

SB380

SENATE FINANCE COMMITTEE REPORT

DATE: 2/12/92

FURTHER:

DATE TURNED INTO OFFICE: 2/10/92

The Finance Committee considered

SENATE BILL NO. 380

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

and recommends:

replace with CS 54380 (FINANCE)
or adopt previous CS _____ (_____)
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts STWA transfer of intent
 further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES: Dept/Date
 zero fiscal notes _____

PREVIOUS FISCAL NOTES: Dept/Date
 zero fiscal notes _____

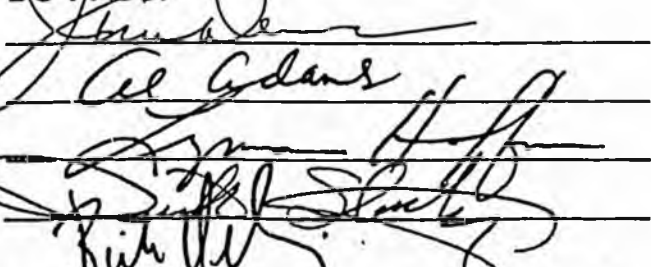
fiscal notes DMIA 943.1 3/10/92

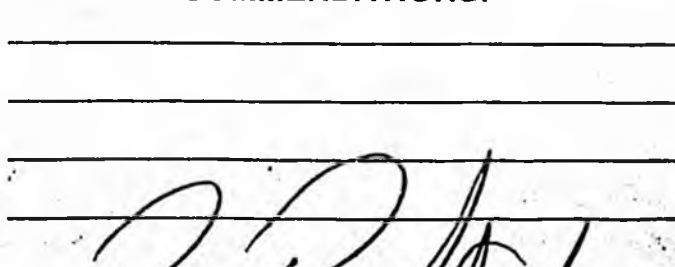
fiscal notes _____

appropriation--no fiscal note

DO PASS:

OTHER RECOMMENDATIONS:





1. 
Co-Chair: Signature/Recommendation

2. 
Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 3-10-92

BILL NO. CSSB 380 (FIN)

Revision Date: 3/1 3/10/92 Department Affected: Military & Veterans Affairs
 Title: Citations and Medallions for Persian Gulf Veterans BRU: Veterans Affairs
 Component: Veterans Services
 Sponsor: Senator Craft
 Requestor: Senate Finance 3/10/92 COMPONENT SERIAL NO.

	4	2	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	43.1					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	43.1					

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	43.1					
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: Zero

ANALYSIS: (Attach a separate page if necessary.)

. See attached page.

Prepared By: Jeff Morrison Phone: 465-4600
 Division: Administrative and Support Services Date: 3/10/92
 Approved by Commissioner: *J Morrison* for Hugh L. Cox III
 Agency: Military and Veterans Affairs Date: 3/10/92

FISCAL NOTE TO CSSB 380 (FIN)
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

Per legislative intent, the medallions will be numbered, with number 1 being presented to the family of the one Alaskan known to have been killed during the war.

There are approximately 1200 Alaskans eligible to qualify for this recognition, as determined by a statistical analysis based on the total number of Americans participating in the war. In order to ensure that there are enough medallions if the estimate is low, an estimating contingency factor of 25% has been added. The fiscal note is based on a total of 1500 eligible Alaskans.

EXPENDITURE INFORMATION

Design competition and administrative expenses:	11.3
Design competition costs include \$1000 in advertising and promotion, and \$1000 for each of two winners (totalling \$2000 - two sides to the medallion). Administrative expenses include \$1000 for advertising in military publications and other publications to inform the potential recipients of the medals and citations of the need to apply for them, and the procedures to apply for them. Postage to mail out the citations and medallions to recipients is estimated at \$4.90 each [(priority mail, less than two pounds is \$2.90) + (certified, return receipt for \$2.00)], for up to 1500 recipients, for a postage budget of \$7350.	
Medallion production costs:	24.3
Fiscal note assumes the production of 1500 each 2 ounce silver medallions (about 2" diameter). Die casting is \$1800 for both sides. Unit costs of medallions includes: \$3.00 striking cost; \$3.00 packaging and shipping; and \$9.00 silver (2oz. @ \$4.50/oz). [\$15 each x 1500 units, plus \$1800 die charge, totals \$24,300]	
Citation Production costs	7.5
Fiscal note is based on unit cost of \$5.00 for citation and presentation folder, for 1500 citations.	
TOTAL EXPENSES	43.1

SFC 3-10-92
Adopted



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

Senate State Affairs Committee

LETTER OF INTENT

CSSB-380(STA)

Citations/Medallions for Alaskans
Serving in the Iraqi Conflict

It is the intent of the legislature that, to the degree possible, minerals, materials, and labor used to produce the medallions distributed under this program be of Alaskan origin.

It is further the intent of the legislature that the medallions be consecutively numbered, beginning with number (1), and that medallion number one be awarded posthumously to Sergeant David Q. Douthit, the only known Alaskan to have died while in service to his country during the Iraqi conflict.

CS FOR SENATE BILL NO. 380 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS CRAFT, Rodey, Uehling, Sturgulewski, Fischer

A BILL

FOR AN ACT ENTITLED

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

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

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

7 (1) Alaska residents who sacrificed their lives in the conflict;

8 (2) other Alaskans as determined by the department.

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

12 (c) Except as otherwise provided by (d) of this section, the department shall contract or
13 otherwise arrange for the design and minting of the medallions for the persons identified under (a) of
14 this section.

1 (d) The design of the medallions shall be determined in a competition conducted by the
2 department from among state residents. The department shall award \$1,000 to the winner of the
3 competition.

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

SFC 3/10/92
Adopted

AMENDMENT

TO: ~~CS SB 380 (SIA)~~
OFFERED BY: Senator Pourchot
DATE: March 9, 1992

DELETION:

Page 1, Line 9

Delete (sub-section (3): (PERSONS PERMANENTLY STATIONED
IN ALASKA IMMEDIATELY BEFORE SERVICE IN THE CONFLICT.)

Rationale: This change recognizes that each state should honor its own residents. The state will realize a savings of approximately \$7.5 by not issuing citations and medallions to non-resident members of the armed forces.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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

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

MEMORANDUM

March 10, 1992

SUBJECT: Residency requirement for artists in CSSB 380(Finance)

TO: Senator Pat Pourchot, Chair
Senate Finance Committee
Attn: Leeann

FROM: Theresa L. Bannister *TB*
Legislative Counsel

This memo accompanies the final CSSB 380(Finance) that you requested relating to the issuance of medallions and citations to Persian Gulf veterans.

Please be aware that the restriction of the design competition to Alaska residents raises an issue under the privileges and immunities clause (sec. 2, art. IV, Constitution of the United States). This issue was not caused by the committee's change, but already existed in the bill.

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

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

The state is given certain leeway in preferring its own residents in its own activities. In Robison v. Francis, 713 P.2d 259, 265 (Alaska 1986), the court indicated it could

Senator Pat Pourchot

March 10, 1992

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

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

If I may be of further assistance, please advise.

TLB:gc
92-219.glc

Enclosure



THE AMERICAN LEGION

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

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 519 West 8th Avenue
 Anchorage, Alaska 99501

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 Kotlik, Alaska 99615

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

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

April 18, 1991

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

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

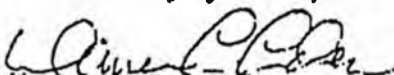
Dear Representative Foster,

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

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

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

Sincerely yours,


 Warren C. Colver

Department Adjutant/Legislative Representative

WCC/tl

STATE OF ALASKA

XEROX COPY
WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS**

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

OFFICE OF THE ADJUTANT GENERAL

April 9, 1991


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

Dear Mr. Walsh:

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

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

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


Larry H. Landry
Director
Division of Veteran Affairs

 FAX TRANSMITTAL MEMO
 TO: JOHN WALSH
 DEPT: _____ FAX #: 465-3200
 FROM: LANDRY PHONE: 249-1241
 CO: DMJA FAX #: 249-1507
 Post-It brand fax transmittal memo 1/871

NO. OF PAGES
1

FISCAL NOTE

No. 1

Bill Version: SB 380

(S) Publish Date: 2-12-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Military & Veterans Affairs

Title: Citations and medallions for BRU: Veterans Affairs

Persian Gulf Veterans Component: Veterans services

Sponsor: Sen Craft

Requestor: Sen Craft 2/6/92 COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	<u>-50.643.1</u>					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	<u>-50.643.1</u>					

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

*Purchase Amendment
Dept. to provide new fiscal note.*

GENERAL FUND	<u>50.643.1</u>					
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL						

Changes in CSA-380 (STA)
reflect NO FISCAL CHANGE from the original
fiscal note. This fiscal note is appropriate.

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

2/11/92 MAK:js
date Comite Aide (initial)

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Fiscal note identical to fiscal note for CHSB 188(STA). See attached page.

Prepared By: Jeff Morrison Phone: 465-4600

Division: Administrative Support and Services Date: 7 Feb. 92

Approved by Commissioner: Jeff Morrison for Hugh L Cox III

Agency: Military and Veterans Affairs Date: 7 Feb 92

FISCAL NOTE TO SB 380
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

There are two factors used in estimating the number of people to receive benefits under this bill:

1. Alaskan residents include all Alaskans who participated in the conflict. This has been estimated to be about 1200 individuals, although efforts to obtain exact information from DOD have been unsuccessful.
2. Military members stationed in Alaska prior to deployment. This has been estimated to number about 300 individuals assigned to the units deployed from Alaska.

The probable number of actual recipients is therefore estimated to be about 1500. This fiscal note assumes a maximum number of potential recipients of 1800, in order to cover a possible margin of error in estimating.

EXPENDITURE INFORMATION

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