branch and state and federal  
19 agencies, minority and women's organizations, and community groups concerned with equal  
20 employment opportunity; and

21 (12) prepare and submit an annual report to the governor and the legislature by  
22 February 15 on the progress and problem areas in the equal employment opportunity program  
23 and the implementation of the affirmative action plan.

24 (b) The office may

25 (1) recommend legislative or administrative action to the governor relating to  
26 equal employment opportunity and affirmative action matters;

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28 from the personnel file of an employee who has filed a complaint of unlawful discrimination;

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30 employment practice;

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1 it finds that the action was based on a discriminatory employment practice;

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7 (c) A collective bargaining agreement adopted under AS 23.40.070 - 23.40.260 (Public  
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20 an agency shall adopt an affirmative action program to implement the plan within the agency.  
21 At the request of the office, a state official shall report to the office about agency employment  
22 practices and activities to implement and comply with the plan or program.

23 (b) When the office finds that an agency has violated the affirmative action plan or its  
24 affirmative action program, the office may

25 (1) suspend the hiring authority of the agency; and

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31 informal resolution of complaint.

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2 employment discrimination.

3 (c) The office may not make public the records of a complaint or investigation.

4 Sec. 44.21.506. RETALIATION PROHIBITED. (a) An agency, officer, or state  
5 employee may not directly or indirectly refuse to hire, transfer or promote, or dismiss, demote,  
6 suspend, lay off, or otherwise discipline a person for filing a complaint with the office for a  
7 failure to comply with affirmative action or equal employment opportunity or for assisting the  
8 office in an investigation of a complaint.

9 (b) A person who knowingly violates this section is liable for a civil penalty of not more  
10 than \$1,000.

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14 39.25.080 or another law. However, the office may make public statistical information compiled  
15 from confidential records.

16 Sec. 44.21.508. DEFINITIONS. In AS 44.21.500 - 44.21.508,

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18 commission, authority, or other organizational unit of the executive branch;

19 (2) "commissioner" means the commissioner of administration;

20 (3) "department" means the Department of Administration;

21 (4) "employment in the executive branch of state government" includes  
22 employment as a permanent, probationary, provisional, nonpermanent, or temporary employee  
23 in the classified, partially exempt, or exempt services in the executive branch of state  
24 government;

25 (5) "member of a protected class" means a person protected by federal or state  
26 laws that prohibit discrimination in employment or a person who experiences or has experienced  
27 difficulty in obtaining employment or advancement in employment because of another factor not  
28 related to merit;

29 (6) "office" means the office of equal employment opportunity in the department.

30 \* Sec. 4. AS 44.19.441, 44.19.442, 44.19.443, 44.19.444, 44.19.445, 44.19.446, 44.19.447, 44.19.448,  
31 and 44.19.449 are repealed.

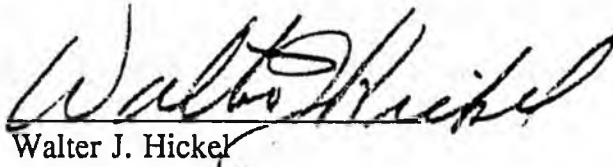
1 \* Sec. 5. Transition. (a) Litigation, hearings, investigations, and other proceedings pending under  
2 a law amended or repealed by this Order, or in connection with functions transferred by this Order,  
3 continue in effect and may be continued and completed notwithstanding a transfer or amendment or  
4 repeal provided for in this Order.

5 (b) Regulations adopted by the office of equal employment opportunity under authority of  
6 AS 44.19.443 before March 23, 1991, remain in effect until regulations are adopted under AS 44.21.502  
7 by the commissioner of administration, and take effect. The Department of Administration may enforce  
8 the regulations adopted under AS 44.19.443 until its own take effect.

9 (c) Contracts, rights, liabilities, and obligations created by or under a law amended or repealed  
10 by this Executive Order, and in effect on March 22, 1991, remain in effect notwithstanding this Order's  
11 taking effect. Records, equipment, appropriations, and other property of agencies of the state whose  
12 functions are transferred under this Order shall be transferred to implement the provisions of this Order.

13 \* Sec. 6. This Order takes effect March 23, 1991.

14  
15 DATED: 1-21-91

16  
17   
18 Walter J. Hickey  
19 Governor

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 21, 1991

The Honorable Richard I. Eliason  
President of the Senate  
P.O. Box V  
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 78, relating to the transfer of the office of equal employment opportunity from the Office of the Governor to the Department of Administration, effective March 23, 1991.

Article III, sec. 22 of the Alaska Constitution requires that the functions, powers, and duties of the departments, offices, and agencies of government are to be grouped insofar as is practical according to major purposes. I submit this Order because I believe that placing the office of equal employment opportunity in the department charged with administering the state's personnel system, the Department of Administration, is in keeping with this requirement and will promote more efficient administration of the office's functions.

I urge your support of this Order.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel  
Governor

**STATE OF ALASKA**  
**1991 LEGISLATIVE SESSION**

**FISCAL NOTE**

**BILL #**

No. 1

Bill Version: E-0.78

(S) Publish Date: 1-21-91

Revision Date: \_\_\_\_\_

Title: Executive Order Transferring EEO to

Department of Administration

Sponsor: \_\_\_\_\_

Requestor: Governor

Department Affected: Administration

BRU: Personnel

Component: Personnel

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

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

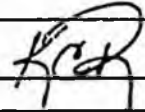
POSITIONS:

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

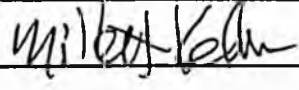
Estimate of current year impact: 621.8

ANALYSIS: (Attach a separate page if necessary.)

This executive order transfers the statutory responsibilities of the Office of Equal Employment Opportunity from the Governor's Office to the Department of Administration. This transfer will have no net fiscal impact on the State's operating budget. The transfer of funds between the Office of Equal Employment Opportunity and the Department of Administration is reflected on the G4 form of the Division of Personnel's FY 92 operating budget.

Prepared by: Kip C. Roloff   
Division: Personnel

Phone: 465-4430  
Date: 01/16/91

Approved by Commissioner: Millett Keller   
Agency: Administration

Date: 1/17/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

1

FISCAL NOTE

No. 2

Bill Version: E:0.78

(S) Publish Date: 1-21-91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor  
 Title: Executive Order transferring the BRU: Commissions and Special Offices  
Office of Equal Employment Opportunity Component: Equal Employment Opportunity  
to the Department of Administration  
 Sponsor: ROLES  
 Requestor: Governor COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)  
 Funding for the Office of Equal Employment Opportunity exists within the state operating budget. These funds will be transferred to the Department of Administration through the FY 92 budget process.

Prepared By: Michael A. Nizich, Director *M.A.N.* Phone: 465-3616  
 Division: Division of Administrative Services Date: 1-18-91  
 Approved by Commissioner: *[Signature]*  
 Agency: Office of the Governor Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

*2*



# Alaska State Legislature

## Senate

### Office of the Secretary

OFFICIAL BUSINESS

PO BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

January 22, 1991

#### MEMORANDUM

TO: Senator Jalmar Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Finance Committee

FROM: Nancy Quinto *NQ*  
Secretary of the Senate

RE: Executive Order No. 78

The President has referred Executive Order No. 78 (to transfer the office of equal employment opportunity from the Office of the Governor to the Department of Administration) to your committee.

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WALTER J. HICKEL  
GOVERNOR

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 21, 1991

The Honorable Richard I. Eliason  
President of the Senate  
P.O. Box V  
Juneau, AK 99811

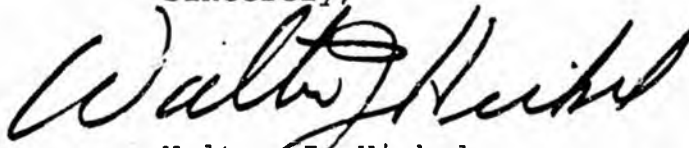
Dear President Eliason:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 78, relating to the transfer of the office of equal employment opportunity from the Office of the Governor to the Department of Administration, effective March 23, 1991.

Article III, sec. 22 of the Alaska Constitution requires that the functions, powers, and duties of the departments, offices, and agencies of government are to be grouped insofar as is practical according to major purposes. I submit this Order because I believe that placing the office of equal employment opportunity in the department charged with administering the state's personnel system, the Department of Administration, is in keeping with this requirement and will promote more efficient administration of the office's functions.

I urge your support of this Order.

Sincerely,



Walter J. Hickel  
Governor

FISCAL NOTE

Bill Version: E-0.78  
 (S) Publish Date: 1-21-91

STATE OF ALASKA  
 1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor  
 Title: Executive Order transferring the BRU: Commissions and Special Offices  
Office of Equal Employment Opportunity Component: Equal Employment Opportunity  
 to the Department of Administration  
 Sponsor: ROLES  
 Requestor: Governor COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Funding for the Office of Equal Employment Opportunity exists within the state operating budget. These funds will be transferred to the Department of Administration through the FY 92 budget process.

Prepared By: Michael A. Nizich, Director Phone: 465-3616  
 Division: Division of Administrative Services Date: 1-18-91  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: Office of the Governor Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

Bill Version: E-0.78

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL #

(S) Publish Date: 1-21-91

Revision Date: \_\_\_\_\_

Department Affected: Administration

Title: Executive Order Transferring EEO to

BRU: Personnel

Department of Administration

Component: Personnel

Sponsor: \_\_\_\_\_

Requestor: Governor

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

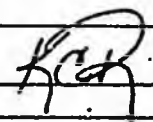
POSITIONS:

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

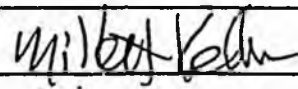
Estimate of current year impact: 621.8

ANALYSIS: (Attach a separate page if necessary.)

This executive order transfers the statutory responsibilities of the Office of Equal Employment Opportunity from the Governor's Office to the Department of Administration. This transfer will have no net fiscal impact on the State's operating budget. The transfer of funds between the Office of Equal Employment Opportunity and the Department of Administration is reflected on the C4 form of the Division of Personnel's FY 92 operating budget.

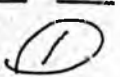
Prepared by: Kip C. Roloff   
Division: Personnel

Phone: 465-4430  
Date: 01/16/91

Approved by Commissioner: Millett Keller   
Agency: Administration

Date: 1/17/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate Finance Committee

February 19, 1991

The Honorable Richard Eliason  
President, Alaska State Senate  
Alaska State Legislature  
Juneau, AK 99811

Dear Mr. President:

The Senate Finance Committee has considered the following Executive Order:

Executive Order 79, relating to the transfer of the Office of International Trade from the Governor's office to the Department of Commerce and Development.

There were no stated objections to this order by the committee members.

Respectfully,

Handwritten signature of Senator Pat Pourchot in cursive.

Senator Pat Pourchot, Co-Chair

Handwritten signature of Senator Jalmar Kerttula in cursive.  
No Rec

Senator Jalmar Kerttula, Co-Chair

Handwritten signature of Senator Jim Duncan in cursive.

Senator Jim Duncan

Handwritten signature of Senator Lyman Hoffman in cursive.

Senator Lyman Hoffman

Handwritten signature of Senator Al Adams in cursive.

Senator Al Adams

Handwritten signature of Senator Rick Uehling in cursive.

Senator Rick Uehling

Handwritten signature of Senator Richard Shultz in cursive.

Senator Richard Shultz

Introduced: 1/21/91

IN THE HOUSE

Referred: International Trade and Tourism, Labor and Commerce

IN THE SENATE

Referred: International Trade and Tourism, Labor and Commerce, Finance

EXECUTIVE ORDER NO. 79

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with  
2 AS 24.08.210, I order the following:

3 \* **Section 1. FINDINGS.** As governor, I find that it would be in the best interests of efficient  
4 administration to move the Office of International Trade, including the Alaska Foreign Offices, from the  
5 Office of the Governor to a new Division of International Trade within the Department of Commerce  
6 and Economic Development, thus integrating the state's international trade activities within the state  
7 agency responsible for the comprehensive economic development of the State of Alaska.

8 \* **Sec. 2.** AS 39.25.120(c) is amended by adding a new paragraph to read:

9 (21) the director and deputy director of the division of international trade in the  
10 Department of Commerce and Economic Development.

11 \* **Sec. 3.** AS 44.33.020 is amended by adding a new paragraph to read:

12 (33) foster the growth of international trade within the state and administer Alaska  
13 foreign offices.

14 \* **Sec. 4.** AS 44.33 is amended by adding a new section to read:

15 **ARTICLE 9. DIVISION OF INTERNATIONAL TRADE.**

16 AS 44.33.800. **DIVISION OF INTERNATIONAL TRADE.** (a) There is established  
17 within the Department of Commerce and Economic Development the division of international  
18 trade to foster the growth of trade between Alaska and foreign countries.

19 (b) The division of international trade shall maintain foreign offices, including an office  
20 located in Tokyo, Japan and Seoul, Republic of Korea. The foreign offices shall serve as outlets  
21 for information related to economic development, resources, and trade and as contact points for  
22 government and private industry of Alaska and for the Pacific Rim nations of Asia and other  
23 foreign countries to promote and maintain trade between the state and those countries.

1 (c) The commissioner shall staff the foreign offices with persons the commissioner  
2 selects based on their experience, training, and linguistic ability. The commissioner shall solicit  
3 ideas from the legislature regarding desirable staff qualifications and its recommendations of  
4 persons to staff the offices. The commissioner may hire additional personnel as necessary.

5 (d) The governor shall direct all state agencies, and request the federal government and  
6 private industry, to provide the division of international trade with necessary reports, brochures,  
7 and information requested by division staff.

8 (e) The commissioner shall report annually to the legislature on the activities and  
9 accomplishments of the division of international trade.

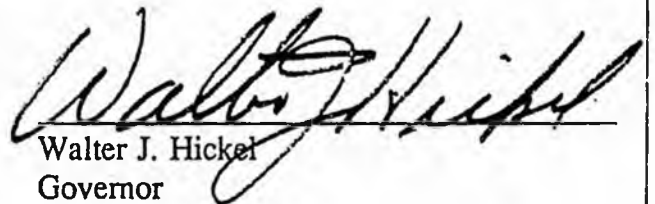
10 (f) The expenses of operating the division of international trade and its foreign offices  
11 shall be included in appropriations made to the Department of Commerce and Economic  
12 Development.

13 \* Sec. 5. AS 44.19.075 is repealed.

14 \* Sec. 6. TRANSITION. Contracts, rights, liabilities, and obligations created by or under a law  
15 amended or repealed by this Executive Order, and in effect on March 22, 1991, remain in effect  
16 notwithstanding this Order's taking effect. Records, equipment, appropriations, and other property of  
17 agencies of the state whose functions are transferred under this Order shall be transferred to implement  
18 the provisions of this Order.

19 \* Sec. 7. EFFECTIVE DATE. This Order takes effect March 23, 1991.

20 DATED: 1-21-91

21  
22  
23  
24  
25   
Walter J. Hickel  
Governor



# Alaska State Legislature

## Senate

### Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

January 22, 1991

#### MEMORANDUM

TO: Senator Jalmar Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Finance Committee

FROM: Nancy Quinto *NQ*  
Secretary of the Senate

RE: Executive Order No. 79

The President has referred Executive Order No. 79 (to move the Office of International Trade, including the Alaska Foreign Offices, from the Office of the Governor to a new Division of International Trade within the Department of Commerce and Economic Development) to your committee.

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment



# Alaska State Legislature

## Senate

### Office of the Secretary

OFFICIAL BUSINESS

PO BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

January 22, 1991

#### MEMORANDUM

TO: Senator Jalmar Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Finance Committee

FROM: Nancy Quinto *NQ*  
Secretary of the Senate

RE: Executive Order No. 79

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Attachment

WALTER J. HICKEL  
GOVERNOR

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 21, 1991

The Honorable Richard I. Eliason  
President of the Senate  
P.O. Box V  
Juneau, AK 99811

Dear President Eliason:

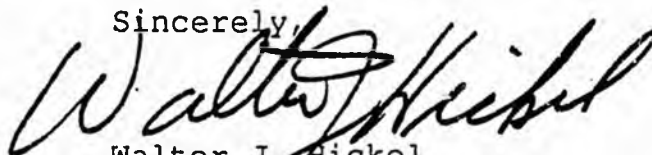
Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 79 which would transfer the Office of International Trade from the Governor's Office to the Department of Commerce and Economic Development, effective March 23, 1991.

In accomplishing the transfer, the Executive Order would effect several changes. In addition to creating a Division of International Trade in DCED, it would make it clear that the "Alaska Foreign Offices," referred to in present AS 44.19.075, are within and under the direction of that new division. It would delete the present limitation in that statute of two foreign offices (Tokyo and Seoul) since, in actuality, the state presently has a third office in Taiwan and may wish to establish other offices in the future. Also, it would place the director and deputy director of the new division within the partially exempt service (AS 39.25.120).

I believe that international trade will play an increasingly important role for the Alaska economy over the years ahead and that the State of Alaska can be a significant catalyst in the development of that trade. The state's efforts in that regard can best be carried out by placing the responsibility for those efforts in a new division in the Department of Commerce and Economic Development -- the agency with the overall mission of fostering trade and business growth in the state.

I urge your support of this Order.

Sincerely,



Walter J. Hickel  
Governor

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. E.O. 79  
*Publish: 1-21-91*

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor  
 Title: Executive Order transferring BRU: Executive Operations  
Office of International Trade to DCED Component: OIT  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)  
 Funding for the Office of International Trade exists within the state operating budget. These funds will be transferred to the Department of Commerce and Economic Development through the FY 92 budget process.

Prepared By: Michael A. Nizich, Director *Man* Phone: 465-3616  
 Division: Administrative Services Date: 1-18-91  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: Office of the Governor Date: \_\_\_\_\_

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. E.O. 79  
publish: 1-21-91

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.  
Title: Executive Order transferring BRU: \_\_\_\_\_  
Office of International Trade to DCED Component: \_\_\_\_\_  
Sponsor: Rules Committee  
Requestor: Governor COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
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						
OTHER						
TOTAL						

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Guy Bell, Director Phone: 465-2505  
Division: Administrative Services Date: January 17, 1991  
Approved by Commissioner: Glenn A. Olds  
Agency: Department of Commerce & Economic Development Date: January 17, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

2

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



State Capitol  
Juneau, Alaska 99801-1182  
907-465-3712

## Senate Finance Committee

### M E M O R A N D U M

TO: Bob Stalnaker, Deputy Director,  
Division of Retirement and Benefits

FROM: Senator Pat Pourchot, Co-chair  
Senate Finance Committee

SUBJECT: Follow up: Meeting with the State Actuary - effects  
on PERS and TRS related to current retirement  
related legislation.

DATE: April 9, 1992

Thank you for coordinating the meeting with Brian McGee and the Senate Finance Committee. It was very helpful information and should provide committee members a broader perspective on retirement system related bills.

One of the concerns with the range of retirement related bills moving through the legislature, is a potential cumulative or long range impact to the PERS and TRS.

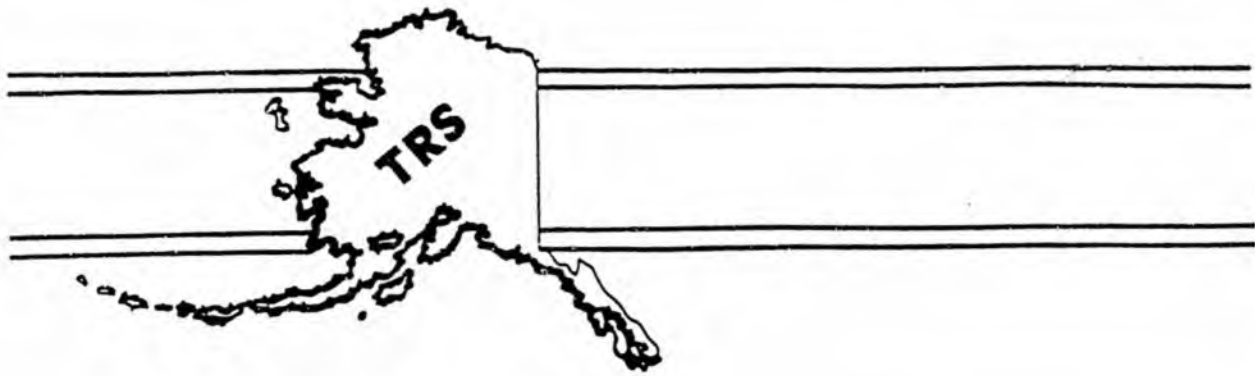
At the meeting, Brian McGee indicated the way to track cumulative effects would be to look at accrued liability and increased employer contribution rates. These projected costs for each bill added together would theoretically produce a single value for the effect of the retirement related bills on the state's retirement system. McGee indicated that a .01 % increase in overall annual employer contribution equates to a value of approximately \$50,000. It would help to have a dollar value reflecting an estimated cost on the analysis page of each fiscal note concerning retirement systems.

At this point, I would like to request that you review the following "active" bills in our committee and provide an updated

analysis on the latest bill versions: SB 338, HB 323, HB 266, HB 371, and, upon redrafting, SB 225. I encourage you to consider doing this with all retirement system related bills in the future.

During the April 7th Senate Finance Committee meeting, Senator Uehling mentioned the idea of front loading the annual costs to the retirement systems with a direct legislative appropriation to the system. I would appreciate comments from your department on the feasibility and desirability of that approach.

Thanks Bob, I appreciate your efforts in working with the Finance Committee.



**State of Alaska  
Teachers' Retirement System**

**Actuarial Valuation Report  
as of June 30, 1990**

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# Highlights

This report has been prepared by William M. Mercer, Incorporated to:

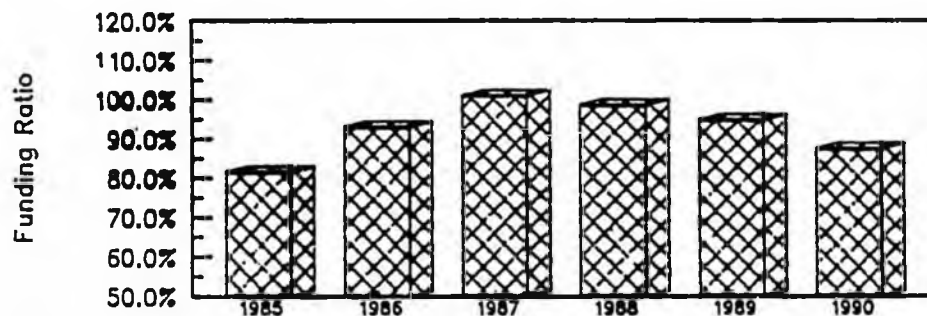
- (1) present the results of a valuation of the Alaska Teachers' Retirement System as of June 30, 1990;
- (2) review experience under the plan for the year ended June 30, 1990;
- (3) determine the appropriate contribution rate for the State and each school district in the System;
- (4) provide reporting and disclosure information for financial statements, governmental agencies, and other interested parties.

The report is divided into two sections. Section 1 contains the results of the valuation. It includes the experience of the plan during the 1989-90 plan year, the current annual costs, and reporting and disclosure information.

Section 2 describes the basis of the valuation. It summarizes the plan provisions, provides information relating to the plan participants, and describes the funding methods and actuarial assumptions used in determining liabilities and costs.

The principle results are as follows:

	<u>1989</u>	<u>1990</u>
Funding Status as of June 30:		
(a) Valuation Assets*	\$ 1,480,389	\$ 1,662,242
(b) Accrued Liability*	1,557,643	1,895,030
(c) Funding Ratio, (a) / (b)	95.0%	87.7%



\* In thousands.

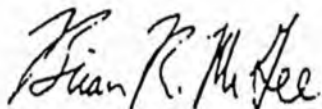
Employer Contribution Rates  
for Fiscal Year:

	<u>1992</u>	<u>1993</u>
(a) Normal Cost Rate	13.26%	14.07%
(b) Past Service Rate	1.90%	5.58%
(c) Total Contribution Rate	15.16%	19.65%
(d) Three-year Average Rate	11.87%	15.69%

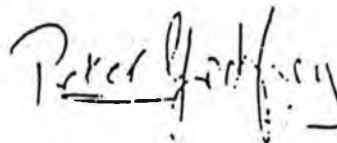
+ due to HB 53

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us by the plan sponsor and financial information provided by the audited report from Coopers & Lybrand, to determine a sound value for the plan liabilities. We believe that this value, and the method suggested for funding it, are in full compliance with the Governmental Accounting Standards Board, the Internal Revenue Code, and all applicable regulations.

Respectfully submitted,



Brian R. McGee, FSA  
Principal



Peter L. Godfrey, FLA, ASA  
Consulting Actuary

BRM/PLG/jls

April 11, 1991

## Analysis of the Valuation

As shown in the Highlights section of this report, the funding ratio as of June 30, 1990 has decreased from 95.0% to 87.7%, a 7.3% decrease. The total employer contribution rate has increased from 15.16% of payroll to 19.65%, an increase of 4.49%. The three-year average rate has also increased from 11.87% to 15.69%, a 3.82% increase. The reasons for the change in the funded status and contribution rate are explained below.

### 1. Chapter 97, 1990 SLA

Chapter 97, 1990 SLA passed the Alaska State Legislature last year and was signed into law by Governor Cowper. The bill changed many of the TRS benefit provisions, some of which increase and some decrease the contribution requirements to the System and the funded status of TRS. Some of the major changes include:

- a. Automatic PRPA's will be granted to all current and future retirees.
- b. The benefit formula multiplier was increased for future service over 20 years.
- c. Employee contribution rates were increased by 1.65%, and are now being made on a tax-deferred basis.
- d. Members with 12 years of combined part-time and full-time service are vested.
- e. Normal retirement age for new employees was raised to age 60.
- f. COLA benefits for new employees will be delayed to age 65, unless disabled.
- g. Post-retirement medical benefits for new employees will be reduced.

You will note that items a through d above are effective in FY91 for all employees while items e, f and g, all cost saving items, are applicable only to employees first hired after June 30, 1990. The ultimate cost to the System should be close to the current level. The pattern of costs, however, will be higher in early years when few people are covered by the cost saving features. Contribution rates will then reduce over time as new employees enter the System.

Chapter 97, 1990 SLA caused an increase in the total employer contribution rate of 6.76% and an increase in accrued liability of about \$266,783,000.

## 2. Retiree Medical Insurance

During the year ended June 30, 1990, the System experienced an actuarial gain of \$57,386,000 due to the reduction in retiree medical premiums.

Because, in recent years, the adverse retiree medical premium experience was a major reason for the rapidly increasing employer contribution rate and the deteriorating funding ratio, it is certainly welcome news to be able to comment on a stabilization in retiree medical premiums.

The following table summarizes the monthly premium per benefit recipient since retiree medical benefits have been provided under PERS.

<u>Fiscal Year</u>	<u>Monthly Premium Per Retiree For Health Coverage</u>	<u>Annual Percentage Increase</u>	<u>Average Annual Increase Since 1978</u>
1977	\$ 34.75	--	--
1978	57.64	66%	--
1979	69.10	20%	20%
1980	64.70	- 6%	6%
1981	96.34	49%	19%
1982	96.34	0%	14%
1983	115.61	20%	15%
1984	156.07	35%	18%
1985	191.85	24%	19%
1986	168.25	-12%	14%
1987	165.00	- 2%	12%
1988	140.25	-15%	9%
1989	211.22	51%	13%
1990	252.83	20%	13%
1991	243.98	- 4%	12%
1992	243.98	--	11%

As you can see from the above table, the monthly retiree medical premium reduced to \$243.98 during the year from \$252.83, a decrease of 3.50%. The premium for the 1992 fiscal year remained unchanged.

As noted in last year's valuation report, the State has seen a dramatic shift to post-65 rates which have increased considerably faster than pre-65 rates. However, both rates reduced by 3.50% in FY91 and have remained unchanged for FY92, resulting in the first actuarial gain from medical benefits for the System since the June 30, 1987 valuation of the System.

The effect on the past service contribution rate of this reduction in retiree medical premiums was a reduction of 1.38% of payroll. The effect on the normal cost rate was a reduction of 0.90%, resulting in a reduction in the total employer contribution rate due to medical benefits of 2.28% of payroll.

## 2. Investment Performance

The System once again experienced actuarial gains arising from the investment performance of the Trust assets. Although the return as measured by market values was lower this year than last year, the effect of the five-year smoothing was to increase the return as measured by valuation assets from last year. The approximate rate of return based on market values was 10.03% and the rate based on valuation assets was 11.92%. The resulting actuarial gain was \$43,235,000 which had the effect of reducing the total employer contribution rate by 1.04%.

## 3. Salary Increases

Salary increases during the year were less than anticipated in the valuation assumptions. Salary experience resulted in an actuarial gain of \$20,599,000 which generated a reduction in the total employer contribution rate of .49% of payroll.

## 4. Employee Data

Section 2.2 provides statistics on active and inactive participants. The number of active participants increased .7%, from 8,527 at June 30, 1989 to 8,586 at June 30, 1990. The average age of active participants increased from 41.82 to 42.21 and average credited service increased from 10.61 to 10.62 years.

The number of retirees and beneficiaries increased 2.8%, from 3,098 to 3,184, and their average age increased from 61.85 to 62.45. There was a 60.6% increase in the number of vested terminated participants from 508 to 816. Their average age increased from 45.11 to 46.75.

The overall effect of these participant data changes was an actuarial loss of \$16,505,000, resulting in an increase in the past service contribution rate of 0.40% of payroll. These demographic changes also had the effect of increasing the normal cost rate by .70%, resulting in an increase in the average total employer contribution rate of 1.10% of payroll.

## Retirement Incentive Program

The second Retirement Incentive Program has been available to participants since July 1, 1989. The number of new retirees increased from 187 at June 30, 1989 to 199 at June 30, 1990. Although the full effect of the R.I.P. may not be seen until next year's valuation, the R.I.P. was responsible in part for the increase in the number of new retirees.

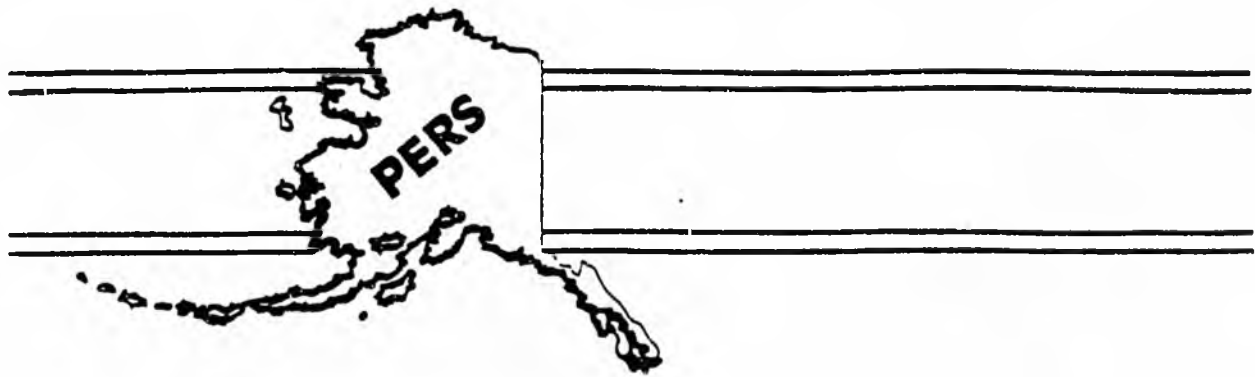
As with the first R.I.P., the cost is being borne by employers based on the actuarial value of the extra benefits, calculated individually for each employee electing to retire under the program. This cost is being paid over a three-year period. If the assumptions underlying the calculated cost of the R.I.P. are met, the total cost to the System will be equal to the employers' payments.

### Summary

The following table summarizes the sources of change in the total employer contribution rate:

(1) Last year's total employer contribution rate (before smoothing) . . .	15.16%
(2) Increase in total employer contribution rate due to Chapter 97, 1990 SLA . . . . .	6.76%
(3) Decrease in past service rate due to retiree medical insurance . . . .	(1.38%)
(4) Decrease in normal cost rate due to retiree medical insurance . . . .	(0.90%)
(5) Decrease due to investment performance . . . . .	(1.04%)
(6) Decrease due to salary increases . . . . .	(0.49%)
(7) Increase in past service rate due to demographic experience . . . . .	0.40%
(8) Increase in normal cost rate due to demographic experience . . . . .	0.70%
(9) Impact of all other factors . . . . .	0.44%
(10) Total employer contribution rate this year (before smoothing) . . . .	19.65%

In summary, the System enjoyed a good year with substantial actuarial gains arising from favorable investment performance and the reduction in medical premiums. The effect of Chapter 97, 1990 SLA, however, caused a substantial increase in current contribution rates and a decrease in the funded status to 87.7%.



**State of Alaska  
Public Employees' Retirement System**

**Actuarial Valuation Report  
as of June 30, 1990**

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# Highlights

This report has been prepared by William M. Mercer, Incorporated to:

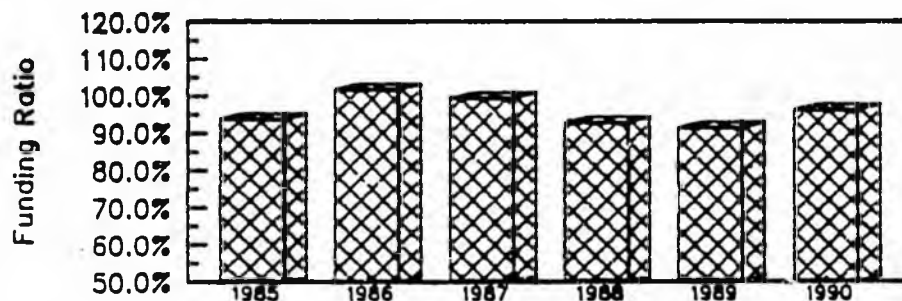
- (1) present the results of a valuation of the Alaska Public Employees' Retirement System as of June 30, 1990;
- (2) review experience under the plan for the year ended June 30, 1990;
- (3) determine the appropriate contribution rates for the State and for each political subdivision in the system;
- (4) provide reporting and disclosure information for financial statements, governmental agencies, and other interested parties.

The report is divided into two sections. Section 1 contains the results of the valuation. It includes the experience of the plan during the 1989-90 plan year, the current annual costs, and reporting and disclosure information.

Section 2 describes the basis of the valuation. It summarizes the plan provisions, provides information relating to the plan participants, and describes the funding methods and actuarial assumptions used in determining liabilities and costs.

The principle results are as follows:

	<u>1989</u>	<u>1990</u>
Funding Status as of June 30:		
(a) Valuation Assets*	\$ 2,348,423	\$ 2,677,486
(b) Accrued Liability*	2,563,268	2,753,518
(c) Funding Ratio, (a) / (b)	91.6%	97.2%



\* In thousands.

Employer Contribution Rates  
for Fiscal Year:

	<u>1992</u>	<u>1993</u>
(a) Consolidated Rate	12.00%	12.83%
(b) Average Past Service Rate	2.20%	.75%
(c) Average Total Contribution Rate	14.20%	13.58%

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us by the plan sponsor and financial information provided by Coopers & Lybrand, to determine a sound value for the plan liabilities. We believe that this value and the method suggested for funding it are in full compliance with the Governmental Accounting Standards Board, the Internal Revenue Code, and all applicable regulations.

Respectfully submitted,

Brian R. McGee, FSA  
Principal

Peter L. Godfrey, FIA, ASA  
Consulting Actuary

BRM/PLG/JWJ/jls

April 11, 1991

## Analysis of the Valuation

As shown in the Highlights section of this report, the funding ratio as of June 30, 1990 has increased from 91.6% to 97.2%, a 5.6% increase. The average employer contribution rate has decreased from 14.20% of payroll to 13.58%, a reduction of 0.62%. The reasons for the change in the funded status and contribution rate are explained below.

### 1. Retiree Medical Insurance

During the year ended June 30, 1990, the System experienced an actuarial gain of \$96,813,000 due to the reduction in retiree medical premiums.

Because, in recent years, the adverse retiree medical premium experience was a major reason for the rapidly increasing employer contribution rate and the deteriorating funding ratio, it is certainly welcome news to be able to comment on a stabilization in retiree medical premiums.

The following table summarizes the monthly premium per benefit recipient since retiree medical benefits have been provided under PERS.

<u>Fiscal Year</u>	<u>Monthly Premium Per Retiree For Health Coverage</u>	<u>Annual Percentage Increase</u>	<u>Average Annual Increase Since 1978</u>
1977	\$ 34.75	--	--
1978	57.64	66%	--
1979	69.10	20%	20%
1980	64.70	- 6%	6%
1981	96.34	49%	19%
1982	96.34	0%	14%
1983	115.61	20%	15%
1984	156.07	35%	18%
1985	191.85	24%	19%
1986	168.25	-12%	14%
1987	165.00	- 2%	12%
1988	140.25	-15%	9%
1989	211.22	51%	13%
1990	252.83	20%	13%
1991	243.98	- 4%	12%
1992	243.98	--	11%

As you can see from the above table, the monthly retiree medical premium reduced to \$243.98 during the year from \$252.83, a decrease of 3.50%. The premium for the 1992 fiscal year remained unchanged.

As noted in last year's valuation report, the State has seen a dramatic shift to post-65 rates which have increased considerably faster than pre-65 rates. However, both rates reduced by 3.50% in FY91 and have remained unchanged for FY92, resulting in the first actuarial gain from medical benefits for the System since the June 30, 1987 valuation of the System.

The effect on the past service contribution rate of this reduction in retiree medical premiums was a reduction of 0.95% of payroll. The effect on the consolidated rate was a reduction of 0.47%, resulting in a reduction in the average total employer contribution rate due to medical benefits of 1.42% of payroll.

## 2. Investment Performance

The System once again experienced actuarial gains arising from the investment performance of the Trust assets. Although the return as measured by market values was lower this year than last year, the effect of the five-year smoothing was to increase the return as measured by valuation assets from last year. The approximate rate of return based on market values was 9.94% and the rate based on valuation assets was 11.87%. The resulting actuarial gain was \$68,112,000 which had the effect of reducing the average employer contribution rate by 0.67%.

## 3. Salary Increases

Salary increases during the year were less than anticipated in the valuation assumptions. Salary experience resulted in an actuarial gain of \$6,991,000 which generated a reduction in the average employer contribution rate of 0.07% of payroll.

## 4. Employee Data

Section 2.2 provides statistics on active and inactive participants. The number of active participants increased 3.7%, from 28,044 at June 30, 1989 to 29,086 at June 30, 1990. The average age of active participants increased from 40.17 to 40.37 and average credited service increased from 6.66 to 6.82 years.

The number of retirees and beneficiaries increased 5.7%, from 6,967 to 7,365, and their average age increased from 63.28 to 63.62. There was an 18.6% increase in the number of vested terminated participants from 2,314 to 2,745. Their average age reduced slightly from 42.97 to 42.96.

The overall effect of these participant data changes was an actuarial loss of \$7,216,000, resulting in an increase in the past service contribution rate of 0.07% of payroll. These demographic changes also had the effect of increasing the consolidated rate by 0.61%, resulting in an increase in the average total employer contribution rate of 0.68% of payroll.

### Retirement Incentive Program

The second Retirement Incentive Program has been available to University of Alaska participants since July 1, 1989 and to other participants since October 1, 1989. The number of new retirees increased from 370 at June 30, 1989 to 495 at June 30, 1990. Although the full effect of the R.I.P. may not be seen until next year's valuation, the R.I.P. was responsible in part for the increase in the number of new retirees.

As with the first R.I.P., the cost is being borne by employers based on the actuarial value of the extra benefits, calculated individually for each employee electing to retire under the program. This cost is being paid over a three-year period. If the assumptions underlying the calculated cost of the R.I.P. are met, the total cost to the System will be equal to the employers' payments.

### Summary

The following table summarizes the sources of change in the average employer contribution rate:

(1) Last year's average employer contribution rate . . . . .	14.20%
(2) Decrease in past service rate due to retiree medical insurance . . . . .	(0.95%)
(3) Decrease in consolidated rate due to retiree medical insurance . . . . .	(0.47%)
(4) Decrease due to investment performance . . . . .	(0.67%)
(5) Decrease due to salary increases . . . . .	(0.07%)
(6) Increase in past service rate due to demographic experience . . . . .	0.07%
(7) Increase in consolidated rate due to demographic experience . . . . .	0.61%
(8) Impact of all other factors . . . . .	0.86%
(9) Average employer contribution rate this year . . . . .	13.58%

In summary, the System enjoyed a good year with substantial actuarial gains arising from favorable investment performance and the reduction in medical premiums. These two factors were largely responsible for the increase in the System's funded status to 97.2% of accrued liabilities.

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



P.O. Box 113200  
Juneau, AK 99811-3200  
(907) 465-3795  
FAX (907) 463-4885

### MEMORANDUM

DATE: March 28, 1992

TO: Senator Pat Pourchot, Co-chairman  
Senate Finance Committee

FROM: David Tonkovich, Revenue Analyst <sup>BRT</sup>  
Legislative Finance Division

SUBJ: **Review of Post Retirement Pension Adjustments-  
Teacher's Retirement System**

Your staff requested a review of changes to the Teacher's Retirement System due to passage of Ch. 97, SLA 90 (CS SB53). Among other features that legislation provided an automatic, pre-funded post retirement pension adjustment (PRPA) for retired teachers. I was asked to address these specific questions:

1. What were the arguments in favor and against this legislation?
2. What information was presented in the fiscal note presented with the bill?
3. What has been the experience of the system since implementation of the legislation?

The basis for my review is material presented in the bill file for this legislation. In addition, I've discussed the issue with the Division of Retirement and Benefits and have reviewed information included in the actuarial evaluations of the TRS system. My presentation is facilitated by reference to a series of exhibits included as part of this analysis. Following a brief summary of the provisions of this legislation each of your questions will be addressed.

## Review of CS SB53

The first two exhibits, one from the bill file and one from the Actuarial Valuation Report, provide convenient summaries of the legislation. It is helpful to understand that the bill represents a package of benefit increases, employee contribution increases and cost containment measures. Perhaps the most significant change made by the bill is the provision of an automatic post retirement pension adjustment which is pre-funded.

### Arguments For and Against the Legislation

The Division of Retirement and Benefits prepared a position paper in favor of this legislation (Exhibit 3). Their argument has two key elements.

First, the legislation provided an automatic pension adjustment for cost of living increases. This replaced a system which was characterized as "ad hoc" meaning that adjustments depended on a decision by the Commissioner of Administration.

Second, the legislation changed the funding mechanism for these adjustments from a pay-as-you-go to a pre-funded basis. With a pay-as-you-go system each granted adjustment increased the unfunded liability of the system and as a result employer contributions. With pre-funding,

"...the funding of future PRPA's would be incorporated into the plan, with monies set aside in advance. Employer contribution rates would no longer have to "react" to a pension adjustment..."

The only "negative" contained in the position paper is the administrative cost to the system. These were estimated to be about \$334 thousand in the first year and \$56 thousand in subsequent years.

Additional concerns could be noted which may or may not have been raised in the oral discussions of this bill. There is an equity concern in that benefits would accrue to already retired teachers who did not pay the higher employee contribution rates. Also, because of Constitutional protections, persons who were hired before the effective date of the legislation would not be subjected to the operation of any of the cost containment provisions. A third concern is that this change in the system results in an immediate increase in benefit system costs. As discussed below, these increased initial costs are expected to be offset over a longer time period.

#### Fiscal Note Material

The fiscal note reported out of committee [CSSB 53 (HESS) was dated 3/26/90] showed costs of \$333.9 in FY91 and \$55.9 for each year in the period FY92-FY96. An appropriation of \$333.9 was included in (Ch 209, SLA 90), the new legislation section of the operating budget. It is important to note that these figures represent only the additional administrative costs of the program (See Exhibit 4).

The analysis section of the reported fiscal note includes an estimate of personal service cost savings as a result of the legislation: \$29.1 to the State in FY91 and each year thereafter; \$172.1 to school districts in FY91 and each year thereafter. The analysis indicates that the bill would decrease the TRS contribution rate by .05% in FY91.

It is interesting and helpful to compare that analysis to an evaluation found in an earlier fiscal note (SB53):

This bill is estimated to cost the department of education (DOE) and the University of Alaska (U of A) \$3,783.4 in increased personal services for FY 91 and each year thereafter. This bill is estimated to cost school districts \$22,926.3 in increased personal services for FY91 and each year thereafter.

Those figures are derived by multiplying FY91 salaries for the respective employers by 6.66%, the amount by which the TRS rate was expected to increase, absent the impact of the cost containment measures. These two analyses are found in Exhibits 5 and 6.

A link between these two disparate views of the financial impact of the legislation is provided by Exhibit 7. That document shows the mitigating effect on the required contribution rate of a group of offsetting cost containment measures. It is important to note that provisions for the automatic PRPA , the benefit multiplier, and the additional pre-tax contribution became effective in FY91 for all employees and retirees. The cost savings features are applicable only to those employees hired after June 30, 1990.

The two analyses highlight a dilemma in the presentation of fiscal notes on retirement bills. The true actuarial impact of retirement legislation is evaluated over a long term, in this instance, 25 years. Fiscal notes display revenue and expenditure information over a six year segment at the beginning of that time frame. In the case of SB53, the fiscal note period covers a time of increased retirement benefits, greater unfunded liability, and initially rising employer contribution rates. That six year time period does not, however, accurately portray the long run impacts of the legislation's cost containment provisions. It is my understanding, based on conversations with Retirement and Benefits, that the fiscal note passed out with CS SB53 was developed from this long term perspective. Thus while it appears to understate costs in the early years, it in reality gives a clearer picture of the long run impacts of the Legislation.

#### Experience Since Passage of Legislation

The legislation effectively results in a two-tiered retirement system. One tier consists of TRS members hired before June 30, 1990. These employees are more costly to the system because the only offset to the cost of additional benefits is the higher employee contribution rate. The second tier consists of persons hired after the effective date of the legislation. These employees cost the system less because of their higher contribution rate as well as the influence of the cost containment measures. The effect of this system can be summarized:

The mix of persons in the retirement system will evolve. This results in a pattern of costs that is higher in early years when few members are subject to the cost saving features and decline in later years as new employees enter the system.

The actuarial calculations of required contribution rates will reflect the multiple tier nature of the system. In a single tier system the assumption is that current year benefit levels apply to all employees for the whole actuarial cycle. In a multiple tier system, calculations recognize that the universe of members changes over time and the cost of benefits to the system changes. Rates can be adjusted to reflect this anticipated drop in benefits.

Several attachments show the operation of these factors. Exhibit 8 shows a calculation presented as part of the Actuarial Evaluation Report as of June 30, 1990. This is the first evaluation since passage of the legislation and shows a significant rise in the required contribution rate.

Exhibit 9 presents a history of these rates over time and indicates that the rate actually paid by employers is a 3 year moving average of the actuarial rates. This procedure helps to dampen any sharp increases or decreases in rates and provides some stability for employers. My understanding is that next year's evaluation will show the effects of the multiple tier system and result in an actuarial rate which is lower than the 19.65% calculated for FY93. The smoothed . 3 year average rate, will continue to rise. It will, however, fall in future years as the rate for FY93 drops out of the calculation. This pattern is shown graphically in Exhibit 10.

### Summary

An evaluation of the impacts of this legislation depends on one's time perspective. The legislation has obviously increased required contribution rates and increased the unfunded liabilities of the system in the short term. This is a particularly difficult situation given current budget concerns. Over a longer term however there are advantages to the legislation. The preservation of real retirement incomes, the fact that benefits are prefunded, and the operation of cost containment features would all be considered advantages particularly in a period when budgets are likely to become even more restricted.

## Analysis of the Valuation

As shown in the Highlights section of this report, the funding ratio as of June 30, 1990 has decreased from 95.0% to 87.7%, a 7.3% decrease. The total employer contribution rate has increased from 15.16% of payroll to 19.65%, an increase of 4.49%. The three-year average rate has also increased from 11.87% to 15.69%, a 3.82% increase. The reasons for the change in the funded status and contribution rate are explained below.

### 1. Chapter 97, 1990 SLA

Chapter 97, 1990 SLA passed the Alaska State Legislature last year and was signed into law by Governor Cowper. The bill changed many of the TRS benefit provisions, some of which increase and some decrease the contribution requirements to the System and the funded status of TRS. Some of the major changes include:

- a. Automatic PRPA's will be granted to all current and future retirees.
- b. The benefit formula multiplier was increased for future service over 20 years.
- c. Employee contribution rates were increased by 1.65%, and are now being made on a tax-deferred basis.
- d. Members with 12 years of combined part-time and full-time service are vested.
- e. Normal retirement age for new employees was raised to age 60.
- f. COLA benefits for new employees will be delayed to age 65, unless disabled.
- g. Post-retirement medical benefits for new employees will be reduced.

KEY | You will note that items a through d above are effective in FY91 for all employees while items e, f and g, all cost saving items, are applicable only to employees first hired after June 30, 1990. The ultimate cost to the System should be close to the current level. The pattern of costs, however, will be higher in early years when few people are covered by the cost saving features. Contribution rates will then reduce over time as new employees enter the System.

Chapter 97, 1990 SLA caused an increase in the total employer contribution rate of 6.76% and an increase in accrued liability of about \$266,783,000.

\* new - means for people employed after effective date

## 1. PRPA

- a. age 65 and over the lessor of 75% CPI or 9%
- b. age 60-65. the lessor of 50% CPI or 6%
- c. Ad hoc PRPA up to 4%

Retirees:

- a, b, or c, whichever is greater

Current active:

- a, b, or c, whichever is greater
- minimally eligible for b eight years after retirement

New:

- minimally eligible for b eight years after retirement

## 2. Health Insurance Premium Cost

Retirees/Current active:

- no change

New:

- retiree pays premium to age 60
- pays 50% between age 60 and 65
- age 65 or over, fully paid by TRS

3. Normal retirement changed from age 55 to age 60  
Early retirement changed from age 50 to 55

- applies to New employees only

## 4. No changes on 20 and out

## 5. 10% Alaska cost of living differential (COLA)

Retirees/Current active:

- no change

New:

- not available until age 65

## 6. Employee Contribution Rate

Retirees:

- no effect

Current active/New:

- changes from 7% to 8.65% on 1/1/91
- becomes a before tax contribution

## 7. Benefit Formula

Retirees:

- no change

Current active/New:

- 2%/year for first 20 years
- 2 1/2%/year for each year over 20 years which is earned after the effective date

(if the effective date is 7/1/90, a teacher has on that date 25 years of credited service, teaches one more year for a total of 26, retirees on 7/1/91; formula is 25 years @ 2% + one year @ 2 1/2%)

## 8. Elimination of Military Double Dip

Retirees/Current active:

- no change

New:

- cannot use military time as credited service in the TRS if using those same years to draw a military pension

1990 LEGISLATION  
POSITION PAPER  
DEPARTMENT OF ADMINISTRATION

Division Retirement and Benefits Bill Number CS SB 53

Bill Title An Act relating to Post Retirement Pension Adjustment to TRS.

Position Statement: Explain briefly what the bill does, its impacts and Departments' position, i.e. a) support, b) do not support, c) neutral or d) oppose.

SB 53 provides a tremendous opportunity to guarantee teachers that retirement benefits will keep pace with cost-of-living increases, and at the same time, guarantee employers of a related reduction in employer contributions.

This Committee Substitute was developed to provide retired teachers with an automatic, pre-funded, post retirement pension adjustment (PRPA) and an increased benefit multiplier. Cost containment provisions are included to off-set the pre-funding expense.

The current ad hoc PRPA was established on a pay-as-you-go basis. Every time an ad hoc PRPA is issued, the system's unfunded liability is increased, which, in turn, increases the employers' contribution rate--after the fact. The most important aspect of this bill is that it provides for prefunding the PRPAs. The funding of future PRPAs would be incorporated into the plan, with monies set aside in advance. Employer contribution rates would no longer have to "react" to a pension adjustment, and retirees could enjoy some retirement security.

If passed, effective January 1, 1991 teachers' contributions would increase from 7% to 8.65% of salary. These contributions would be with pre-tax, instead of the current after-tax, dollars. Additionally, for those teachers first hired after this bill's effective date, the following provisions would apply:

1. depending on age, each will share in the cost of the health premium after retirement. (For those already hired, the premium is fully paid);
2. none will be eligible for the Alaska cost of living allowance (COLA) until age 65. If the retiree is an Alaska resident, the COLA is an additional 10% of the retirement benefit; and

3. normal retirement age will be 60 instead of 55.

There are administrative costs to implement the provisions of the bill. These costs would be funded by an appropriation from the Teachers' Retirement System; no general fund monies are needed. On the other hand, employer contributions are made with the support of general fund dollars. Under this legislation the employer contribution rate would be REDUCED by .05%, saving an estimated \$200 thousand each year.

The Department of Administration and the Division of Retirement and Benefits fully support this legislation. It responsibly adjusts the priorities to ensure an automatic pension adjustment for living cost increases. This enhancement should serve well to attract and retain the best of the teaching profession.

## APPROVED:

Director Sally Smith Division Retirement and Benefits

Signature Sally Smith Date 3/23/90

Commissioner Frank S. Baxter

Signature Frank Baxter Date 3/23/90

(For more information, call Sioux Plummer 465-2200)

Rev. 12/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: An Act relating to Post Retirement Pension Adjustments in TRS BRU: Retirement and Benefits  
 Sponsor: Duncan Components: Retirement and Benefits  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	55.5	55.5	55.5	55.5	55.5	55.5
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	233.7	.3	.3	.3	.3	.3
SUPPLIES	.2	.1	.1	.1	.1	.1
EQUIPMENT	44.5	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>333.9</b>	<b>55.9</b>	<b>55.9</b>	<b>55.9</b>	<b>55.9</b>	<b>55.9</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	333.9	55.9	55.9	55.9	55.9	55.9
<b>TOTAL</b>	<b>333.9</b>	<b>55.9</b>	<b>55.9</b>	<b>55.9</b>	<b>55.9</b>	<b>55.9</b>

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary) THESE ADMINISTRATIVE COSTS WILL BE

BORNE BY THE TEACHERS' RETIREMENT FUND. THEY WILL NOT IMPACT THE GENERAL FUND.

Please refer to page 2 for a detailed discussion of the administrative costs.

THIS BILL IS ESTIMATED TO SAVE THE STATE \$29.1 IN PERSONAL SERVICES COSTS IN FY 91 AND EACH YEAR THEREAFTER. THIS BILL IS ESTIMATED TO SAVE SCHOOL DISTRICTS \$172.1 IN PERSONAL SERVICES COSTS IN FY 91 AND EACH YEAR THEREAFTER. Please refer to page 3 for discussion.

Prepared by: Sally Smith, Director Phone: 465-4460  
 Division: Retirement and Benefits Date: 3/22/90  
 Approved by Commissioner: Frank S. Baxter Date: 3/23/90  
 Agency: Department of Administration

Distribution (by preparer):

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

Committee Substitute for Senate Bill 53  
Fiscal Note - Analysis  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 9, 1990

Analysis: This bill would establish a pre-funded automatic post retirement pension adjustment (PRPA) and several other cost containment measures in the Teachers' Retirement Systems (TRS). A savings to employers of \$200,000 each year is estimated, after considering the costs for automated systems enhancements and ongoing maintenance.

The PRPA would be granted from July 1 of each year if the Consumer Price Index for Anchorage (CPI-W) increased during the prior calendar year. The bill would also increase the benefit formula to encourage members who accumulate 20 years of membership service to continue teaching. The cost containment provisions implemented by this bill would parallel the Public Employees Retirement System.

The total estimated administrative cost to the division of \$333.9 for FY 91 is for personal and contractual services. During the first year, a permanent programmer/analyst IV would develop the changes to the TRS automated system in cooperation with a firm contracted to assist. In the second and subsequent years the A/P IV would complete the project and provide ongoing maintenance for the automatic PRPA system and benefit calculation systems for both the TRS and the Public Employees Retirement System. Current staff would not be able to absorb this increased workload.

Committee Substitute for Senate Bill 53  
 Analysis of Financial Impact to the Retirement Fund  
 Prepared by Division of Retirement & Benefits  
 Department of Administration  
 March 9, 1990

Analysis: This bill would decrease the state Teachers' Retirement System (TRS) contribution rate by 0.05% in FY 91. The state TRS payroll is estimated to be \$58,159,258 in FY 91 and remain stable thereafter.

The state savings of \$29,080 are calculated as follows:

Department of Education FY 91 estimated salary	\$5,673,729
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Decrease in TRS rate	<u>X</u> 0.05%
----------------------	----------------

Total savings.....	\$ 2,837
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University of Alaska FY 91 estimated salary	\$52,485,529
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Decrease in TRS rate	<u>X</u> 0.05%
----------------------	----------------

Total savings.....	\$ 26,243
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<u>TOTAL STATE SAVINGS...</u>	<u>\$29,080</u>
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In addition to these state savings, the school districts' contribution rates would likely decrease by 0.05% in FY 91. The school districts' salaries are estimated to be \$ 344,238,828 in FY 91 and remain stable each year thereafter.

The school districts' savings of \$103,272 are calculated as follows:

School district FY 91 estimated salaries	\$344,238,828
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Decrease in TRS rate	<u>X</u> 0.05%
----------------------	----------------

TOTAL SCHOOL DISTRICT SAVINGS...	<u>\$172,119</u>
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Passage of this bill will have no measurable impact on the TRS unfunded liability. It will not affect the TRS funding ratio.

Position Title <b>Analyst/Programmer IV</b>		No. of Positions <b>1</b>	Range/Step <b>19A</b>	Barg. Unit <b>GG</b>
Time Status <b>PE/FT</b>	Staff Months <b>12.0</b>	Location <b>Juneau</b>		Election District <b>4</b>
Type of Expenditure		Amount		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	<b>40,032</b>			
Benefits	<b>15,480</b>			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>55,512</b>		
Travel		<b>0</b>		
Contractual		<b>350</b>		
Commodities		<b>100</b>		
Equipment		<b>22,250</b>		
Other				
<b>Total Cost</b>		<b>79,212</b>		
Funding Source for Total Cost				
Federal Receipts		1002		
G. F. Match		1003		
General Fund		1004		
I-A Receipts		1006		
CIP Receipts		1061		
Other		Teachers' Retirement 1034		
		<b>79,212</b>		
<b>Justification</b> This position will be responsible for the analysis, design, programming, implementation, maintenance, and enhancement of systems and subsystems mandated by CSSB 53. This includes tracking and overseeing contract analyst/programmer work during the first year of the development effort, continuing development to completion in the second or third year, interfacing and maintaining interfaces of the newly developed systems with all other State systems and other systems as appropriate, and maintaining all systems developed by this project as they become operational.				

8/6B1/030709-0

**Request For  
New Position**

Agency Administration  
BRU Retirement and Benefits  
Component Retirement and Benefits

Page 4 of 4  
Revised Date

**FY 91**

Committee Substitute for Senate Bill 53  
Analysis of Financial Impact to the Retirement Fund  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 9, 1990

Analysis: This bill would decrease the state Teachers' Retirement System (TRS) contribution rate by 0.05% in FY 91. The state TRS payroll is estimated to be \$58,159,258 in FY 91 and remain stable thereafter.

The state savings of \$29,080 are calculated as follows:

Department of Education FY 91 estimated salary	\$5,673,729
Decrease in TRS rate	X <u>0.05%</u>
Total savings.....	\$ 2,837

University of Alaska FY 91 estimated salary	\$52,485,529
Decrease in TRS rate	X <u>0.05%</u>
Total savings.....	\$ 26,243

TOTAL STATE SAVINGS...                      \$29,080

In addition to these state savings, the school districts' contribution rates would likely decrease by 0.05% in FY 91. The school districts' salaries are estimated to be \$ 344,238,828 in FY 91 and remain stable each year thereafter.

The school districts' savings of \$103,272 are calculated as follows:

School district FY 91 estimated salaries	\$344,238,828
Decrease in TRS rate	X <u>0.05%</u>

TOTAL SCHOOL DISTRICT SAVINGS... \$172,119

Passage of this bill will have no measurable impact on the TRS unfunded liability. It will not affect the TRS funding ratio.

Senate Bill 53  
 Analysis of Financial Impact to the Retirement Fund  
 Prepared by Division of Retirement & Benefits  
 Department of Administration  
 January 4, 1990

Analysis: To fund this bill the state Teachers' Retirement System (TRS) the contribution rate would increase by 6.66% in FY 90. The state TRS payroll is estimated to be \$58,159,258 in FY 90 and remain stable thereafter.

The state cost of \$3,873,406 is calculated as follows:

Department of Education FY 91 estimated salary	\$5,673,729	
Increase in TRS rate	X <u>6.66%</u>	
Total cost.....		\$377,870

University of Alaska FY 91 estimated salary	\$52,485,529	
Increase in TRS rate	X <u>6.66%</u>	
Total cost.....		<u>3,495,536</u>

**TOTAL STATE COST... \$3,873,406**

In addition to these state costs, the school districts' contribution rates would also be estimated to increase by 6.66% in FY 91. The school districts' salaries are estimated to be \$ 344,238,828 in FY 91 and remain stable each year thereafter.

The school districts' cost of \$22,926,306 is calculated as follows:

School district FY 91 estimated salaries	\$344,238,828	
Increase in TRS rate	X <u>6.66%</u>	
TOTAL SCHOOL DISTRICT COST...		<u>\$22,926,306</u>

Passage of this bill will result in an increase in the TRS unfunded liability of \$225,000,000. It will also result in a decrease in the TRS funding ratio of 10.87%.

## TRS Automatic PRPA

The projected cost of an automatic pre-funded PRPA is 6.66% of teacher compensation. The FY 91 cost of the PRPA is estimated to be \$3,873,406 for the state and \$22,926,306 for the school districts (a copy of the current fiscal note is attached). It is clear that the current provision is too costly for consideration by the administration or the legislature.

The resolution to this problem lies in offering some offsetting cost containment measures which will serve two purposes: 1) help to make the TRS more responsive to the current needs of the employers by instituting a more cost effective system; and 2) offset some or all of the cost of the PRPA.

Each solution is expressed in estimated percentage impact on the TRS rate and in the estimated dollar cost.

Automatic PRPA...	+6.33%
This PRPA would be granted similar the PERS except for an 8 year period vs a 5 year period.	
Retiree participation in medical costs...	-4.04%
Normal retirement at age 60...	-1.72%
10% COLA after age 65...	-0.26%
Additional 1.65% employee pre-tax contribution...	-1.60%
Improved benefit formula 1....	+1.25%
2% for first 20 years	
2-1/2% for all years over 20 years	
No military double dipping...	<u>-0.01%</u>
Total net savings of bill...	<u>-0.05%</u>

This would result in a net savings to the state of \$29,080 and to the school districts of \$172,120.

Approved \_\_\_\_\_  
Frank S. Baxter, CPA  
Commissioner  
Department of Administration

Disapproved \_\_\_\_\_

## Retirement Incentive Program

The second Retirement Incentive Program has been available to participants since July 1, 1989. The number of new retirees increased from 187 at June 30, 1989 to 199 at June 30, 1990. Although the full effect of the R.I.P. may not be seen until next year's valuation, the R.I.P. was responsible in part for the increase in the number of new retirees.

As with the first R.I.P., the cost is being borne by employers based on the actuarial value of the extra benefits, calculated individually for each employee electing to retire under the program. This cost is being paid over a three-year period. If the assumptions underlying the calculated cost of the R.I.P. are met, the total cost to the System will be equal to the employers' payments.

### Summary

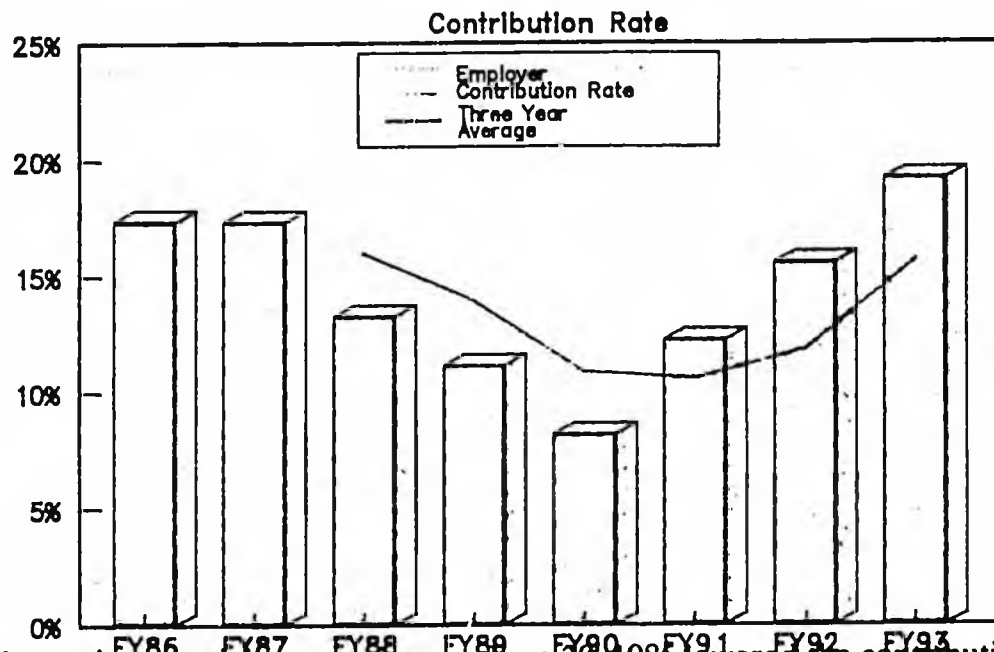
The following table summarizes the sources of change in the total employer contribution rate:

(1) Last year's total employer contribution rate (before smoothing) . . .	15.16%
(2) Increase in total employer contribution rate due to Chapter 97, 1990 SLA . . . . .	6.76%
(3) Decrease in past service rate due to retiree medical insurance . . . .	(1.38%)
(4) Decrease in normal cost rate due to retiree medical insurance . . . .	(0.90%)
(5) Decrease due to investment performance . . . . .	(1.04%)
(6) Decrease due to salary increases . . . . .	(0.49%)
(7) Increase in past service rate due to demographic experience . . . . .	0.40%
(8) Increase in normal cost rate due to demographic experience . . . . .	0.70%
(9) Impact of all other factors . . . . .	0.44%
(10) Total employer contribution rate this year (before smoothing) . . . .	19.65%

In summary, the System enjoyed a good year with substantial actuarial gains arising from favorable investment performance and the reduction in medical premiums. The effect of Chapter 97, 1990 SLA, however, caused a substantial increase in current contribution rates and a decrease in the funded status to 87.7%.

### 1.3(b) Three-Year Smoothing of Total Employer Contribution Rate

<u>Valuation Date</u>	<u>For Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Three-Year Average</u>
6-30-83	FY86	17.36%	
6-30-84	FY87	17.36%	
6-30-85	FY88	13.28%*	16.00%
6-30-86	FY89	11.16%	13.93%
6-30-87	FY90	8.19%	10.87%
6-30-88	FY91	12.27%	10.54%
6-30-89	FY92	15.16%	11.87%
6-30-90	FY93	19.65%**	15.69%



\* A change in actuarial assumptions on June 30, 1985 lowered the contribution rate from 16.68% to 13.28%

\*\* A change in Plan provisions on June 30, 1990 increased the contribution rate from 12.89% to 19.65%.

# State of Alaska

## Teachers' Retirement System

### Projected Contribution Rates

