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LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 1, 1997

SUBJECT: Sectional summary (SB 68)

TO: Senator Lyda Green
Attn: Craig Johnson

FROM: Tamara Brandt Cook
Director *TBC*

RECEIVED
FEB 03 1997
Ans'd.....

Here is the section summary you requested for SB 68, creating the Task Force on Privatization.

Sec. 1. Statement of legislature findings and the intent of the legislature to consider all reasonable methods to deal with the revenue shortfall.

Sec. 2. Establishes the Task Force on Privatization in the legislative branch and provides for membership.

Sec. 3. Makes per diem and travel expenses available to public Task Force members.

Sec. 4. Permits the Task Force to issue subpoenas and authorizes witness fees and reimbursement for travel expenses for subpoenaed witnesses. Permits any person charged with enforcement of state law to bring a witness before the Task Force if the witness refuses to attend. Permits the chair to administer an oath to a witness.

Sec. 5. Sets out duties of the Task Force. Requires the Task Force to submit by November 15, 1997 a written report of its findings and recommendations concerning state contracting policy and procedures and privatization of government functions in the departments of transportation, corrections, and health and social services. A second report is due a year later concerning privatization of government functions of state agencies not addressed in the first report.

Sec. 6. The Act is repealed December 1, 1998.

Sec. 7. Immediate effective date.

TBC:glc:lmb
97-024.lmb

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MEMORANDUM

January 31, 1997

SUBJECT: Sectional summary (SB 68)

TO: Senator Jerry Ward
Attn: Craig W. Johnson

FROM: Tamara Brandt Cook
Director *TBC*

RECEIVED
FEB 05 1997
Ans'd.....

Here is the section summary you requested for SB 68, creating the Task Force on Privatization.

Sec. 1. Statement of legislature findings and the intent of the legislature to consider all reasonable methods to deal with the revenue shortfall.

Sec. 2. Establishes the Task Force on Privatization in the legislative branch and provides for membership.

Sec. 3. Makes per diem and travel expenses available to public Task Force members.

Sec. 4. Permits the Task Force to issue subpoenas and authorizes witness fees and reimbursement for travel expenses for subpoenaed witnesses. Permits any person charged with enforcement of state law to bring a witness before the Task Force if the witness refuses to attend. Permits the chair to administer an oath to a witness.

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Sec. 6. The Act is repealed December 1, 1998.

Sec. 7. Immediate effective date.

TBC:glc
97-037.glc



Official Business

Alaska State Legislature

State Capitol
Juneau, AK 99801-1182

Sponsor Statement Senate Bill 68

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

RECEIVED
FEB 27 1997
Ans u.....

Privatization is the fundamental political and economic reassessment of the role of government and the private sector in the modern state. It is a variety of management techniques and activities encouraging more involvement of the private sector in providing government services. Markets are efficient only when they are competitive, however efficiency should not be government's only goal. Government must balance the pursuit of efficiency with effectiveness, while maintaining the confidence of the people it represents.

Senate Bill 68 was introduced to establish a task force that will review functions of state government that could easily be transferred to the private sector. The task force will have members from the public, legislative and executive branches of government.

This will be the first all encompassing look at privatizing governmental services in Alaska. Forty-eight other states, including Alaska, have privatized some governmental services. When enacted, this bill will evaluate which services could be provided more efficiently by the private sector as well as highlight those services that are better provided by the government. The report should provide a road map for reducing the size and cost of state government, without reducing service, while providing options for the future.

Senate Bill 68 will also look into the State's contracting procedures to make sure Alaskans are getting the most out of every contracting dollar spent.

This bill has been endorsed by the Alaska Trucking Association, Gold Belt Inc., and several others. Privatization of governmental services is one of the top priorities of the Alaska State Chamber of Commerce.



RECEIVED
FEB 22 1997
Ans'd.....

February 11, 1997

DON VALESKO
Business Manager

VALERIE K. BAFFONE
Secretary/Treasurer

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710 West 9th Street
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Senator Jerry Ward
State Capital
Juneau, Alaska

Dear Senator Ward:

Public Employees Local 71 has looked at your proposed legislation for a Privatization Task Force, SB 68. We are willing to support SB68 but would like to see language to seat representatives from the affected labor organizations on the task force.

Local 71 believes that with fair representation from all concerned with privatization on the Task Force, the issue should be resolved.

Local 71 looks forward to working with the Task Force if SB68 is enacted.

Sincerely,

Don Etheridge, Business Representative

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

RECEIVED

FEB 12 1997

Ans'd.....

February 12, 1997

Madam Chair and Members of the Committee:

My name is Frank Dillon. I am the Executive Director of Alaska Trucking Association, a 38 year old trade association, representing Alaska's truck users. We are testifying today in support of Senate Bill No. 68. We would like to thank the sponsor for his introduction of this bill and are hopeful that it will quickly pass through the legislative process and be enacted. Over the past 30 to 40 years government has taken on many roles that rightfully belong in the private sector. We believe that in certain areas privatization will provide efficiencies, cost savings, and improved service to the citizens of Alaska. We are aware of a number of examples throughout the United States where privatization has worked and we are also enthused by examples here in the state where privatization is working. One example of this is in the area of commercial driver's licensing. The division of motor vehicles has entered into agreement with some private companies to provide licensing services to commercial vehicle drivers. Currently ATA is also working with the division of motor vehicles to privatize the issuance of truck and trailer registration through the association. We believe there are many examples where privatization makes sense and again would ask that you pass this bill. Thank you very much for your consideration and we would be happy to answer any questions.

Sincerely,



Frank J. Dillon
Executive Director



CONTRACTING PROVISIONS OF CURRENT COLLECTIVE BARGAINING AGREEMENTS

UNIT:	GENERAL GOVERNMENT	SUPERVISORS	LABOR, TRADES, AND CRAFTS	PUBLIC SAFETY	AVTECH	CORRESPONDENCE STUDIES
	Feasibility study or operational analyses required before contracting unit work.	Formal feasibility study must address potential cost savings and other benefits.	Must conduct a cost efficiency study before contracting unit work that will result in layoff of unit member.	If decision to contract has potential of displacing members, must conduct feasibility study or review of operational analyses.	Formal feasibility study required before contracting unit work.	If decision to contract has potential of displacing members, must conduct formal feasibility study.
	Feasibility study or operational analyses must cover potential costs and benefits.	Formal feasibility study must include all costs, including wages, benefits, administrative costs, agency overhead, program supervision, and audits.	Cost efficiency study must show work can be performed with less cost before layoff can occur.	Feasibility study or review of operational analyses must address potential costs and benefits.	Formal feasibility study must address potential cost savings and other benefits.	Formal feasibility study must address potential cost savings and other benefits.
	Must notify union within two weeks of decision to initiate study or review operational analyses.	Formal feasibility study must also determine the cost of performing the work with members.	Contractor required to pay contractual hourly rates plus at least \$2.55 per hour in lieu of benefits.	Decision to contract unit work cannot precede feasibility study or review of operational analyses.	Decision to contract unit work cannot precede formal feasibility study.	Decision to contract unit work cannot precede formal feasibility study.

UNIT:	GENERAL GOVERNMENT	SUPERVISORS	LABOR, TRADES, AND CRAFTS	PUBLIC SAFETY	AVTECH	CORRESPONDENCE STUDIES
	<p>Notice must include job classifications and work areas affected.</p>	<p>Must notify union within one week of decision to conduct a formal feasibility study, including job classifications and work areas affected.</p>	<p>Contractor must furnish certification of wages and/or certified cost of benefits upon written request.</p>	<p>Must notify union within 2 weeks of decision to initiate study or review operational analyses.</p>	<p>If contracting would displace members, must notify union of decision to conduct formal feasibility study, indicating work to be contracted.</p>	<p>Must notify union of decision to conduct formal feasibility study.</p>
	<p>Must notify union of results of feasibility study or review of operational analyses with all pertinent statistical and analytical information to be considered in contacting decision, including total cost savings.</p>	<p>Must notify union at least 30 days in advance of intent to issue bids where result would be displacement of member.</p>		<p>Notice must include job classifications and work areas affected.</p>	<p>Must notify union of results of feasibility study with all pertinent information considered in contacting decision.</p>	<p>After formal feasibility study must notify union at least 30 days in advance of intent to issue bids.</p>

UNIT:	GENERAL GOVERNMENT	SUPERVISORS	LABOR, TRADES, AND CRAFTS	PUBLIC SAFETY	AVTECH	CORRESPONDENCE STUDIES
	Must notify union of final decision regarding contracting.	Notice must include all pertinent information upon which the decision to contract is based, including total cost savings anticipated.		Must notify union of results of feasibility study or review of operational analyses with all pertinent statistical and analytical information to be considered in contacting decision, including total cost savings.	After formal feasibility study must notify union at least 15 working days in advance of intent to issue bids.	During 30 day period, state cannot release any bids.
	If decision is to contract and will directly displace employees, must provide union with 30 days notice of intent.	During 30 day period, state cannot release any bids.		Must notify union of final decision regarding contracting.	During 15 working day period, state cannot release any bids.	During 30 day period, union will have opportunity to submit an alternate plan.
	Union may submit an alternate plan, if submitted within 15 days, plan must receive fair consideration.	During 30 day period, union will have opportunity to submit an alternate plan.		After formal feasibility study must notify union at least 30 days in advance of intent to issue bids if contract will result in layoff of members.	Union will have opportunity to submit an alternate plan.	State must give fair consideration to alternate plan.

UNIT:	GENERAL GOVERNMENT	SUPERVISORS	LABOR, TRADES, AND CRAFTS	PUBLIC SAFETY	AVTECH	CORRESPONDENCE STUDIES
	Placement of affected employees to be discussed during 30 day period.	State must give fair consideration to alternate plan.		Union may submit an alternate plan, if submitted within 15 days, plan must receive fair consideration.	State must give fair consideration to alternate plan.	No bargaining unit work may be contracted which results in layoff unless supported by the formal feasibility study.
	No employee can be laid off and work contracted unless feasibility study or review of operational analyses shows contracting costs less.	No bargaining unit work may be contracted which results in layoff unless the contracting action will cost less.		Placement of affected employees to be discussed during 30 day period.	No bargaining unit work may be contracted which results in layoff unless supported by the formal feasibility study.	
	Must make good faith effort to place employees elsewhere in state government.	Must make every effort to place employees elsewhere in state government.		No employee can be laid off and work contracted unless feasibility study or review of operational analyses shows contracting costs less.	Must make a good faith effort to find a laid off teacher a vacant teaching position in AVTECH or elsewhere in department of education.	
		Where members have been displaced, union may request cost effectiveness audits at state expense.		Must make good faith effort to place employees elsewhere in state government.		