

SB

68

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT OF

SFC 3-25-97

DATE: 3/25/97

FURTHER:

DATE TURNED

IN TO OFFICE: 3-25-97

Finance Committee considered

SENATE BILL NO. 68

"An Act relating to the Task Force on Privatization; and providing for an effective date."

and recommends:

be replaced with CS SB 68 (FIN)

adopt previous CS ()

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical change

new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>David Donley</i>	✓	<i>Roll & Gill</i>	✓		
		<i>Geoff G. East</i>	✓		
		<i>John Johnson</i>	✓		
		<i>Dean Farnell</i>	✓		
Co-Chair: _____		Co-Chair: <i>Peace</i>	✓		
Co-Chair: <i>Bob Sharp</i>	✓	Co-Chair: _____			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

LAA	3/23		17.9
OMB	2/24		***
Gov			

Updated
Indeterminate
FN - forthcoming
from Gov-Adm.Sus.

APPI

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

REPORTED OUT OF
3-25-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CS SB 68 (FIN)

Revision Date: _____	Dept. Affected: <u>Office of the Governor</u>
Title: <u>"An Act relating to the Task Force on</u>	BRU: <u>Executive Operations</u>
Privatization: ..."	Component: <u>Executive Office</u>
Sponsor: <u>Senators Ward, Wilken</u>	
Requester: <u>Senate Finance Committee</u>	COMPONENT SERIAL NO. <u>6</u>

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL	*****	*****				
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	*****	*****	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*****	*****				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	*****	*****	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The composition of the task force envisioned by the bill involves both executive and legislative membership. This involves constitutional issues, for which the Administration may urge changes in this bill. However, as written the bill states that two of the three members appointed by the Governor will be public members. It is assumed that travel expenses will be incurred by members to attend meetings. Traditionally such costs are budgeted by the agency or branch housing the task force. **This fiscal note assumes that the travel costs for all public members are included in the Legislative Affairs fiscal note.**

Due to the nature of the subject in this bill, it is likely that the Administration's third appointee would be a state official in the Executive Branch. Historically, agencies involved pay the costs of Executive Branch state official participation. Should this be the case, fiscal impact in travel funding for FY98 would be 2.0, and .6 in FY99.

Prepared by: <u>Michael Nizich, Administrative Director</u>	Phone: <u>465-3876</u>
Division: <u>Administrative Services</u>	Date: <u>3/24/97</u>
Approved by Commissioner: <u>Jim Ayers, Chief of Staff</u>	Date: _____
Agency: <u>Office of the Governor</u>	

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Fiscal note assumes one of the Governor's appointees will be from the Executive Branch and a resident of Juneau. After discussion with Legislative Affairs, the note further assumes travel costs for this appointee to attend task force meetings as follows:

FY98**2.0**

4 meetings total:

2 Anchorage:

airfare -	\$444 x 2 trips =	\$ 888
per diem, lodging, grd. trans.	\$194 x 2 =	\$ 388

1 Fairbanks:

airfare -	\$574 x 1 trip =	\$ 574
per diem, lodging, grd. trans.	=	\$ 194

1 Juneau: no cost

FY99**0.6**

1 Anchorage:

airfare -	\$444 x 1 trip =	\$ 444
per diem, lodging, grd. trans.	=	\$ 194

1 Juneau: no cost

FISCAL NOTE

REPORTED OUT OF
SFC 3-25-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

NO. _____
BILL VERSION: CS SB 68(FIN)
PUBLISH DATE: _____

Revision Date: _____
Title: "An Act relating to the Task Force on Privatization; and providing for an effective date."
Sponsor: Senator Ward
Requestor: Senate Finance Committee

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

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	13.1	10.0	0	0	0	0
CONTRACTUAL	4.8	2.4	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	17.9	12.4	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	17.9	12.4	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	17.9	12.4	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)

CS SB68(FIN) establishes a 13 member Task Force on Privatization consisting of 3 members appointed by the Governor, 2 of whom are public members, 4 public members appointed by the presiding officers of the Alaska State Legislature and 6 Legislators. This task force will review and report to the Legislature and the Governor regarding the feasibility of privatization of some government functions.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
Division: Administrative Services Date: 3/23/97

Approved By: Pamela A. Varni, Executive Director *Pamela A. Varni*
Agency: Legislative Affairs Agency Date: 3/23/97

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

CONTINUATION OF FISCAL NOTE: CSSB 68 (FIN)

Travel

Travel costs for one Governor's appointee will be paid for by the Office of the Governor. FY 97 travel costs for the two public members appointed by the Governor, Legislators and public members appointed by the presiding officers will be absorbed within existing Legislative budgets. This Fiscal note contains FY98 and FY99 travel amounts for the public members.

If the task force begins work in FY97 it is expected to travel once in FY97, 4 times in FY98, and 3 times in FY99 to hold meetings. Any other meetings of the task force will be conducted by teleconference.

For the purposes of this fiscal note, 2 public members are assumed to be from Fairbanks, 3 from Anchorage, and 1 from Ketchikan. 2 days of per diem are calculated for each meeting.

	Per Diem	Travel	
<u>FY 98</u>			
2 Anchorage Meetings			
3 Anchorage members	0	0	
2 Fairbanks members	1,736	1,328	
1 Ketchikan member	868	1,240	
1 Fairbanks Meeting			
3 Anchorage members	1,026	996	
2 Fairbanks members	0	0	
1 Ketchikan member	342	690	
1 Juneau Meeting			
3 Anchorage members	1,026	1,398	
2 Fairbanks members	684	1,148	
1 Ketchikan member	342	268	
Total FY98 Travel	6,024	7,068	13,092

<u>FY99</u>			
2 Anchorage Meetings			
3 Anchorage members	0	0	
2 Fairbanks members	1,736	1,328	
1 Ketchikan member	868	1,240	
1 Juneau Meeting			
3 Anchorage members	1,026	1,398	
2 Fairbanks members	684	1,148	
1 Ketchikan member	342	268	
Total FY99 Travel	4,656	5,382	10,038

Contractual

	Phones \$100/month	Postage \$50/month	Advertisizing 750/meeting	TOTAL
FY98	1,200	600	3,000	4,800
FY99	700	350	1,500	2,550

Teleconference charges and expenses for printing the report will be absorbed by the Agency.

FISCAL NOTE

REPORTED OUT OF
SFC 3-25-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 68 (STA)

Revision Date: 2/24/97
Title: An Act relating to the Task Force on Privatization.

Dept. Affected: See analysis below

Sponsor: Senator Ward
Requester: Senate State Affairs Committee

BRU: _____
Component: _____

COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	*****	*****	*****	*****	*****	*****

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY97) cost: \$ *****

POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would establish a Task Force on Privatization, which would, among other tasks, "identify functions of our state government that could economically and appropriately be privatized, if any."

Most of the state's labor agreements include provisions which require the state to conduct feasibility studies determining potential costs and benefits before any decisions are made on contracting out work currently performed by state employees. Therefore, before any decisions are made on implementation of the Task Force's recommendations to privatize state functions covered by these labor agreements, the feasibility studies required by the labor agreements would need to be conducted.

Prior feasibility studies of this type have cost from approximately \$20,000 to \$50,000 per study. However, because the need for feasibility studies will depend on the recommendations of the Task Force, these costs, and the departments affected, cannot be estimated now. This is why asterisks are shown on this fiscal note.

In addition to feasibility studies, the labor agreements require other procedures to be followed before work can be contracted out.

Prepared by: Annalee McConnell, Director *Annalee McConnell* Phone: 465-4660
 Division: Office of Management and Budget Date: 2/24/97

Approved by Commissioner: Jim Ayers, Chief of Staff Date: 2/24/97
 Agency: Office of the Governor

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SENATE FINANCE
COMMITTEE

Amendment Number: 4
Bill Number: CSSB 68 (FIN)
Sponsor: Donley Date: 3-25-97
Logged In By: [Signature]

Moved by Donley
Adopted w/ obj.
0-LS0386/H.1
Cook
3/24/97

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSSB 68(FIN)

1 Page 2, line 14:

2 Delete all material and insert:

3 "(b) The president of the senate shall select a member from among those appointed
4 to the task force by the president of the senate to serve as co-chair of the task force. The
5 speaker of the house of representatives shall select a member from among those appointed
6 to the task force by the speaker of the house of representatives to serve as co-chair of the task
7 force."

8 Page 2, line 22:

9 Delete "The chair"

10 Insert "A co-chair"

A F A X

Alaska State Legislature

Date: 3-25-97 TIME: 11:30 am

To: LEGAL SERVICES

Fax #: 2029 Phone #: 2450

From: S. FINANCE - PEGGY S.

Phone #: 4935

Re: Please incorporate Amd:#4 (0-LS0386(H.1)) into
CS.S.68(FIN) (0-LS0386(H)) for FINAL - REPORTED OUT
↳ ASAP

Following this page, please find 1 pages(s). If this does not reach you in full, please inform us ASAP.



THANK YOU

Moved by Donley
Obj. by Torres, Adams

SENATE FINANCE *FALS 5/10/98*
COMMITTEE

Amendment Number: 3
Bill Number: CS SB 68 (FIN)
Sponsor: _____ Date: 3/25
Logged In By: Soltani

Motion to Reconsider by Donley
Vote

Please object

AMENDMENT

Offered in the Senate Finance Committee
To: CS SB 68 (FIN)

BY: SENATOR DONLEY

This fiscal note funds one full-time staff to carry out the duties of The Task Force on Privatization from the July 1, 1997 to December 1, 1998. The fiscal note also funds the travel, per diem and contractual costs for the 6 public members that CS SB 68 (FIN) provides for the Privatization Task Force. The general fund expenditure totals \$88,000 in FY'98 and \$41,600 in FY'99.

DD/jja

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CS SB 68 (fin)

Revision Date: 3/24/97

Title: Privitization Task Force

Sponsor: Senator Ward

Requestor: Senator Donley

Dept. Affected: Legislative Affairs

BRU: All

Components: All

Serial# _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services	70.1	29.2				
Travel	13.1	10.0				
Contractual	4.8	2.4				
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL	88.0	41.6				

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	88.0	41.6				
Federal Fund						
Other						
TOTAL	88.0	41.6				

POSITIONS:

Full-Time	1	1				
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by: SENATE FINANCE COMMITTEE

SENATOR DRUE PEARCE, COCHAIR

SENATOR BERT SHARP, COCHAIR

Date: _____
Phone: 465-4993

Date: _____
Phone: 465-3004

SUBJECT: Am #3 3568
DATE: 3-25-97

	YEA	NAY
SENATOR TORGERSON		✓
SENATOR DONLEY	✓	
SENATOR PHILLIPS		✓
SENATOR PARNELL	—	—
SENATOR ADAMS		✓
SENATOR PEARCE		✓
SENATOR SHARP		✓
TOTAL:	—	—

SUBJECT: _____
DATE: _____

	YEA	NAY
SENATOR PARNELL		
SENATOR DONLEY		
SENATOR ADAMS		
SENATOR PHILLIPS		
SENATOR TORGERSON		
SENATOR SHARP		
SENATOR PEARCE		
TOTAL:	—	—

SUBJECT: _____
DATE: _____

	YEA	NAY
SENATOR PHILLIPS		
SENATOR PARNELL		
SENATOR ADAMS		
SENATOR TORGERSON		
SENATOR DONLEY		
SENATOR PEARCE		
SENATOR SHARP		
TOTAL:	—	—

SUBJECT: _____
DATE: _____

	YEA	NAY
SENATOR TORGERSON		
SENATOR PARNELL		
SENATOR ADAMS		
SENATOR PHILLIPS		
SENATOR DONLEY		
SENATOR SHAPR		
SENATOR PEARCE		
TOTAL:	—	—

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: CSSB 68(STA)
Sponsor: Donley Date: 3-21-97

Moved by Donley
Sharp obj for disc. / wd. obj.
0-LS0386F.2

Adopted. Cook
3/13/97

AMENDMENT
Logged In By: PJ Spahr

OFFERED IN THE SENATE
TO: CSSB 68(STA)

BY SENATOR DONLEY

1 Page 2, line 3:

2 Delete "two" —

3 Insert "three" —

4 Delete "one" —

5 Insert "two" —

6 Delete "a"

7 Page 2, line 4:

8 Delete "inember"

9 Insert "members"

10 Page 2, line 5, following "employees":

11 Insert "primarily engaged in building or other trades, and one of whom shall be a
12 public member selected from a list of nominees submitted by labor organizations that
13 represent state employees that are not primarily engaged in building or other trades;"

14 Page 2, line 6:

15 Delete "two"

16 Insert "three"

17 Delete "one"

18 Insert "two"

19 Page 2, line 7:

20 Delete "member shall be a member of the majority and one member"

21 Insert "shall be members of the majority and one"

1 Page 2, line 9:

2 Delete "two"

3 Insert "three"

4 Page 2, line 10:

5 Delete "one member shall be a member of the majority and one member"

6 Insert "two shall be members of the majority and one"

Moved by Donley
Torrison obj for discussion
Donley withdraw

**SENATE FINANCE
COMMITTEE**

Amendment Number: 1
Bill Number: SB 68
Sponsor: Donley Date: 3-21-97
Logged In By: Pg Stephens

AMENDMENT

Offered in the Senate Finance Committee
To: SB 68

BY: SENATOR DONLEY

This fiscal note funds one full-time staff to carry out the duties of The Task Force on Privatization from the July 1, 1997 to December 1, 1998. The general fund expenditure totals \$65,079 in FY'98 and \$27,386 in FY'99.

DD/jja

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB68 (FIN)

Revision Date: 3/21/97

Title: Privitization Task Force

Sponsor: Sen. Ward

Requestor: Sen. Donley

Dept. Affected: Legislature

BRU: ALL

Components: ALL

Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services	65,079	27,386				
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL	65,079	27,386				

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	65,079	27,386				
Federal Fund						
Other						
TOTAL	65,079	27,386				

POSITIONS:

Full-Time	1	1				
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by: SENATE FINANCE COMMITTEE

SENATOR DRUE PEARCE, COCHAIR

Date: _____
Phone: 465-4993

SENATOR BERT SHARP, COCHAIR

Date: _____
Phone: 465-3004