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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 114

Revision Date: _____
Title: Employees: Political contrib & activitie

Department Affected: Labor
BRU: Office of the Commissioner

Sponsor: Senate Judiciary
Requestor: Senate Judiciary

Component: _____
Alaska Labor Relations Agency
COMPONENT SERIAL NO. 1200

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	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	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
AS 23.40.220 addresses a public employee's written authorization for deductions for dues, fees, and other employee benefits. Section 2 of SB 114 would amend AS 23.40.220 as follows: "If all or part of a deduction under this section will be used to make a political contribution, the written authorization must comply with AS 15.13.160." It is not anticipated that the proposed amendment to AS 23.40.220 would have a fiscal impact on the operation of the Alaska Labor Relations Agency (ALRA). Since July 1, 1990, approximately eight unfair labor practice charges relating to dues deductions have been filed with ALRA, one of which concerned use of dues for political contribution purposes. Though the proposed amendment to AS 23.40.220 could increase the number of unfair labor practice charges filed, a significant increase is not anticipated. Additional staff would not be needed.

Prepared by: Jan Hart DeYoung, Hearing Examiner Phone: 269-4896
Division: Alaska Labor Relations Agency Date: 3/17/97

Approved by Commissioner:  Tom Casher, Commissioner
Agency: Department of Labor Date: 3/17/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 114

Revision Date: _____ Department Affected: Administration
 Title: "An Act relating to contributions from employees.."
 Component: Alaska Public Offices Commission
 Sponsor: (S) Judiciary Committee
 Requestor: (S) JUD COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	.5	.5		.5	0	.5
CONTRACTUAL	33.6	60.9	47.1	60.9	42.1	60.9
SUPPLIES	.4	.3	.3	.3	.3	.3
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	34.5	61.7	47.4	61.7	42.4	61.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	34.5	61.7	47.4	61.7	42.4	61.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	34.5	61.7	47.4	61.7	42.4	61.7

Estimate of any current year (FY 97) cost: \$ 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

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Karen Boorman Phone: 276-1176
 Division: Alaska Public Offices Commission Date: _____
 Approved by Commissioner: Mark Boyer
 Agency: Department of Administration Date: 3/19/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB114

ANALYSIS: (continued)

SB 114 requires employers to obtain written authorization from employees annually before they may withhold wages for political contributions. Employers must keep authorization forms and documents reflecting dates and amounts of contributions on file for three years. In addition, the bill prohibits giving in the name of another and discrimination against an officer or employee for failure to contribute or otherwise support or oppose a political candidate, group or issue.

The Commission estimates that this bill will result in three additional complaints each election year; two additional complaints in non-election years. Because of the complex nature of the evidence required to establish "giving in the name of another" or employment discrimination and because the new campaign finance law requires that complaints be resolved in 180 days, the Commission would need to secure additional investigative support on a contractual basis. In the complaints described, the Commission also estimates that allegations would require that the Commission retain a hearing officer to hold an administrative hearing to resolve factual disputes.

The Commission has not had to deal with employment discrimination in the past. If authority over discrimination complaints was assigned to a more appropriate regulatory agency with expertise in employment discrimination, the associated cost of complaint resolution would be reduced.

In summary, the fiscal note reflects contractual funds to handle additional complaints--including additional investigative support; retention of a hearing officer; deposition costs; and other investigative costs. Additional costs associated with complaint resolution include supply costs for paper, folders and file cabinets. Remaining contractual, supply and travel costs reflect development and distribution of forms; promulgation of regulations in the first year; and education of employers with payroll deduction plans. Specific costs include paper, internal copying costs, advertising notice, and postage charges. Educational efforts would be accomplished through mailings and trainings in Anchorage and Fairbanks. Travel to Fairbanks would occur in the first year of implementation of the bill, then each succeeding election year.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 114

Revision Date: _____
 Title: An Act relating to contributions from employee compensation for political purposes . . .
 Sponsor: Senate Judiciary
 Requestor: Senate Judiciary

Department Affected: Administration
 BRU: Centralized Administrative Services
 Component: Finance
 COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0.0	7.0	7.0	7.0	7.0	7.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	7.0	7.0	7.0	7.0	7.0

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	7.0	7.0	7.0	7.0	7.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Since some portion of all union dues deducted from employees in the state's 12 bargaining agreements covering 10,500 employees may be used for political purposes, union dues authorizations would have to be renewed in writing annually. This will generate a tremendous amount of paper and bureaucratic processing. To handle this extra work will require approximately 175 hours of a personnel assistant, and 200 hours of an administrative clerk annually for online data entry and filing.

Prepared by: Don Wanie
 Division: Finance

Phone: 465-3435
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Alison M. Elgee
 Date: 3/18/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 114

Revision Date: _____ Dept. Affected: Department of Law
 Title: "An Act relating to contributions from BRU: Civil Division
employee compensation for political purposes; . . . Component: General Legal Services
 Sponsor: Senate Judiciary Committee
 Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTUAL	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	12.0	7.5	12.0	7.5	12.0

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

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

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 114 prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving a emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. SB 114 further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: Joan M. Kasson *Joan M. Kasson*
 Division: Administrative Services Division
 Approved by Commissioner: Bruce M. Botelho, Attorney General *Bruce Botelho for*
 Agency: Department of Law

Phone: 465-5370
 Date: 3/18/97
 Date: 3/18/97

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ANALYSIS CONTINUATION:

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY 98 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 97 standard attorney cost schedule (\$87/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

TONY KNOWLES
GOVERNOR



P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

TO: Laura Chase
Senate Judiciary Committee

FROM: Shari Kochman *SK*
Deputy Legislative Director

DATE: March 18, 1997

RE: SB 114

This is to advise the legislature that SB 114 does not require a fiscal note from the Division of Elections because the statutes cited in the bill have no effect at all on the operations of that division. A fiscal note is forthcoming from the Alaska Public Offices Commission.

FISCAL NOTE

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. CSSB 114 (JUD)

Revision Date (Note if correction) _____	Dept. Affected <u>Law</u>	
Title <u>"An Act relating to contributions from employee compensation for political purposes;..."</u>	BRU <u>Civil Division</u>	
Sponsor <u>Senate Judiciary Committee</u>	Component <u>Governmental Affairs</u>	
Requester <u>House Finance Committee</u>	Component Serial No. <u>2207</u>	

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	12.6	5.9	9.8	5.9	9.8	5.9
Travel	0.6	0.5	0.6	0.5	0.6	0.5
Contractual	2.6	1.4	2.1	1.4	2.1	1.4
Supplies	0.2	0.1	0.2	0.1	0.2	0.1
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	16.0	7.9	12.7	7.9	12.7	7.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	16.0	7.9	12.7	7.9	12.7	7.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	16.0	7.9	12.7	7.9	12.7	7.9

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSSB 114 (JUD) prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving a emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. CSSB 114 (JUD) further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also

Prepared by <u>Joan M. Kasson</u>	Phone <u>465-5370</u>
Division <u>Attorney General's Office</u>	Date <u>5/6/98</u>
Approved by <u>Bruce M. Botelho, Attorney General</u>	Date <u>5/6/98</u>
Agency <u>Department of Law</u>	

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FISCAL NOTE

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. CSSB 114 (JUD)

ANALYSIS CONTINUATION

more factually complex. In addition, new regulations and criteria would need to be developed.

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY99 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 98/99 standard attorney cost schedule (\$92.72/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

cc:Mail for: Laura Chase

Subject: Re: SB 114 Fiscal Notes
From: Sam Shepard at Gov_Admin_Svcs 4/9/97 7:55 AM
To: Laura Chase at LAA_STAY

FYI----Thanks Laura.

_____ Reply Separator _____

Subject: SB 114 Fiscal Notes
Author: Shari Kochman at Gov_Juneau_Capitol
Date: 4/8/97 4:44 PM

can you please tell laura chase no changes are needed in
this fiscal note -- old one applies

_____ Forward Header _____

Subject: SB 114 Fiscal Notes
Author: David Koivuniemi at DOA-DAS
Date: 4/8/97 3:12 PM

The changes in the CS do not change the fiscal notes either from
Finance or APOC.

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/5/97

FURTHER:

Date of 5-Day Notice: 3/14/97
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/1/97

Judiciary Committee considered

SENATE BILL NO. 114

"An Act relating to contributions from employee compensation for political purposes; and prohibiting certain kinds of discrimination against employees for political purposes."

and recommends:

- be replaced with CS 513 114 (JUD)
- 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 title
 - new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Mike Miller</i>	<input checked="" type="checkbox"/>	<i>Deane</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>Adrian L. Taylor</i>	<input checked="" type="checkbox"/>	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
LABOR	3/17/97	0	
ADMINISTRATIVE SVCS	3/18/97		✓
LAW/CIVIL	3/18/97		✓
ADMINISTRATION/APOC	3/19/97		✓
ELECTIONS	3/18/97	N/A	N/A

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

0-LS0614E
Cramer
3/24/97

CS FOR SENATE BILL NO. 114(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to contributions from employee compensation for political
2 purposes; and prohibiting certain kinds of discrimination against employees for
3 political purposes."

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

5 * Section 1. AS 15.13 is amended by adding a new section to read:

6 **Sec. 15.13.160. Limitations on employers and labor organizations.** (a) An
7 employer or labor organization may not

8 (1) increase the salary of an officer or employee, or give an emolument
9 to an officer, employee, or other person or entity, with the intent that all or a part of
10 the increase or emolument be contributed or spent to support or oppose a candidate,
11 state official against whom a recall petition has been filed, political party, or group;
12 or

13 (2) discriminate against an officer or employee in the terms or
14 conditions of employment of the officer or employee for

1 (A) failure to contribute to a candidate, ballot proposition,
2 political party, or group;

3 (B) failure in any way to support or oppose a candidate, ballot
4 proposition, political party, or group; or

5 (C) supporting or opposing in any way a candidate, ballot
6 proposition, political party, or group.

7 (b) An employer or other person or entity responsible for the disbursement of
8 funds in payment of wages or salaries may not withhold or divert a portion of an
9 employee's wages or salaries for contributions to groups or for use as political
10 contributions unless the employee has filed a written authorization for the diversion
11 on a form prescribed by the commission. The form must inform the employee of the
12 prohibition against employer or labor organization discrimination described in (a)(2)
13 of this section. The written request is valid for no more than one calendar year from
14 the date of signing by the employee.

15 (c) For a period of at least four years after a disbursement under (b) of this
16 section, a person or entity who withheld a contribution under (b) of this section shall
17 maintain documents and books of accounts, including a copy of each employee's
18 written request, the amounts and dates funds were actually withheld, and the amounts
19 and dates funds were transferred to a group. These documents and books of account
20 are open to public inspection during normal business hours.

21 * Sec. 2. AS 23.40.220 is amended to read:

22 **Sec. 23.40.220. Labor or employee organization dues and employee**
23 **benefits, deduction, and authorization.** Upon written authorization of a public
24 employee within a bargaining unit, the public employer shall deduct from the payroll
25 of the public employee the monthly amount of dues, fees, and other employee benefits
26 as certified by the secretary of the exclusive bargaining representative and shall deliver
27 it to the chief fiscal officer of the exclusive bargaining representative. If all or part
28 of a deduction under this section will be used to make a political contribution, the
29 written authorization must comply with AS 15.13.160.

Decision Summary for Michigan AFL-CIO v. Miller

Rynnieva Moss, Rep. Vezey's Office

The Sixth Circuit Court of Appeals concluded that the Michigan statute that requires annual affirmative consent for automatic payroll deductions made to separate segregated accounts is content-neutral and that intermediate scrutiny is the appropriate standard review.

The U.S. Supreme Court has a litmus test that is applied to intermittent scrutiny of alleged restrictions on First Amendment freedoms:

1. Does the content-neutral law further an important or substantial governmental interest?

The Sixth Circuit determined that the right not to contribute to political causes that an individual does not favor is as pivotal a First Amendment right as is the right to solicit funds. *"The protection of this right is certainly at least 'important or substantial', if not compelling."* Michigan State AFL-CIO v. Candice Miller, Nos. 95-1397/1858.

The court noted that requiring annual consent ensures that political contributions are in accordance with wishes of the contributors.

2. Is the governmental interest unrelated to the suppression of free expression?

The court determined that the Michigan statute does not impose any direct limits on speech.

3. Is the incidental restriction on alleged First Amendment freedoms no greater than is essential to the furtherance of that interest?

The court determined that an annual mailing asking employees and members to check a box and to return the notice would suffice the law and would not be a crushing administrative burden.

The Sixth Circuit also determined the unions argument that asking people to check a box once a year unduly interferes with the speech rights of those contributors "borders on the frivolous."

Purpose of HB 181 Separate Segregated Funds

1. Implement a statute that requires annual voluntary consent for automatic payroll deductions that will be spent for political purposes.
2. Require that the money be collected and disbursed from a separate segregated fund available for public access.
3. Define a separate segregated fund.
4. Include a separate segregated fund in the definition of "group".

Under existing statute, a person who violates a provision of this Chapter 13 is guilty of a misdemeanor and upon conviction is punishable by imprisonment for not more than one year or by a fine of not more than \$5,000.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 114(JUD)

Revision Date: _____
 Title: Employees: Political contrib & activitie
 Sponsor: Senate Judiciary
 Requestor: Senate Finance

Department Affected: Labor
 BRU: Office of the Commissioner
 Component: _____
Alaska Labor Relations Agency
COMPONENT SERIAL NO. 1200

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	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	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 AS 23.40.220 addresses a public employee's written authorization for deductions for dues, fees, and other employee benefits. Section 2 of SB 114 would amend AS 23.40.220 as follows: "If all or part of a deduction under this section will be used to make a political contribution, the written authorization must comply with AS 15.13.160." It is not anticipated that the proposed amendment to AS 23.40.220 would have a fiscal impact on the operation of the Alaska Labor Relations Agency (ALRA). Since July 1, 1990, approximately eight unfair labor practice charges relating to dues deductions have been filed with ALRA, one of which concerned use of dues for political contribution purposes. Though the proposed amendment to AS 23.40.220 could increase the number of unfair labor practice charges filed, a significant increase is not anticipated. Additional staff would not be needed.

Prepared by: Jan Hart DeYoung, Hearing Examiner Phone: 269-4896
 Division: Alaska Labor Relations Agency Date: 4/3/97
 Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 4/3/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

CS
BILL NO. SB15 (JUD)

Revision Date: _____ Dept. Affected: Office of the Governor
 Title: "An Act relating to civil actions..." BRU: Human Rights Commission
 Sponsor: Senator Taylor Component: _____
 Requester: Senate Finance COMPONENT SERIAL NO. 1

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	57.7	59.6	61.4	63.4	65.3	67.3
TRAVEL						
CONTRACTUAL						
SUPPLIES	0.2					
EQUIPMENT	2.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	60.4	59.6	61.4	63.4	65.3	67.3

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	60.4	59.6	61.4	63.4	65.3	67.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	60.4	59.6	61.4	63.4	65.3	67.3

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

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

As a result of this bill, the Commission expects people will choose to file with the agency instead of filing in court, and will be referred to the agency more often by members of the private bar. While difficult to estimate, the Commission anticipates an increase in complaint filings of approximately 15%. In order to avoid unfair delay in the processing of these additional cases, the Commission will need to hire another investigator.

Prepared by: Paula M. Haley, Executive Director
 Division: HUMAN RIGHTS COMMISSION

Phone: 276-7474
 Date: 3/21/97

Approved by Commissioner: [Signature]
 Agency: _____

Date: 3/22/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 70 (JUD)

Revision Date: 3/26/97 Dept. Affected: Corrections
 Title: Unlawful discharge of a firearm BRU: All
 Component: All
 Sponsor: Senator Donlay
 Requester: Senate Judiciary COMPONENT SERIAL NO. #0694

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	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	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)

Prepared by: Bruce Richards Phone: 465-3307
 Division: Commissioner's Office Date: 3/26/97
 Approved by Commissioner: Margaret M. Pugh Date: 3/26/97
 Agency: Department of Corrections

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 70 (JUD)

Revision Date: 04/03/97

Dept. Affected: Alaska Court System

Title: Unlawful Discharge of a Firearm

BRU: Trial Courts

Component: _____

Sponsor: Sen. Donkey

Requestor: _____

COMPONENT SERIAL NO. 768

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	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	0.0	0.0

Estimate of any current year (FY 97) cost: None

Positions

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 70 redefines certain conduct that is already a crime, which should not result in a fiscal impact.

Prepared by: C. S. Christensen III, General Counsel

Agency: Alaska Court System

Phone: 264-8228

Date: 04/03/97

Approved by: Stephanie J. Cele, Deputy Director

Agency: Alaska Court System

Date: 04/03/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 147

Revision Date: _____
 Title: " An Act relating to a retirement benefit for the surviving widow or widower or surviving divorced spouse of a governor or"
 Sponsor: Senate Judiciary by Request
 Requestor: (S) STA

Department Affected: Administration
 BRU: Retirement & Benefits
 Component: Retirement & Benefits
 COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE: (Thousands of Dollars)

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

Estimate of any current year (FY 97) cost: \$ zero

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact on the Division of Retirement & Benefits. If enacted, this bill would increase the Public Employees' Retirement System (PERS) unfunded accrued liability by \$80,000. This increase in unfunded liability would have no effect on the PERS' average employer contribution rate or the funding ratio.

Prepared by: Janet L. Parker
 Division: Retirement & Benefits

Phone: 465-4470
 Date: _____

Approved by Commissioner: Mark Bover
 Agency: Department of Administration

Date: 4/3/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 114(JUD)

Revision Date:	Dept. Affected: <u>Department of Law</u>
Title: <u>"An Act relating to contributions from</u>	BRU: <u>Civil Division</u>
<u>employee compensation for political purposes; . . .</u>	Component: <u>General Legal Services</u>
Sponsor: <u>Senate Judiciary Committee</u>	
Requester: <u>Senate Judiciary Committee</u>	COMPONENT SERIAL NO. <u>2087</u>

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTUAL	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	12.0	7.5	12.0	7.5	12.0

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

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	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

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

POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 114 (JUD) prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving an emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. CSSB 114 (JUD) further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: <u>Joan M. Kasson</u> <i>Joan M. Kasson</i>	Phone: <u>465-5370</u>
Division: <u>Administrative Services Division</u>	Date: <u>4/4/97</u>
Approved by Commissioner: <u>Bruce M. Botelho, Attorney General</u> <i>Bruce Botelho</i>	Date: <u>4/4/97</u>
Agency: <u>Department of Law</u>	

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ANALYSIS CONTINUATION:

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY 98 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 97 standard attorney cost schedule (\$87/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 70 (JUD)

Revision Date: _____	Dept. Affected: <u>Department of Law</u>
Title: <u>"An Act relating to the discharge of firearms at or in the direction of buildings and dwellings."</u>	BRU: <u>Criminal Division</u>
Sponsor: <u>Senator Donley</u>	Component: <u>Criminal Division</u>
Requester: <u>Senate Judiciary Committee</u>	COMPONENT SERIAL NO. <u>2085</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	53.8	53.8	53.8	53.8	53.8	53.8
TRAVEL	0.7	0.7	0.7	0.7	0.7	0.7
CONTRACTUAL	8.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES	1.1	1.1	1.1	1.1	1.1	1.1
EQUIPMENT	6.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	70.0	63.5	63.5	63.5	63.5	63.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	70.0	63.5	63.5	63.5	63.5	63.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	70.0	63.5	63.5	63.5	63.5	63.5

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

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	1.0	1.0	1.0	1.0	1.0	1.0
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 70 (JUD) elevates the crime of discharging a firearm at or in the direction of a building, or a dwelling, from misdemeanor conduct to a class B felony. The Department of Law anticipates the greatest impact from the proposed committee substitute would be in the Anchorage area as many of these misdemeanor weapons and property crimes are most likely handed as municipal offenses under current law. CSSB 70 (JUD) would make these offenses felonies under state jurisdiction.

The department anticipates the need for one-half an attorney position in the Anchorage District Attorney's Office to respond to the increased caseload from this bill. Using the Civil Division's standard attorney cost schedule (\$127,000 per year), the fiscal impact would be \$63,500, including clerical support, communications, space, supplies, data processing and other normal overhead expenses. The standard cost does not include one-time new equipment purchases, and \$6,500 is added for this purpose in FY 98. (Proportionate support position funding is included in the standard attorney cost schedule to reduce clerical support vacancy so that the new attorney's clerical burden can be handled.)

Prepared by: Joan M. Kasson
 Division: Administrative Services Division
 Approved by Commissioner: Bruce M. Botelho, Attorney General
 Agency: Department of Law

Phone: 465-5370
 Date: 4/4/97
 Date: 4/4/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO: CSSB 70 (JUD)

Revision Date: 04/03/97
 Title: An Act relating to the discharge of firearms
at or in the direction of buildings &
 Sponsor: Senator Donley
 Requestor: S. Judiciary

Dept. Affected: Public Safety
 BRU: Alaska State Troopers
 Component: _____
 COMPONENT SERIAL NO. 0799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	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-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill would not have any significant fiscal impact on AST.

Prepared By: F/Sgt. Robert Gorder Phone: 269-5650
 Division: Alaska State Troopers Date: 04/03/97
 Approved by Commissioner: Ronald L. Otte *Dee Smith* Date: 4/7/97
 Agency: Department of Public Safety

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ALASKA STATE LEGISLATURE



Sen. Robin Taylor, Chair
Sen. Drue Pearce, Vice Chair
Sen. Mike Miller
Sen. Sean Parnell
Sen. Johnny Ellis

State Capitol
Juneau, AK 99801-1182
(907) 465-3717
Fax: (907) 465-3922

Senate Judiciary Committee

SPONSOR STATEMENT for SB 114

SB 114 protects the rights of workers to make annual decisions regarding their involvement in the political process.

Constituents have contacted me about this issue and have expressed concern that employers automatically deduct contributions from their paycheck. Once the deduction has been made, the employee has no control over how the money is distributed or which candidates and issues it is used to support or oppose. This process of funding political actions by corporations and labor organizations is known as "reversed check-off", and was recently banned by a Michigan statute upheld by the Sixth Circuit Court of Appeals.

SB 114 prohibits an employer or labor organization from giving a salary increase with the intent that it be donated in support or opposition of a candidate or issue. The bill prohibits discrimination against an employee who fails to make a contribution intended to influence a political race.

It also requires that a public record be kept of payroll deductions made for disbursement as political contributions.

The most important provision of SB 114 says it takes written authorization from the employee before a deduction for political purposes can be made. The bill requires that such an authorization be issued annually by the employee and that the employee must be informed of the anti-discrimination provisions that apply if they choose not to make a contribution.

An employees' political convictions are private and deserve unequivocal respect rather than the intimidation allowed by the current process.

RECEIVED FEB 25 1997

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN ENGLER
GOVERNOR

February 12, 1997

The Honorable Robin Taylor
Senate Majority Leader
State Capitol, Room 30
Juneau, Alaska 99801

Dear Majority Leader:

I am writing to bring to your attention a recent ruling by the 6th Circuit Court of Appeals in Cincinnati, Ohio (*Michigan AFL-CIO v. Miller*), that deals with worker democracy, paycheck protection, and the issue of "reverse check-off." "Reverse check-off" is a payroll deduction by the employer of an annual amount -- determined by the union -- which is automatically deducted from an employee's paycheck and sent to the union for its Political Action Committee (PAC).

For example, the 130,000 Michigan Education Association (MEA) members have \$15.00 deducted annually for this purpose. Add it up -- it is \$3,900,000 in a 2-year election cycle. There is no way to distinguish this from the normal dues deduction -- so most MEA members do not know PAC money is being deducted. At the national level, 99 percent of all NEA contributions funded Democrats in 1996. Normally, a very limited opportunity, constricted by a narrow time limit and complex paperwork, is provided to any employee who wishes to seek a refund of the political deduction. Moreover, an employee's request not to contribute must be made annually and often subjects the requesting individual to unfavorable notice by other members and the leadership of the union local.

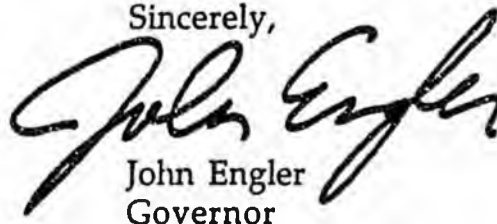
I strongly oppose this "reverse check-off" system for several reasons. To begin with, worker democracy demands that the individual employee make the decision as to how his or her money is spent -- not some other agency or union. Moreover, since this money is deducted at the same time as dues, the additional amount is virtually undisclosed to workers. There is also the issue of paycheck protection, of not allowing a third party automatically to deduct funds from someone's hard-earned paycheck. When money is automatically deducted from a paycheck, getting those dollars back is nearly impossible and subjects the requestor to "notice." Last but not least, the overwhelming majority of these contributions go to Democrats despite the fact that substantial percentages of teachers and other union members identify themselves as Republicans or Independents in national surveys.



In Michigan, the legislature responded to these concerns for worker democracy, paycheck protection and constitutional rights by amending the state Campaign Finance Act. The Michigan law banning the use of a "reverse check-off" system for the collection of political contributions covers labor unions, corporations, and domestic dependent sovereigns (Indian tribes). In this important ruling, the 6th Circuit Court of Appeals overturned a lower court ruling and, in so doing, upheld a 1994 Michigan law which bans the use of "reverse check-off." As a result of this court ruling, contributions to all political action committees must be affirmatively made and a contributor must have the opportunity each year to decide whether or not to contribute. As soon as the 6th Circuit Court of Appeals directs the district judge to lift his restraining order, all PAC contributions in the state will require the annual affirmative written consent of the contributor.

For your convenience, I have attached a copy of the Michigan law pertaining to worker democracy, paycheck protection, and the "reverse check-off." For more information on the court ruling or how this might apply to your state, please contact my legal counsel, Lucille Taylor, at (517) 373-3400.

Sincerely,



John Engler
Governor

JE:rh
enclosure

AdTI ISSUE BRIEF - No. 138
 October 31, 1996



**The Teacher Union Leadership vs. Members:
 Update on NEA and AFT PAC Contributions**

Dr. John E. Berthoud, Vice President

"We needed to take a look at what our members were thinking before the election. They don't want us to be partisan. They don't want us to be political." -- Mary-Elizabeth Teasley, NEA Director of Government Relations¹

Earlier AdTI research has described the sharp partisanship of unions in their 1996 campaign activities.² Of the major unions analyzed, teacher union Political Action Committees (PACs) were found to be among the most lopsided in their support of Democratic candidates over Republican candidates. They were shown to be more partisan than the Teamsters and almost as partisan as the AFL-CIO. This Issue Brief provides the latest figures on National Education Association (NEA) and American Federation of Teacher (AFT) PAC contributions to federal campaigns.

The PAC contribution data are from the NEA's September Monthly Report to the Federal Election Commission (FEC) and from the AFT's July Quarterly Report and are the latest figures for the 1995-6 election cycle. It is also important to note that the teacher unions have been involved in political campaigns in other ways besides PAC contributions. For example, the NEA is spending \$500,000 on radio and television ads and direct mailings to defeat four Republican U.S. House Members.³ Although there are limits on PAC contributions, groups may spend unlimited sums on "independent expenditures."

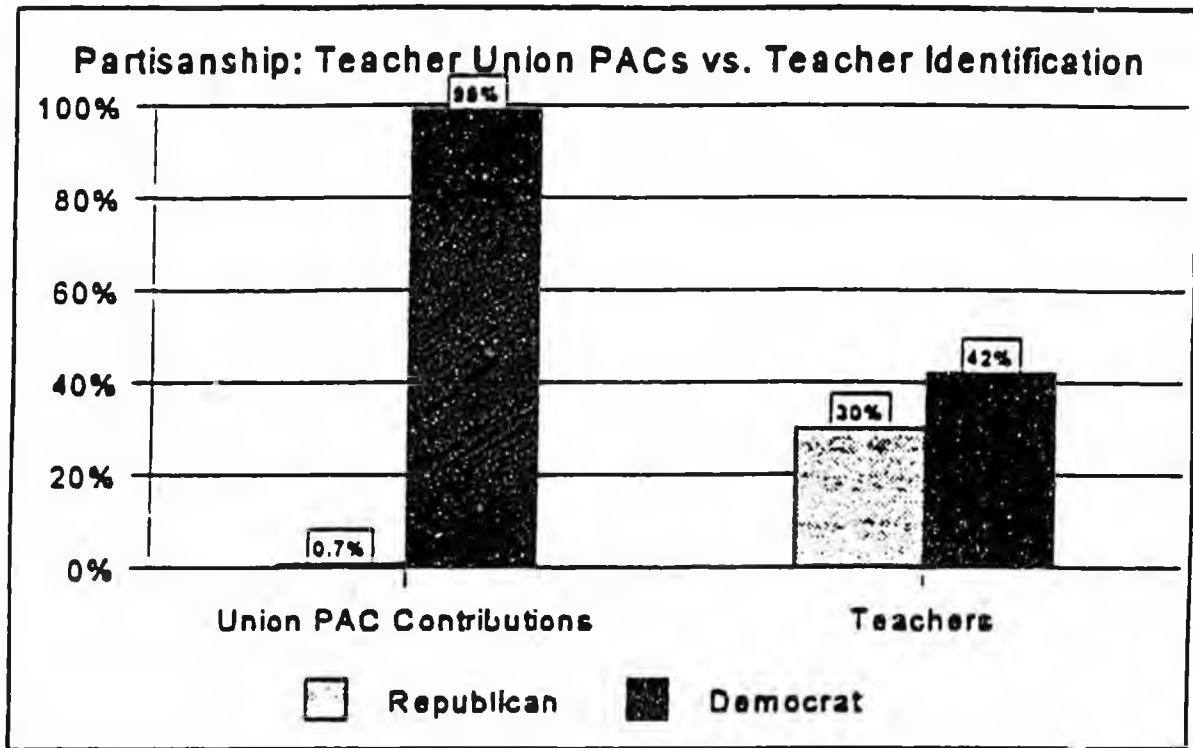
Table 1. Profiles of NEA and AFT PAC Campaign Contributions

	PAC Funds to Rep. Candidates	%	PAC Funds to Dem. Candidates	%	PAC Funds to Ind. Candidates	%	Total PAC Funds to Candidates
AFT	\$4,750	0.6%	\$832,647	99.2%	\$2,117	0.3%	\$839,514
NEA	\$11,350	0.7%	\$1,578,305	98.9%	\$6,000	0.4%	\$1,595,655
Total	\$16,100	0.7%	\$2,410,952	99.0%	\$8,117	0.3%	\$2,435,169

Source of data: the Federal Election Commission.

The Alexis de Tocqueville Institution
 1611 North Kent Street, Suite 901, Arlington, Virginia 22209
 Phone: 703-351-4969 Fax: 703-351-0090
 Email: adti@erols.com Home Page: <http://www.schoolreport.com/AdTI>

As Table 1 shows, the teacher unions have given 99 percent of their funds to Democratic candidates and less than 1 percent to Republicans. This partisanship contrasts sharply with recent figures about public school teacher party identification. A survey by the National Center for Education Information found 42 percent of teachers identify themselves as Democrats, 30 percent identify themselves as Republicans, and 28 percent as Independents.⁴ This survey data confirms the statement of NEA President Bob Chase who recently observed, "Our membership breaks down very similar to the general public as far as percentage being Democrat, Republican and Independent."⁵



The same survey found that 39 percent of public school teachers identify themselves as moderate, 35 percent as conservative, and 25 percent as liberal. These ideological positions again contrast sharply with teacher union policy positions, which AdTI has analyzed in earlier studies and found to be quite liberal. For the NEA for example, AdTI found that if every item in their *Legislative Program for the 104th Congress* were enacted, federal spending would increase by at least \$702 billion annually — an expansion of about 40 percent.⁶

While the NEA and AFT of course have a right to support whatever policies and candidates they wish, such extreme partisanship in the face of sharply differing views among teachers seriously calls into question the union leaders' claims to represent the interests of teachers.

169.255 Segregated fund for political purposes; establishment by corporation, joint stock company, or labor organization; limitations; solicitation of contributions; prohibited practices; violation; penalty. [M.S.A. 4.1703(55)]

Sec. 55. (1) A corporation organized on a for profit or nonprofit basis, a joint stock company, or a labor organization formed under the laws of this or another state or foreign country may make an expenditure for the establishment and administration and solicitation of contributions to a separate segregated fund to be used for political purposes. A separate segregated fund established under this section shall be limited to making contributions to, and expenditures on behalf of, candidate committees, ballot question committees, political party committees, political committees, and independent committees.

(2) Contributions for a separate segregated fund established by a corporation, organized on a for profit basis, or a joint stock company under this section may be solicited from any of the following persons or their spouses:

(a) Stockholders of the corporation or company.

(b) Officers and directors of the corporation or company.

(c) Employees of the corporation or company who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(3) Contributions for a separate segregated fund established under this section by a corporation organized on a nonprofit basis may be solicited from any of the following persons or their spouses:

(a) Members of the corporation who are individuals.

(b) Stockholders of members of the corporation.

(c) Officers or directors of members of the corporation.

(d) Employees of the members of the corporation who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(e) Employees of the corporation who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(4) Contributions for a separate segregated fund established under this section by a labor organization may be solicited from any of the following persons or their spouses:

(a) Members of the labor organization who are individuals.

(b) Officers or directors of the labor organization.

(c) Employees of the labor organization who have policy making, managerial, professional, supervisory, or administrative nonclerical responsibilities.

(5) Contributions shall not be obtained for a separate segregated fund established under this section by use of coercion, physical force, or as a condition of employment or membership or by using or threatening to use job discrimination or financial reprisals. A corporation organized on a for profit or nonprofit basis, a joint stock company, or a labor organization shall not solicit or obtain contributions for a separate segregated fund established under this section from an individual described in subsection (2), (3), or (4) on an automatic or passive basis including but not limited to a payroll deduction plan or reverse checkoff method. A corporation organized on a for profit or nonprofit basis, a joint stock company, or a labor organization may solicit or obtain contributions for a separate segregated fund established under this section from an individual described in subsection (2), (3), or (4) on an automatic basis, including but not limited to a payroll deduction plan,

only if the individual who is contributing to the fund affirmatively consents to the contribution at least once in every calendar year.

(6) A person who knowingly violates this section is guilty of a felony punishable, if the person is an individual, by a fine of not more than \$5,000.00 or imprisonment for not more than 3 years, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00.

Severability of amendatory act.

Section 2. If any portion of this amendatory act or the application of any portion of this amendatory act to any person or circumstance is found to be invalid by a court, the invalidity shall not affect the remaining portions or applications of this amendatory act that can be given effect without the invalid portions or application, if the remaining portions are not determined by the court to be inoperable, and to this end this amendatory act is declared to be severable.

Effective date.

Section 3. This amendatory act shall take effect April 1, 1995.

Approved May 10, 1994.

Filed with Secretary of State May 11, 1994.

[No. 118]

(SB 3)

AN ACT to amend sections 3 and 7a of Act No. 382 of the Public Acts of 1972, entitled as amended "An act to license and regulate the conducting of bingo and certain other forms of gambling; to provide for the conducting of charity games; to impose certain duties and authority upon certain state departments, agencies, and officers; to provide a tax exemption; and to provide penalties," section 3 as amended and section 7a as added by Act No. 229 of the Public Acts of 1981, being sections 432.103 and 432.107a of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Sections amended; Traxler-McCauley-Law-Bowman bingo act.

Section 1. Sections 3 and 7a of Act No. 382 of the Public Acts of 1972, section 3 as amended and section 7a as added by Act No. 229 of the Public Acts of 1981, being sections 432.103 and 432.107a of the Michigan Compiled Laws, are amended to read as follows:

432.103 Additional definitions. [M.S.A. 18.969(103)]

Sec. 3. (1) "Educational organization" means an organization within this state that is organized not for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction in any public or private elementary or secondary school that complies with the school code of 1976, Act No. 451 of the Public Acts of 1976, as amended, being sections 380.1 to 380.1852 of the Michigan Compiled Laws, or any private or public college or university that is organized not for pecuniary profit and that is approved by the state board of education.

REVIEW & OUTLOOK

Exempt From Reform

When President Clinton endorsed a campaign reform bill by Senators John McCain and Russ Feingold in his State of the Union address last week, he left an obvious question unanswered. Before Congress plunges into yet another attempt to clean up politics, why not insist that President Clinton and his allies enforce or abide by the existing campaign laws?

We're not talking about the \$1.5 million or more in illegal foreign contributions that the Democratic National Committee has had to return. Nor what looks to be improper use of a giant White House data base to contact potential campaign contributors. We're referring to the *Beck* decision, a 1988 Supreme Court ruling written by

40% of union members who routinely vote Republican might want some of their money back.

Unions are terrified at losing the coercive power to extract dues money. Consider what happened in Washington state, where in 1992 the voters barred withholding an employee's wages "for use as political contributions except upon written request of the employee." In just a year, the number of union teachers who contributed to the Washington Education Association's PAC skidded to only 8,000 from 48,000.

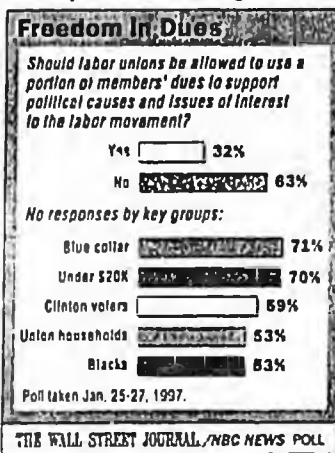
Undaunted, the WEA set up a new mandatory fund called the Community Outreach Program. WEA lobbyist Robert Maler has admitted in a deposition that the outreach program was "an internal ploy to raise more WEA-PAC money." After the Evergreen Freedom Foundation blew the whistle on this scheme, the state's Public Disclosure Commission found that the union had engaged in the largest violations of campaign law in the state's history. It turned over its evidence to Attorney General Christine Gregoire, a Democrat, who this week will announce her decision on whether the state will prosecute the union.

Other states are asserting the rights of workers who want to stay out of politics. In 1995, Michigan banned both unions and corporations from using automatic payroll deductions to finance their PACs. The state teachers union alone automatically collected \$3.9 million every election cycle from such deductions, and it bitterly contested the new law. However, the Sixth Circuit Court of Appeals recently upheld the law. Governor John Engler says workers will now have "the opportunity each year to decide whether or not to contribute to politics." This month, he wrote his fellow governors to inform them of the federal court's decision and to extol this extension of "worker democracy."

On the national level, the open defiance of *Beck* by unions prompted even the National Labor Relations Board, dominated by Clinton appointees, to rule last month that unions must supply financial data to workers who request a partial refund of their dues. But more must be done if Justice Brennan's decision is to stop gathering dust.

Requiring unions to get advance permission from their members before deducting money for their PACs is a worthy goal. At a minimum, any new campaign finance bill must codify the *Beck* decision and make certain that union members receive notification of their right to a partial refund. Ensuring some form of paycheck protection for workers is not merely desirable, it is the law of the land. Until President Clinton publicly commits to bringing the unions inside the tent of campaign finance reform, his breast-beating about past fund-raising "mistakes" will look like a dodge:

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liberal icon William Brennan. What Justice Brennan said in *Beck* was simple: Workers cannot be forced to pay dues or fees to subsidize union activity unrelated to collective bargaining. Harry Beck, the worker who sued his union because it backed politicians he didn't like, won the right to keep a staggering 79% of his dues money.

After much delay, in 1992 the Bush Labor Department belatedly issued regulations requiring unions to publicly reveal what portion of their dues workers could keep. President Bush himself also ordered federal contractors to tell workers the same thing. Days after taking office, President Clinton rescinded both actions, leaving workers once again in the dark over what was happening with their dues money. Constitutional scholar Roger Pilon says President Clinton is violating his Constitutional obligation to "take care that the Laws be faithfully executed."

Thus, one reason President Clinton can endorse McCain-Feingold is that in its current form it does nothing to limit the role of unions in politics. GOP Senator McCain says he wants to include unions in his bill, but Democrats are resisting.

President Clinton certainly owes unions for their carpet-bombing of the GOP Congress on TV last year. The average dues paid by the 10 million private-sector union members has now climbed to more than \$100 a year. If *Beck* were enforced, many of the

ALASKA PUBLIC OFFICES COMMISSION

POSITION PAPER ON SB 114

Introduction:

The Public Offices Commission met on March 13, 1997 to discuss SB 114, which will amend AS 15.13 by prohibiting employers or labor organizations from giving officers or employees money to contribute to political campaigns; prohibiting discrimination for political activity; and requiring employers to obtain written authorization before withholding money for political purposes. The Commission identified the following concerns and makes the following recommendations:

Analysis of AS 15.13.160 as Proposed:

(1) Subparagraph (a)(1) is currently illegal under existing law which prohibits "giving in the name of another." See AS 15.13.120(a)(4); 2 AAC 50.357. The Commission had no objection to the inclusion of the provision in state statute.

(2) Subparagraph (a)(2) which prohibits discrimination for failure to make political contributions or otherwise support or oppose a political candidate, group, or issue requires that the Commission exercise authority over an area of law outside the purview of campaign finance law. It would require the Commission to delve into the complex field of employment discrimination. The Commission believes that authority over employment discrimination is best assigned to the regulatory entity with existing expertise in employment matters.

(3) In paragraph (b), the last sentence should be amended so that written requests be completed on a calendar year. This change will facilitate record keeping and investigation efforts by the Commission. The Commission recommends the sentence be amended to read as follows:

The written request is valid for no more than one calendar year [12 MONTHS] from the date of signing by the employee.

(4) The Commission is concerned about the chilling effect of the requirement in paragraph (c) that authorization forms and other documents be available for public inspection. Under current campaign disclosure law, the names of individuals who contribute more than \$250 to a candidate, group or party are accessible to the public via Individual Contributor's Statements (15-5 reports) and candidate, group and party reports. The names of individuals who give \$100 or less are kept on file by the candidate or group but need not be disclosed unless required by the Commission in the course of an investigation. The requirement that employers produce the names and amounts of any employee participating in a payroll deduction plan, extends the requirements of public disclosure to new levels. Rather than further the purposes of the campaign disclosure law, that the public be aware of

the potential influences on public officials, the Commission is concerned that this new requirement will discourage individuals from participating in the political process at all.

(5) Paragraph (c) requires that copies of the authorization forms along with documents and books of accounts be maintained by the "person or entity who withheld a contribution." The Commission is concerned that union political action committees have no responsibility to maintain authorization forms, even though they are the entities that participate in the political campaign.

With regard to labor organization political action committees (PACs), the employer withholds union dues for an employee, then the employer transfers those dues to the labor PAC for use in a political campaign. As currently written, the bill places the responsibility of maintaining the documents solely on the shoulders of the employer. The Commission believes that responsibility should be shared with the labor PACs that actually make the political contributions.

(6) The Commission anticipates that enforcement of AS 15.13.160 will occur in the context of complaints only. Copies of forms will not be filed with the Commission. As result, it is essential that they are available for complaint investigation if necessary. In AS 15.13.120(d), the statute of limitations for complaints is 4 years. The limitation period in AS 15.13.160(c) should be changed to 4 years to be consistent with AS 15.13.120(d).

To address the concerns in (5) and (6) above, the Commission recommends that paragraph (c) be amended to read as follows:

For a period of at least four [THREE] years after a disbursement under (b) of this section, a person or entity who withheld a contribution under (b) of this section shall maintain documents and books of accounts, including a copy of each employee's written request, the amounts and dates funds were actually withheld, and the amounts and dates funds were transferred to a group. In addition, copies of the form should be kept by the entity that files group reports with the APOC. These documents and books of account are open to public inspection at the entity that files group reports with the APOC during normal business hours.