

SB 110

SENATE FINANCE COMMITTEE REPORT

DATE: 4/17/91

FURTHER:

DATE TURNED INTO OFFICE: 5-6-91

The Finance Committee considered SENATE BILL NO. 110

"An Act relating to lapse of appropriations for maintenance and operation of highways and aviation facilities; and providing for an effective date."

and recommended:

replace with _____ CS
 or adopt _____ CS SB 110 (TRA)
 attached amendment(s)
 _____ letter of intent adopted

same title
 new title
 technical title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

- fiscal note(s) _____
- zero fiscal note(s) _____
- appropriation-no fiscal note

APPROVES PREVIOUS:

- fiscal note(s) _____ Dept/Date:
- zero fiscal note(s) _____
DOTPF 2/2/91 e

SIGNING DO PASS:

Diak Shultz

OTHER RECOMMENDATIONS:

Pat Curran - No Rec
Al Adams - No Rec
Lynn Hoffman - No Rec
Kurt Uehly NO REC

1. *Pat Curran* do pass
2. *Al Adams* do pass
Co-Chairs: Signatures and Recommendations

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL No. 1
Bill Version: SB 110
(S) Publish Date: 4/17/91

FISCAL NOTE

Revision Date:
Title: Lapse date of appropriations for maintenance
and operations of highways and aviation.
Sponsor: Frank

Department Affected: DOT&PF
BRU: Statewide M&O
Component: M&O

Requestor: Frank

Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

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

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year impact:

Changes in CSSB 110 (Trans)
have no fiscal impact. This
fiscal note is appropriate.

ANALYSIS: (Attach a separate page if necessary)

4/16/91
date AMM
Comte Aide (initial)

Prepared by: Ron Lind, Director RL

Phone: 465-2171

Division: Plans, Programs and Budget

Date: Feb. 20, 1991

Approved by Commissioner: Frank G. Turpin
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: Feb. 20, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

CS FOR SENATE BILL NO. 110 (TRANSPORTATION)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 4/17/91
Referred: Finance

Sponsor(s): SENATORS FRANK, Pourchot

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to lapse of appropriations for maintenance and operation of highways
2 and aviation facilities; and providing for an effective date."

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

4 * Section 1. AS 37.25 is amended by adding a new section to read:

5 Sec. 37.25.015. LAPSE OF APPROPRIATIONS FOR MAINTENANCE AND
6 OPERATION OF HIGHWAYS AND AVIATION FACILITIES. Except as otherwise provided
7 in the Act making the appropriation, notwithstanding AS 37.25.010 the Department of
8 Transportation and Public Facilities shall lapse the unexpended and unobligated balance of
9 operating appropriations for maintenance and operation of highway and aviation facilities on
10 August 31 of the fiscal year following the fiscal year for which the appropriation was made.

11 * Sec. 2. This Act takes effect July 1, 1991.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

REGIONAL DIRECTOR, CENTRAL REGION
P.O. BOX 196900
ANCHORAGE, ALASKA 99519-6900
(FAX 248-9681) (907) 266-1440

February 25, 1991

RE: SB 110 Extend M&O Lapse Date

The Honorable Steve Frank
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Frank:

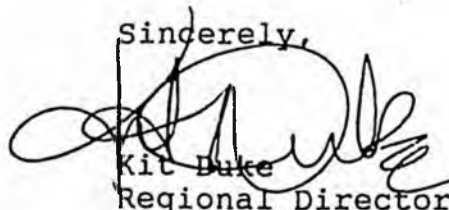
I want to thank you for providing me with a copy of SB 110 which would extend the lapse date for maintenance and operations funds.

Because the fiscal year extends from July 1, to June 30, M&O conserves its budget to cover winter costs. M&O can not make plans for a summer maintenance program until March or April. An extended lapse date would provide additional time to plan and execute a program of summer maintenance and efficiently use the funds appropriated for maintenance. Specifically the following areas would benefit:

1. Provide the necessary lead time to order and take delivery of construction materials. Savings can be achieved by reducing shipping and handling costs.
2. Reduce the need for overtime because projects won't have to be completed by June 30.
3. Provide rewards for more efficient winter maintenance operations by allowing managers to use the funds they conserve for deferred summer maintenance.

The extended lapse date would not be an opportunity to spend funds because they are in budget, but would let us implement needed summer maintenance projects and help to reduce the backlog of deferred maintenance.

Sincerely,



Kit Duke
Regional Director

cc: Katy McHugh, Legislative Liaison, Commissioner's Office

MEH/kkk



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 110

APPROVED:

A handwritten signature in black ink, appearing to read "Randy Linn", written over a horizontal line.

TITLE: Lapse date of appropriations for
maintenance and operations of
highways and aviation.

DATE: February 20, 1991

The department continues to and has historically supported an extended lapse date for maintenance and operations, highways and aviation activities. There are many valid reasons why it is more efficient for maintenance, especially for a unit who has much of their work controlled by weather conditions, to have an extended period of time to utilize their funding.

For Further Information contact Katy McHugh at 465-3900.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

SOUTHEAST REGIONAL DIRECTOR

WALTER J. HICKEL, GOVERNOR

P.O. BOX 3-1000
JUNEAU, ALASKA 99802
PHONE: (907) 789-6261

February 14, 1991

FEB 14 1991

The Honorable Steve Frank
Alaska State Senator
P. O. Box V
Juneau, Alaska 99811

Dear Senator Frank,

Thank you for providing me a copy of SB 110 extending the lapse date for maintenance and operations funds.

This bill would greatly enhance the efficiency and productivity of the department's maintenance and operations effort.

Some 50 percent of the department's maintenance and operations budget is spent on snow and ice control. And because we cannot reliably predict the winter weather, we cannot reliably predict or plan for the level of effort or amount of funds it will take to keep our roads and airports safe for the traveling public.

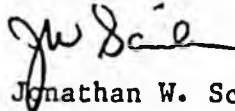
On the other hand, we can better control our level of expenditure during the summer months. Only after the winter is over and we know how much we spent can we plan and execute our summer work program to stay within our budget appropriation.

Unfortunately, the state's current budget cycle (July 1 - June 30) makes it extremely difficult to plan and perform necessary summer maintenance activities. There is not enough time after July 1 to requisition materials and perform work or develop and let maintenance contracts before winter. In addition, we must be conservative in our level of maintenance effort because we must be prepared for a harsh winter, if it comes.

When winter is over, usually late March to mid-April, and we, for the first time, know how much money remains for summer maintenance activities, there is not enough time left to plan for and do the work before June 30. Often less important work gets done or we must lapse funds simply because there is not enough time left in the budget fiscal year.

SB 110 would give us the entire summer to use funds remaining in our budget for highest priority maintenance repairs; e.g., patching, pothole repair, guardrail repair, brushing, drainage repair and striping.

Sincerely,



Jonathan W. Scribner

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

NORTHERN REGION, REGIONAL DIRECTOR

2301 PEGER ROAD
FAIRBANKS, ALASKA 99709-5316
PHONE: (907) 451-2210

February 4, 1991

Re: Extended M&O Lapse
Log #91-62

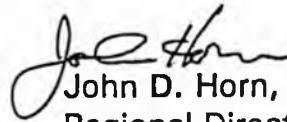
The Honorable Steve Frank
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Frank:

At the request of Rick Cook of your office, we have prepared the attached written explanation describing the benefits of extending the Maintenance and Operations operating budget to September 30.

Please call if you have any questions concerning this.

Sincerely,


John D. Horn, P.E.
Regional Director

GJR/hdm

Enclosure

cc: Catherine McHugh, Legislative Liaison, Headquarters
John D. Martin, P.E., Chief of Planning, Research & Administrative Services,
Northern Region
Frank G. Turpin, Commissioner, Headquarters

Maintenance and Operations Fiscal Year Lapse Date Extension

An extension of the Fiscal Year (FY) lapse date from June 30 to September 30 should be instituted for the Department of Transportation and Public Facilities (DOT&PF) Maintenance and Operations (M&O) Division, Highways and Aviation components and Facilities components. Approval of a similar action in Highways and Aviation in FY90 was very successful in addressing inefficiencies created by ending the FY on June 30 at the peak of a very short summer maintenance season.

Winter, which begins in much of Alaska in early October, is totally unpredictable. Knowing we must meet winter's demands, we try to be conservative at the start of an FY, during the months of July, August and early September. Once winter is over we can determine, usually by mid-April, the balance of funds available for the rest of the FY. If these funds lapse on June 30, that severely restricts our ability to maximize their use. Specifically, an extended lapse date will:

1. Provide necessary lead time for order and delivery of construction materials. Savings can also be achieved by reducing shipping and handling costs.
2. Reduce overtime because projects won't have to be completed by a June 30 deadline.
3. Provide greater opportunities to contract our maintenance because the time required for the bid process is less critical.
4. Reward more efficient winter maintenance operations by allowing managers to use the funds they conserve for deferred summer maintenance.

It must be understood this is not an attempt to spend funds just because they exist. The maintenance needs of our transportation system are real. Each year we fall further behind in needed repairs and preventative maintenance. If no extended lapse is granted, we will still expend the funds because the work is necessary. With an extended lapse we feel we can do that work more efficiently.

FISCAL NOTE

Revision Date: 05/18/91
Title: Lapsing of Hwy/Aviation Operating Appropriations
Sponsor: Frank
Requestor: Frank

Department Affected: DOT&PF
BRU: Statewide Maintenance and Operations
Component: Maintenance and Operations
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

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

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Ron Lind, Director

Phone: 465-2171

Division: Plans, Programs and Budget

Date: January 9, 1992

Approved by Commissioner: *Frank G. Turpin*
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: January 9, 1992

Distribution By Preparer: Leg. Finance, Leg. Sponsor, Requestor, OMB/DBR, Gov. Leg. Office, Impacted Agency(ies).