

**HB**

**46**

ELECTIVE DISTRICT 14  
ELMENDORF A.F.B.  
EAST ANCHORAGE  
GOVERNMENT HILL

REP. TERRY MARTIN



HOME  
355 DONNA DR., #11  
ANCHORAGE, AK 99504  
PHONE: 333-6990

DURING SESSION  
P.O. BOX V  
STATE CAPITOL BUILDING  
JUNEAU, AK 99811  
PHONE: 465-3783

Alaska House of Representatives  
**SPONSOR STATEMENT**

**HB 46**

**" An Act relating to frequent traveler credit for state-paid travel."**

In an effort to reduce the budget, I see travel expenses as an excellent cost saving measure. In the Governor's proposed FY 94 budget, more than \$46 million was allotted for travel expenses. In days of declining revenue, it is necessary to "trim the fat" cushioning our agencies budgets.

I believe any frequent flyer mileage awarded to a state employee while conducting state business, at state expense, is the property of the state rather than personal property of the employee. All frequent flyer award certificates must be applied to future travel expenses incurred by the department.

The purpose of this legislation is to require state agencies to establish practices for travel that are consistent with the agencies resources and to develop telecommunication systems to be used in lieu of travel. Thus this will require agencies to develop information sharing for reporting and other aspects that have benefits to more than one agency and it will limit the number of employees who may attend the same meeting, thereby enhancing efficiency.

At present, fourteen states have a frequent flyer policy. All fourteen describe the mileage as "property of the state" and the enforcement by each individual agency or by a specific travel agency who handles all ticket transactions for the state. In some instances, for the best resolution of the problem, states whose employees travel extensively have two frequent flyer mileage numbers, one for personal travel and one for state business.

In an effort to curb travel expenses, I deem it necessary the agencies maintain a permanent, cumulative file of all travel by agency personnel. The file shall include at a minimum the total current airline frequent flyer mileage accrued by the individual state employee for those employees who frequently travel at state expense. Tracking and recording funds spent on travel will help reduce waste in each departmental budget.

## FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 46 (STA)

Revision Date: \_\_\_\_\_ Dept. Affected: Administration  
 Title: "An Act relating to frequent traveler credit for state-paid travel..." BRU: Personnel/OEEO  
 Component: Personnel/OEEO  
 Sponsor: Rep. Martin  
 Requestor: (H) Transportation COMPONENT SERIAL NO. 56

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
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	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: \$ none

ANALYSIS: (attach a separate page if necessary.)

Prepared By: Kevin Ritchie, Director Phone: 465-4430  
 Division: Personnel/OEEO Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usura *NBCU* Date: 4/9/93  
 Agency: Department of Administration

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# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 46 (STA)

Revision Date: \_\_\_\_\_ Dept. Affected: Statewide  
 Title: Frequent traveler credit for State-paid travel. BRU: Statewide  
 Component: Statewide  
 Sponsor: Representative Martin  
 Requestor: State Affairs COMPONENT SERIAL NO. 60

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING.	0	0	0	0	0	0

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

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 CF Match	0	0	0	0	0	0
1004 CF	0	0	0	0	0	0
1006 CF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY93) impact: \$ -0-

ANALYSIS: (attach a separate page if necessary.)

This bill would prohibit State employees from accepting mileage credits when traveling on State business for the agency he/she is employed by if the State pays for or reimburses the employee for the transportation costs.

Continued on attached page.

Prepared By: Dugan Petty, Director  
 Division: General Services

Phone: 465-2250  
 Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usara  
 Agency: Department of Administration

Date: 4/9/93

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## FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 46 (STA)

### ANALYSIS:

This bill does not establish a requirement to grant mileage credits to the State. However, State agencies may be able to benefit if employees voluntarily establish a separate account in their name (as is currently allowed by Alaska and Delta Airlines) for use by their employing agency. If such accounts are established, they could be monitored and administered by an agency representative to ensure appropriate use of any credits accrued.

While this type of arrangement will offset some agencies' transportation costs, the much greater benefits gained by pooling mileage into agency accounts can not be achieved.

This Department's fiscal note for HB 46 was contingent on pooling mileage into State accounts and capturing awards for every mile flown. There is no way to estimate the fiscal impact of this committee substitute as no data is available on miles flown by individual employees.

## PROPOSED AGENCY TRAVEL BUDGETS FY94

AGENCY	FY 93	FY 94
GOVERNOR	636.4	704.2
ADMINISTRATION	1103.9	1132.6
LAW	1041.1	1117.1
REVENUE	1600.4	1508.2
EDUCATION	1554.3	1836.9
HEALTH & SOCIAL SERVICES	3832.4	4205
LABOR	1208.7	1201.3
COMMERCE & ECON DEVEL	2072	2142.9
MILITARY & VET AFFAIRS	588.6	630.3
NATURAL RESOURCES	1726.5	1766.6
FISH AND GAME	4166	4259.9
PUBLIC SAFETY	3225.3	3478.4
TRANS/PUBLIC FACILITIES	5618.1	5645.4
ENVIRON. CONSERVATION	3002.1	3080.2
COMM & REGIONAL AFFAIRS	741.5	909.7
CORRECTIONS	855.6	935.5
UNIVERSITY OF ALASKA	6935.3	8634.8
ALASKA COURT SYSTEM	924.3	911.8
LEGISLATURE	2268.5	2167.8
DEBT SERVICE & MISC PROG	0	0
<b>TOTAL</b>	<b>43101</b>	<b>46268.6</b>

FROM : NCSL <DENVER> TO : 465-4565 1993.01-20 03:08PM #121 P.02

3/15/92

ATTACHMENT C

FREQUENT FLYER PROGRAMS						
STATE	POLICY	DESCRIBE	TRACK/ ENFORCE	WORTH EFFORT	IF NO POLICY, CONSIDERING ONE	COMMENTS
Alabama						travel agency keeps track
Alaska						
Arizona	X	property of state	no			
Arkansas						
California						
Colorado					X	
Connecticut						
Delaware						economic times dictate
Florida						encouraged to use for state business
Georgia						individual agencies require to give back
Hawaii						checking into ethics & attorney general "return it to state"
Idaho						
Illinois						can't capture
Indiana	X	'on honor'				
Iowa					would like to	have tried to set up, but airlines won't let them use one FF#
Kansas					X	benefit goes to employees
Kentucky						benefit goes to employees
Louisiana						benefit goes to employees; can't keep track
Maine						
Maryland	X		no			suppose to use for state business

## ATTACHMENT C

FREQUENT FLEET PROGRAMS						
STATE	POLICY	DESCRIBE	TRACK/ ENFORCE	WORTH EFFORT	IF NO POLICY, CONSIDERING ONE	COMMENTS
Massachusetts					X	
Michigan					X	looking a contract airfare that excludes mileage benefits
Minnesota	X	state property	impossible			"honor system"
Mississippi	X	state property	impossible			honor tried dup accts. did not work
Missouri					possibly	
Montana	X	state property	no	no		
Nebraska						
* Nevada	X	state property	by each agency	?		
New Hampshire						considered a plan, but travel became so restricted they dropped it
New Jersey	X	not allowed				"no one wants to touch it"
New Mexico					X	benefit goes to employee
New York						benefit goes to employee; too difficult to track
North Carolina	X					benefit goes to employee
* North Dakota	X	each individual has 2 FF #'s	yes	yes		one travel agency, so easy to track
Ohio						individual agencies may have one
Oklahoma					X	travel agency must monitor reports
* Oregon	X	state property	agency	?		
Pennsylvania	X	state property	?	?		underdeveloped
Rhode Island					X	
South Carolina						under study

ATTACHMENT C

FREQUENT FLYER PROGRAMS						
STATE	POLICY	DESCRIBE	TRACK/ ENFORCE	WORTH EFFORT	IF NO POLICY, CONSIDERING ONE	COMMENTS
South Dakota		honor system				
Tennessee	X		not cost efficient	no		benefit goes to employee
Texas						too much trouble, airline says. belongs to traveler
Utah					X	
Vermont						too many problems
Virginia	X	hono: system	no			
Washington						
West Virginia						
Wisconsin						
Wyoming						

# Air miles wanted by state

By TROY K. SCHNEIDER  
Governing Magazine

Alaska's state employees rack up millions of frequent-flier miles traveling back and forth over a state that's bigger than Texas, California and Colorado combined.

Alaska officials would like to capture all of that free air travel for the state's own use, but so far the effort doesn't seem to be able to get off the ground.

Alaska's government spends \$15.5 million a year on travel, delivering services in a state where the distance from the capital, Juneau, to the biggest city, Anchorage, is 571 miles.

Naturally, state employees' frequent-flier miles add up quickly. The Alaska State Employees Association, the state's major employee union, takes the position that the miles constitute an employee benefit. But state officials argue that benefits earned at taxpayer expense should be going to the state for official travel.

Last spring, when the state solicited bids for exclusive contracts on nine frequently traveled routes, officials hoped to emulate California's arrangement. There, employees fly for as little as half the standard fare and no frequent-flier miles are given.

# State gets nowhere in efforts to capture frequent-flier miles

By SHEILA TOOMEY  
Daily News reporter

Pity the poor state worker who must travel from Juneau to Anchorage twice a month on state business. What a drag.

True, he's probably well paid and traveling is part of his job description. But still, that's 29,692 miles a year in airplanes.

Enough miles to earn Mr. Bureaucrat a free vacation trip to Mexico on Alaska Airlines' frequent-flier plan. Or he may prefer to accumulate another 11,308 miles

of travel on official state business and get a free ticket to Europe, Hawaii or Asia instead.

Is something wrong with this picture?

Frequent-flier plans were designed to encourage brand loyalty among people who fly a lot, to get frequent fliers to buy all their tickets from the same airline or group of airlines. The reward for buying all those tickets can be hundreds, even thousands, of dollars in free air travel.

The hitch is, when state

employees travel on state business, they don't pay for their tickets. The people of Alaska do, to the tune of \$15.5 million a year, according to Robert Libbey, deputy commissioner of administration.

No one in government seems to know how many miles all that state money buys each year, so it's impossible to figure out how many free trips the state could reap if it captured the mileage awards for govern-

# MILES: State travel pays for private trips

Continued from Page A-1

ment use. A mere 15,000 miles — about 13 round trips between Juneau and Anchorage — earns a free round-trip ticket to anywhere in the state that Alaska Airlines flies. Which means that every 14th trip could be free.

Right now, the state of Alaska makes no effort to capture the miles it pays for, and it does not contract with airlines for cut rates in lieu of the mileage awards.

Before it stopped flying to Southeast, MarkAir, one of Alaska's two major carriers, offered the Hickel administration \$10 million worth of air travel for \$7 million and state officials "just sat on it," according to MarkAir spokesman Larry Anderson.

"We heard all this rhetoric about the state trying to cut their budget. They could have saved 30 percent of their travel budget," Anderson said.

State officials say MarkAir's offer came with a short take-it-or-leave-it deadline that a government committed to fair procurement practices couldn't possibly meet.

Capturing air travel benefits for the state is very complicated and probably impossible, said Nancy Bear Usera, commissioner of administration. The airlines won't cooperate and the unions say those miles are a benefit that can't be taken away.

But there is little doubt

the state has a legal right to take them away, even if "it can't get all of them transferred to public use.

"(B)e assured that, in our view, even a very strict position on the acceptance of these premiums would be wholly defensible," wrote Assistant Attorney General Jim Baldwin in a 1983 attorney general's opinion.

There certainly are obstacles, but other states, the federal government and even some private corporations have overcome most of them.

□

Of the three states along the West Coast of the United States, two forbid personal use of frequent-flier miles earned by state workers traveling on state business. Washington lets state workers keep them. But state employees don't fly often, said Gary Ogden of the Office of Financial Management in Olympia. Their cities are connected by roads. The state capital doesn't even have an airport.

In Oregon, frequent-flier miles have been classified as a benefit and using them for personal travel is a violation of the state ethics law, said Theresa McHugh of the Oregon state Executive Department. "If you're on state business, those are state miles."

The state buys its tickets through a single travel agent, who bids for the con-

tract. "It's generally pretty easy for us to track," McHugh said.

In 1991, Oregon adopted a policy of encouraging state employees to join frequent-flier clubs so the mileage could be used by the people who earned it for future state trips, said Barbara Carranza of the Executive Department budget and management division. Each employee is required to keep travel records going back three years. Agencies monitor their own staffs, Carranza said.

"It's really cumbersome," she said. "The airlines don't make it easy." They won't allow the miles to be pooled and used by someone other than the person who earned them. "They're banking on a lot of these miles never being used."

A lot of state employees just don't collect the mileage, Carranza said. "It's too much trouble."

Again, most travel in Oregon is by car.

□

California is big enough to require a lot of in-state air travel, and no one keeps any benefits earned while traveling on state business, according to James Lee in Gov. Pete Wilson's office in Sacramento.

The state negotiates exclusive paired-cities contracts with airlines in return for significantly cheaper fares — usually half the standard coach ticket, said Charles

Adams of the California General Services Department. No one flying on a state ticket gets frequent-flier miles.

Policing the program is pretty simple, according to Lee. Except in rare circumstances, state tickets must be purchased with special state air travel charge cards. The cards may only be used to buy approved tickets on contract airlines. Use of the charge cards triggers the special state rate and blocks the awarding of frequent-flier miles.

The federal government has a similar program. Federal employees who use frequent-flier miles earned on government-purchased tickets are stealing government property and can be punished if caught — anything from a reprimand to criminal prosecution, said Larry Tucker, chief of the regulatory policy branch of the General Services Administration in Virginia.

Federal workers must use designated carriers. And because the contract rate is so much lower than standard fares, other airlines won't let them trace in their tickets so they can fly on, and illegally, collect benefits from, an unauthorized carrier.

Ticket switching is one of the loopholes any government travel plan must address. In Alaska, MarkAir

Please see Back Page, MILES

**FISCAL NOTE**

Revision Date: Department Affected: DOT&PF  
 Title: State-Paid Travel Mileage Credits BRU: Office of the Commissioner  
 Sponsor: Martin Component: Commissioner's Office  
 Requestor: Martin Component Serial Number: #530

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

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
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
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE FUND SOURCE</b>	0	0	0	0	0	0

**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	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 (FY94) impact: \$0

**ANALYSIS: (Attach a separate page if necessary)**

As the airlines serving Juneau have already stated they will not establish a separate account for State mileage, mileage accrued during state travel will not be credited to anyone, there will be no cost savings to the state.

Prepared by: Carol Shelp

Phone: 465-8977

Division: Administrative Services

Date: November 2, 1993

Approved by Commissioner:   
B.A. Campbell

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: November 23, 1993

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REP. TERRY MARTIN

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EAST ANCHORAGE



HOME  
3600 RUSSELL DRIVE E  
ANCHORAGE, AK 99508  
PHONE 343-6990

DURING SESSION  
POCLOCK  
STATE CAPITOL BUILDING  
JUNEAU, AK 99801  
PHONE 465-4783

Alaska House of Representatives

SPONSOR STATEMENT

CSHB46 (STA)

**FREQUENT TRAVELER CREDIT FOR  
STATE-PAID TRAVEL**

In an effort to reduce the budget and potential waste in departmental operations, CSHB 46 (STA) represents a simple and efficient cost-saving measure. It targets the abuse and under-regulated tabulation of frequent flyer credit miles by state employees during state-paid flights.

The purpose of the bill is to apply all mileage earned through state travel to the specific department authorizing the ticket. State employees conducting business, at state expense, should relinquish awarded miles as property of the state. As frequent flyer award certificates are issued, they should in-turn be applied to future travel expenses incurred by the department.

The bill should also enhance efficiency by deterring and limiting the number of employees attending the same meeting. In the same instance it will promote information sharing and increase a team effort to reduce excessive travel in certain divisions. In terms of the national perspective, as of last year, 14 states had frequent flyer policies. All 14 describe the mileage as "property of the state" and require a central collection location in a division to maintain enforcement and consolidate travel data. In some cases, states whose employees travel extensively have two frequent flyer mileage numbers: one for personal travel and one for state business.

In an effort to curb travel expenses, all state agencies should maintain a permanent, cumulative file of their personnel's travel records. The file should include, at a minimum, the total current airline frequent flyer mileage accrued by state employees at state-expense. Coupled with the passage of CSHB46 (STA), tracking and recording funds spent on travel will help reduce waste in each departmental budget and should assist administrators in reaching a more fiscally conservative approach to state operations.



AGENCY TRAVEL BUDGET

AGENCY	FY 93	FY 94	INCR/DECR
GOVERNOR	636.4	704.2	67.8
ADMINISTRATION	1103.9	1132.6	28.7
LAW	1041.1	1117.1	76
REVENUE	1600.4	1508.2	<92.20>
EDUCATION	1554.3	1836.9	282.6
HEALTH & SOCIAL SERVICES	3832.4	4205	372.6
LABOR	1208.7	1201.3	<7.40>
COMMERCE & ECON DEVEL	2072	2142.9	70.9
MILITARY & VET AFFAIRS	588.6	630.3	41.7
NATURAL RESOURCES	1726.5	1766.6	40.1
FISH AND GAME	4166	4259.9	93.9
PUBLIC SAFETY	3225.3	3478.4	253.1
TRANS/PUBLIC FACILITIES	5618.1	5645.4	27.3
ENVIRON. CONSERVATION	3002.1	3080.2	78.1
COMM & REGIONAL AFFAIRS	741.5	909.7	168.2
CORRECTIONS	855.6	935.5	79.9
UNIVERSITY OF ALASKA	6935.3	8634.8	1699.5
ALASKA COURT SYSTEM	924.3	911.8	<12.50>
LEGISLATURE	2268.5	2167.8	<100.70>
DEBT SERVICE & MISC PROG	0	0	0
<b>TOTAL</b>	<b>43101</b>	<b>46268.6</b>	<b>3167.6</b>

\*Compiled by Representative Martin's office.

\*Information taken from Governors proposed FY94 Budget

# THE VOICE OF THE TIMES

## Frequent flyers soar on state's money

By LEW WILLIAMS, JR.

The new fiscal year started July 1 for Alaska. The governor signed the \$2.41 billion state operating budget the day before. Whether it will be a happy new year depends upon whether one is a state employee or a critic of state government. I'd write "taxpayer" instead of "critic" except that there are few taxpayers in a state which hands out more to its people than it collects from them.

More than 150 state employees who received layoff notices in the last few weeks are not happy. The number of unhappies — those whose jobs are terminated — will increase throughout the year because of the fiscal '93 budget. It is the only way to stay within the budgeted amount and absorb the increase in state worker pay, the increase in school support and the increase in other entitlement programs which by law must be funded.

Last year, in Walter J. Hickel's first year as governor, the administration cut 400 jobs. Most of those were unfilled positions — phantom workers. This fiscal year the cuts draw blood. The positions eliminated will be held by flesh and blood people.

The governor and the Legislature only followed what they perceived as the consensus of Alaskans when they cut the state budget by not allowing for increases required by law or inflation. Now Alaskans will see if they like it.



Williams

State trooper posts have been closed. Fisheries surveillance has been reduced. State jails have been closed. The number of certified nurses in Pioneer Homes are being reduced. Department of Transportation has reduced road maintenance crews, and so it goes throughout state agencies.

All of those cuts have evoked complaints. When those complaints exceed the demand to cut government costs, maybe some will agree to pay for the services the state provides.

With all lawmakers standing for election next year, it is up to the people of the state to tell the candidates what they expect in state services, what they are willing to pay for and how, and what they want abolished or reduced.



The Side in the abortion battle that won.

The Hickel administration is working on a government reorganization plan whereby some departments may be combined to absorb cuts and maintain the level of service. The governor has promised a committee to look at revenue enhancement. The results of the governor's studies and public reaction will give the Legislature plenty to work on in January.

In the meantime, it behooves state workers and administrators to avoid questionable actions which create reaction against the 16,000 men and women who are collectively doing a good job, or as good as the budget and public opinion will allow.

A questionable action, which also creates resentment among agency personnel, is that of state workers capitalizing on state travel for personal benefit.

The state spends \$15.5 million a year with major airlines to fly state employees on state business.

Each employee collects frequent flyer miles to his or her personal account although it is the state taxpayers paying for the airline ticket. Alaskans who have to buy their own airline tickets and those in state agencies whose jobs don't require state travel resent the practice.

Alaska Airlines and other carriers have been uncooperative in trying to credit those frequent flyer miles to the state to use for further state business travel. The state

tried asking for bids on travel without the frequent flyer miles but had no response. And the employees' unions say the frequent flyer miles are a benefit that can't be taken away. The practice of state employees receiving the free miles could be banned.

The federal government bans the practice, taking the view that accepting such free miles is misappropriation of public funds.

The state of Oregon has a plan that Alaska might adopt.

Because the airlines won't credit the miles to a state account, the state business travelers keep track of their miles and use them for tickets on future state business travel. It couldn't be simpler, except that state workers are inclined to be negligent in keeping the mileage records where they don't benefit individually.

The private use of public financed frequent flyer miles is a bigger issue in Alaska than in any other state because of Alaska's unique transportation system. In most states, a state worker jumps in a car and drives to the next town. In Alaska, everyone flies.

Alaska's \$2.41 billion budget and talks of deficits of \$500 million make the frequent flyer leak of state funds a small issue. But taking care of those small leaks will help keep the ship of state afloat.

Lew Williams Jr. is former publisher of the Ketchikan Daily News.

REP. TERRY MARTIN

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HOME  
1960 REKA DRIVE B6  
ANCHORAGE, AK 99508  
PHONE 333-6990

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POUCH V  
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PHONE 465-3783

Alaska House of Representatives

SPONSOR STATEMENT

CSHB46 (STA)

FREQUENT TRAVELER CREDIT FOR  
STATE-PAID TRAVEL

In an effort to reduce the budget and potential waste in departmental operations, CSHB 46 (STA) represents a simple and efficient cost-saving measure. It targets the abuse and under-regulated tabulation of frequent flyer credit miles by state employees during state-paid flights.

The purpose of the bill is to apply all mileage earned through state travel to the specific department authorizing the ticket. State employees conducting business, at state expense, should relinquish awarded miles as property of the state. As frequent flyer award certificates are issued, they should in-turn be applied to future travel expenses incurred by the department.

The bill should also enhance efficiency by deterring and limiting the number of employees attending the same meeting. In the same instance it will promote information sharing and increase a team effort to reduce excessive travel in certain divisions. In terms of the national perspective, as of last year, 14 states had frequent flyer policies. All 14 describe the mileage as "property of the state" and require a central collection location in a division to maintain enforcement and consolidate travel data. In some cases, states whose employees travel extensively have two frequent flyer mileage numbers: one for personal travel and one for state business.

In an effort to curb travel expenses, all state agencies should maintain a permanent, cumulative file of their personnel's travel records. The file should include, at a minimum, the total current airline frequent flyer mileage accrued by state employees at state-expense. Coupled with the passage of CSHB46 (STA), tracking and recording funds spent on travel will help reduce waste in each departmental budget and should assist administrators in reaching a more fiscally conservative approach to state operations.



AGENCY TRAVEL BUDGET

AGENCY	FY 93	FY 94	INCR/DECR
GOVERNOR	636.4	704.2	67.8
ADMINISTRATION	1103.9	1132.6	28.7
LAW	1041.1	1117.1	76
REVENUE	1600.4	1508.2	<92.20>
EDUCATION	1554.3	1836.9	282.6
HEALTH & SOCIAL SERVICES	3832.4	4205	372.6
LABOR	1208.7	1201.3	<7.40>
COMMERCE & ECON DEVEL	2072	2142.9	70.9
MILITARY & VET AFFAIRS	588.6	630.3	41.7
NATURAL RESOURCES	1726.5	1766.6	40.1
FISH AND GAME	4166	4259.9	93.9
PUBLIC SAFETY	3225.3	3478.4	253.1
TRANS/PUBLIC FACILITIES	5618.1	5645.4	27.3
ENVIRON. CONSERVATION	3002.1	3080.2	78.1
COMM & REGIONAL AFFAIRS	741.5	909.7	168.2
CORRECTIONS	855.6	935.5	79.9
UNIVERSITY OF ALASKA	6935.3	8634.8	1699.5
ALASKA COURT SYSTEM	924.3	911.8	<12.50>
LEGISLATURE	2268.5	2167.8	<100.70>
DEBT SERVICE & MISC PROG	0	0	0
<b>TOTAL</b>	<b>43101</b>	<b>46268.6</b>	<b>3167.5</b>

\*Compiled by Representative Martin's office.

\*Information taken from Governors proposed FY94 Budget