

HJR

2

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 26, 2000

FURTHER REFERRALS:

Date of Committee Action: 3/23/00

The FINANCE Committee considered:

HJR 2

HOUSE JOINT RESOLUTION NO. 2

BIENNIAL STATE BUDGET

Proposing amendments to the Constitution of the State of Alaska relating to a biennial state budget, to the appropriation limit, and to appropriations from the budget reserve fund.

recommends it be replaced with the following committee substitute CS HJR 2 (JUD) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) of of Lt gov 1/26/00

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault			X	
<i>Alden Mulder</i>	Mulder	X			
<i>Paul Bunde</i>	Bunde			✓	
<i>James Gnessardot</i>	Gnessardot		X		
<i>J. Davis</i>	J. Davis		X		
<i>Thomas</i>	Thomas			✓	
<i>A. Davis</i>	A. Davis			✓	
<i>Phillips</i>	Phillips	✓			
<i>Foster</i>	Foster	X			
<i>Williams</i>	Williams	X			

CHAIR'S SIGNATURE *Gene Therriault* *Alden Mulder*
④ ② ④
Therriault Mulder

FISCAL NOTE

No: 1

Bill Version: CSHJR 2 (JUD)

(H) Publish Date: 1/26/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____	Dept. Affected <u>Office of the Governor</u>
Title <u>Constitutional Amendment: Relating to a</u>	BRU <u>Elective Operations</u>
<u>biennial state budget</u>	Component <u>Elections</u>
Sponsor <u>Representative Phillips</u>	
Requester <u>House Judiciary Committee</u>	Component No. <u>21</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	1.5					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1.5	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF	1.5					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

POSITIONS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. However, only six measures can be printed on an 8-1/2 by 14 inch ballot. If this measure requires printing an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: <u>Gail Fenumai</u> <i>Gail Fenumai</i>	Phone <u>465-3935</u>
Division <u>Division of Elections</u>	Date/Time <u>1/13/00 3:20 PM</u>
Approved by: <u>Lt. Governor Fran Ulmer</u> <i>Fran Ulmer</i>	Date <u>01/13/2000</u>
Agency <u>Office of the Lieutenant Governor</u>	

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE



Division of Legislative Finance

P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
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MEMORANDUM

DATE: January 25, 2000

TO: Representative Gail Phillips

FROM: ^{VSB} Ginger Blaisdell and ^{TC} Traci Carpenter
Fiscal Analysts

SUBJ: Biennial Budgeting Request

You requested that Legislative Finance conduct a financial analysis to determine cost savings associated with HJR 2, the biennial budgeting resolution. Our office contacted the Office of Management and Budget (OMB) and requested that they also provide a cost savings analysis based on a biennial budget cycle. OMB should provide their analysis to our office on or before January 31, 2000.

Legislative Finance is conducting two kinds of analysis; quantitative (numbers of positions and costs associated with time involved with budget preparation and presentation) and qualitative (researching other states' successes and failures with biennial budgeting). The quantitative analysis is nearly complete, however, we would prefer to release our estimates after receiving the same information from OMB to insure that our assumptions are substantiated with the outcome of their analysis.

I encourage you to read the opinion sections of the other states' fiscal analyst conversations (tab 3) for a complete perspective. In summarizing the qualitative analysis, four key factors are apparent between each of the five states selected:

1. No fiscal note was introduced with legislation that showed either a cost savings or increase by changing systems from annual to biennial budgeting. None of the fiscal analysts interviewed believed that savings would be achieved because the focus of much of their work changed from technical budget preparation to cost benefit analysis and performance reviews. Similarly, no real savings in the executive branch would be realized as staff would be freed to focus on quality program delivery and performance analysis.
2. One benefit recognized by four of the five states interviewed, was that the "off" budget year seemed to be much less frenzied than a full budget year. Uncompensated overtime was reduced and the general analysis work seemed to be of a higher quality. The "off" budget year also provided time for legislative training and more focus on issues rather than budget.

3. In each of the states that have an annual legislature, the "off" budget year is a shorter session. Cost savings can be assumed due to the reduced length of time paying temporary legislative employees and reduced legislative per diem.
4. Each state was very positive about keeping a biennial budget cycle, with no recent (10 years) legislation introduced to change those states to an annual budget cycle. When speaking with staff at the National Council on State Legislatures (NCSL), no states within the past 10-20 years have gone from a biennial to an annual budget cycle. Historically, states began with a biennial budget cycle (due to the citizen farmer legislature) and in the 1950's and 60's many turned to an annual budget. The trend toward annual budgeting was initiated because of the growing complexity of state budgets and the desire for legislatures to gain more control over state spending.

The state of Arizona is the most recent state to change to a biennial budgeting cycle. Arizona completed this task with a phased approach with FY00-01 being the first complete state biennial budget. When discussing the advantages and disadvantages with the Arizona fiscal analyst, it became apparent that Alaska's leadership is focusing on similar outcomes as was Arizona's when it moved to a biennial cycle.

The following legislation seems to contain similar elements that are consistent with other states with biennial budgets:

1. HJR 2 introduces biennial budgeting with a spending cap
 - Biennial budgeting would free up legislative and executive branch time in budget preparation and presentation.
 - The fear of losing legislative control over state spending would be reduced if strict criteria were established regarding the submission of the Governor's adjusted (supplemental) request during the "off" budget year.
 - The Legislature could pass two one-year budgets rather than a true biennial budget to keep spending on an annual basis. If a true biennial budget were to be implemented, a paradigm shift in responsible management would be required to ensure the funding would last the full two years.
2. SJR 29 introduces a shortened legislative session
 - A shortened legislative session would be more plausible if the budget preparation were less time consuming thereby creating legislative cost savings.
3. Mission and measures legislation for the past two years and anticipated into the future
 - The focus on performance measures would be heightened during the "off" budget year.
 - The Legislature could identify areas of concern where performance and cost-benefit analysis could be completed for a better understanding of the program and its costs.
4. HB 312/313 and SB 217/218 instituted a greater level of legislative control over state budget considerations by both houses introducing a base budget rather than starting from the Governor's budget request.
 - In the Arizona legislature, strict criteria were established by the legislature as to what kinds of budget requests would be considered in the Governor's adjusted budget. After the non-partisan "Legislative Finance" staff reviewed the transactions, both houses introduced their own version of the Governor's request. The adjusted appropriations bill was introduced the first week of January and is anticipated to pass final reading in both houses by the end of this week. The Governor then must attach any new policy or programs to new legislation as fiscal notes.

Included is a notebook of information gathered from other states on biennial budgeting.

ARIZONA

Richard Stavnek / Chris Earnest

Budget	Legislature
Biennial	Annual

INTRODUCTION

The Arizona Legislature meets annually with a budget year session lasting approximately 120 days and an "off" budget year lasting approximately 75 days. Arizona's budget is strongly legislatively driven where the legislature introduces its own appropriations bill – the Governor also introduces an appropriations bill along with detailed agency budget information.

The Arizona Legislature adopts two one-year budgets. When biennial budgeting was introduced, the legislature did not want to adopt a "true" biennial budget because it would appear to give up too much legislative oversight of agency operations. Two one-year budgets maintain legislative control. Arizona transitioned to a biennial budget cycle in three phases. The first phase transitioned the smallest agencies, then larger/less complex agency budgets, and the 00-01 budget incorporated all agencies into the biennial budget cycle.

LEGISLATIVE FINANCE SUB-COMMITTEE ORGANIZATION

The primary powers and duties of the JLBC (Joint Legislative Budget Committee) relate to ascertaining facts and making recommendations to the Legislature regarding all facets of the state budget, state revenues and expenditures, future fiscal needs, and the organization and functions of state government. The JLBC has taken an active role in making the budget process in the State of Arizona run more efficiently. Through the use of biennial budgeting, strategic planning, performance measures, and Strategic Program Area Reviews, the State of Arizona is increasingly managing for results. Arizona also has a JCCR (Joint Committee on Capital Review) that reviews capital outlay costs to the state. The JCCR is also staffed by the JLBC staff.

LEGISLATIVE FISCAL NON-PARTISAN STAFF

The JLBC appoints a Director who is responsible for providing staff support and sound technical analysis to the Committee. The JLBC Staff mission is as follows:

To provide the Arizona Legislature with sound research, analysis, forecasts and recommendations on government finances and public policies; and to provide the members with high quality work that is factual and delivered in a timely and professional manner, enabling the members to make informal public policy decisions that are in the best interests of the citizens of Arizona.

In achieving this mission, the objectives and major products of the staff of the JLBC are as follows:

- Analysis and recommendations for the annual state budget, which are presented in January of each year;
- Technical, analytical, and preparatory support in the development of appropriations bills considered by the Legislature;
- Periodic economic and state revenue forecasts;
- Periodic analysis of economic activity, state budget conditions, and the relationship of one to the other;
- Preparation of fiscal notes on the bills considered by the Legislature that have a fiscal impact on the state or any of its political subdivisions;
- An annual Appropriations Report, which is published shortly after the budget is completed and provides detail on the budget along with an explanation of legislative intent;
- Management and fiscal research reports related to state programs and state agency operations;
- Support to the JLBC with respect to recommendations on business items placed on the committee's agenda such as transfers of appropriations pursuant to A.R.S. § 35-173;
- Support to the Joint Committee on Capital Review (JCCR) with respect to all capital outlay issues including land acquisition, new construction, and building renewal projects;
- Support to the Joint Legislative Tax Committee (JLTC) as directed in fulfilling the requirements of A.R.S. § 41-1322(D).

Summary of Conversation with Oregon's legislative fiscal analyst

LEGISLATIVE FISCAL OFFICE'S ROLE IN THE BUDGET PROCESS

The JLBC staff review budget proposals, conduct general performance reviews and complete strategic area program reviews (performance audits) as assigned by the JLBC. The strategic area program reviews typically are for programs that may cross agency lines such as "Ports of Entry" that include services provided by the departments of transportation, public safety, and agriculture

The JLBC staff are non-partisan and serve both houses of the legislature. In addition to budget review, staff assist the chairs of sub-committees with committee work such as agenda setting and meeting preparation.

ARIZONA FISCAL ANALYST'S OPINION ON BIENNIAL BUDGETING

1. There is significantly less drain on JLBC staff and agency resources on the "off" budget year. This was the first year of the "off budget" cycle.
2. Definitely less stress on the Legislature. The legislature allowed the "off-year" budget bill to contain only adjustments for the following areas:
 - Technical corrections
 - Non-General Fund increments
 - Caseload driven changes
3. The Governor's adjusted budget was introduced with 80 new initiatives or policy change driven budget changes. The JLBC staff review the Governor's request and determine which of the recommended changes fit the three criteria described above. Any adjustment that does not fit one of the three criteria is not included in the Legislature's adjusted bill. The Governor then tries to include his/her adjustments to a bill in the form of a fiscal note.
4. The legislature's adjusted bill took only three weeks from introduction to passage because the changes were based on the specified criteria.
5. Performance measures are presented in the "off" year. The Governor's office publishes a book on agency goals and successes.
6. There have been no complaints on the move to a biennial budget.
7. There are difficulties in describing budget growth to the legislature because it assumes two years' growth.
8. No real budget savings because the process was transitioned into being. Staff are less stressed and are able to concentrate on more in-depth analysis.

CONNECTICUT

Robert Harris

Budget **Legislature**
Biennial **Annual**

INTRODUCTION

The executive power of the state is vested in the Governor who is elected to serve a four-year term. The ultimate "power of the purse", the authority to spend public funds and tax the public, is vested in the legislative branch of government. In certain selective instances, however, some of this power is delegated by the legislature to the Governor.

The main responsibility of the Governor is to recommend the budget to the legislature and execute the budget passed by the legislature by carrying out the program mandates through the agencies of the executive branch. Prior to the 1971-72 fiscal year, the state operated with both a biennial budget and a biennial legislature. Over the last two decades, the state has been operating with an annual budget, and a legislature which meets annually, with the fiscal year commencing on July 1st and continuing until the following June 30th. Beginning with the 1993-94 fiscal year, the State again operates with a biennial budget and implements numerous reforms instituted by the legislature during the 1991 Session. The following paragraphs more fully discuss the budget cycle, politics of the process and budget reforms in Connecticut.

LEGISLATIVE FINANCE SUB-COMMITTEE ORGANIZATION

Mr. Harris did not mention an interim sub-committee of the legislature (similar to LB&A) to review emergency appropriation proposals from the executive branch. It appeared that no changes were made to the appropriations bill until the following short session when the Governor can submit adjustments to the enacted appropriation(s).

The legislature appropriates funds to the agencies for the biennium beginning the following July 1 in its odd-numbered-year session, primarily in one bill. In even-numbered years, at least one bill that adjusts expenditures for the ensuing fiscal year must be reported. The bill is required to contain legislative revenue estimates. By law (both constitutional and statutory), the level of appropriation cannot exceed revenue estimates. Bonds are authorized for state facilities through a main bond bill. Two other significant bond bills are passed: one for various continuing statutory programs such as school construction, housing and pollution control grants, and one for transportation purposes. In addition to the Appropriations Act, there may be other individual bills authorizing the expenditure of funds (although these are not usually significant), as well as several bills relating to revenue measures (tax changes as well as various fees and fines).

Summary of Conversation with Oregon's legislative fiscal analyst

LEGISLATIVE FISCAL OFFICE'S ROLE IN THE BUDGET PROCESS

Office of Fiscal Analysis (OFA) is the equivalent to the Legislative Finance Division. The Finance Committee and its sub-committees review the revenue and capital projects portions of the budget. The sub-committees, with the assistance of OFA staff, develop recommendations for presentation to the Committee through its chairpersons. These recommendations are refined and reviewed with leadership. The committees prepare drafts and report final bills for floor action (February-April). OFA prepares a committee budget report containing legislative intent for all changes made by the Appropriations Committee to agency budgets.

The OFA has not been able to spend as much time on performance measures due to the significant changes made in the Governor's adjusted budget. Standard analysis of the budget bill and the adjusted bill has not decreased for the OFA. When/if time allows, performance measures will be conducted by the OFA.

CONNECTICUT FISCAL ANALYST'S OPINION ON BIENNIAL BUDGETING

1. When Connecticut began its budget reform (1991), the state was operating on a 20% deficit of \$961 million. The state's budget reform bill included an income tax proposal, multi-year budgeting and a spending cap.
2. The budget reform required a two-year budget proposed by the Governor with the option for the Legislature to adopt one or both years. The Governor also was required to provide a three year projection of revenues beyond the biennium. This is very helpful; the out-year projections give a blueprint for future year revenues.
3. Odd years are the budget years with a longer session – January through June.
Even years are the adjusted budget with a shorter session – February through May.
4. Although the adjusted budget was not supposed to include any new initiatives, the Governor has typically introduced new policy and initiatives.
5. The "off" budget year was supposed to be a focus on performance measures. This hasn't happened because the Governor has such significant changes in his adjusted budget and due to a general lack of desire on the part of the executive branch and the legislative leadership.
6. When the budget reform bill was introduced, only minor savings were recognized and no fiscal note was passed.
7. There seems to be less frenzy in the off year budget preparation on the part of the agencies.
8. The Governor's proposed adjustments can cause lots of discussion because some of the adjustments are significant issues (e.g. Medicaid, school funding, and transportation).
9. The virtues of the biennial budget have not yet been achieved.
10. Alaska may want to include a restriction on the types of adjustments in proposed legislation for the "off" budget year. Alaska may also want to consider a requirement in law for performance reporting.
11. There is minor discussion this year in the Connecticut legislature about "What if we don't adopt any of the Governor's adjustments?"
12. The budget decision process can undergo great strains during an election year when there is a greater perceived need to reduce the burden on the taxpayers (individuals and businesses) and at the same time, meet demands for more services and grants to local governments, and the requests of other special interest groups.

OREGON

Mike Stinson

Budget **Legislature**
Biennial **Biennial**

INTRODUCTION

Oregon's legislature meets every odd numbered year (beginning in January and lasting approximately six months with no time limit) with elections being every even numbered year (in November). Oregon also has term limits for an individual not to exceed 12 years between House and Senate.

Legislation has been introduced to change the election year to be the same as the session year. Moving their election to the November following the close of a legislative session would provide nearly one year's time for newly elected legislators to learn about the issues before they were required to act on them. When the session follows the election by approximately two months, new legislators are not as well informed as those who have completed a legislative term. Oregon's appropriation measures are passed as individual department bills rather than one comprehensive "omnibus" bill.

Legislation has been introduced in Oregon for the Legislature to meet annually but not to annualize their budget process.

LEGISLATIVE FINANCE SUB-COMMITTEE ORGANIZATION

Oregon has an equivalent legislative sub-committee to Alaska's Legislative Budget and Audit Committee. Its role is to oversee a function similar to the Legislative Audit Division. Oregon also has an Emergency Board that is sub-delegated full appropriation powers of the legislature and that meets during the interim. The Oregon Emergency Board meets at regularly scheduled meetings, usually 9 to 12 weeks apart during the length of the interim.

291.326 Powers of the boards concerning expenditures by state agencies. (1) The Emergency Board, during the interim between sessions of the Legislative Assembly, may exercise the following powers:

- (a) Where an emergency exists, to allocate out of any emergency fund that may be appropriated to the Emergency Board for that purpose, additional funds beyond the amount appropriated to the agency by the Legislative Assembly, or funds to carry on an activity required by law for which an appropriation was not made.
- (b) Where an emergency exists, to authorize any state agency to expend, from funds dedicated or continuously appropriated for the uses and purposes of the agency, sums in excess of the amount of the budget of the agency as approved in accordance with law.
- (c) In the case of a new activity coming into existence as such a time as to preclude the possibility of submitting a budget to the Legislative Assembly for approval, to approve, or revise and approve, a budget of the money appropriated for such new activity.
- (d) Where an emergency exists, to revise or amend the budgets of state agencies to the extent of authorizing transfers between expenditure classifications with the budget of an agency.

LEGISLATIVE FISCAL NON-PARTISAN STAFF

Oregon has a non-partisan legislative fiscal office that has 17 full-time staff; 2 administrative support, 3 fiscal impact staff, and 12 budget analysts.

- The three fiscal impact staff provide financial analysis of proposed legislation during the session and provide staff support to LB&A during the interim by conducting agency review and performance evaluations.
- The twelve budget analysts provide staff support to the Emergency Board and support the three fiscal impact staff on agency reviews and performance evaluations.

Summary of Conversation with Oregon's legislative fiscal analyst

LEGISLATIVE FISCAL OFFICE'S ROLE IN THE BUDGET PROCESS

The legislative fiscal office provides budget instructions to the Governor. These instructions include inflation factors to use when developing the budget. A typical timeline might be:

- The budget instructions are provided to the Governor in April
- Agencies develop their budget requests from April until August
- The Governor reviews the budget from September until December 1
- All materials are provided to the Legislature December 1 until January, with start of the session
- Legislative budget review takes the full six months of the session
 - ✓ Agency budget review is by joint committee
 - ✓ One bill is processed but each house passes its separate version
 - ✓ Conference committee resolves differences between versions
- Appropriation bill passes in June for start of the state fiscal year July 1
- Agencies have 7-8 months to implement the current budget before they begin the next cycle's budget process again in April

The legislative fiscal office staffs the finance sub-committees, therefore creating continuity to experienced budget staff rather than the high turnover of personal legislative aides. Sub-committee chairs have less personal staff but the caucus staff have grown to be able to provide the political view on the non-partisan information provided to legislators.

OREGON FISCAL ANALYST'S OPINION ON BIENNIAL BUDGETING

1. Generally, a biennial cycle tends to give one a longer planning and budgeting viewpoint. Most agencies and legislators have to create a long-range plan in order to adequately prepare a short-term budget.
2. A biennial budget tends to be slightly more conservative if the budget is limited to the revenue forecast. In the event the revenues drop lower than the forecast, a special session is called to deal with the shortfall. If revenues increase, the budgets are "locked-in" and savings can be realized.
3. A biennial budget is not immediately responsive to changes in program changes. Significant changes that have supported this comment include:
 - Employee salaries where 2 to 4 increases can be staggered through the biennium. On the other hand, if no employee salary increases are approved, salaries are "frozen" for a two-year period. Estimating salaries two years out can artificially inflate costs – no one wants to admit that a long term employee may leave and be replaced with a lower salaried employee, therefore the cost estimate is inflated.
 - New facility openings during the middle of a biennium. No immediate oversight is involved at the opening and staffing of a newly constructed facility.
4. Significant modifications to the budget can occur during the interim.
5. Larger growth is portrayed when comparing budgets from one biennium to the next. That growth may not be in relation to standard inflation and may be hard to relate to legislators and citizens.
6. Because it is developed on a 2-year cycle, a biennial budget is fairly constant.
 - Agency budgets are developed over an 18 month period.
 - The Governor has more time to review the agency requests.
 - Complete budget information is provided one month prior to the start of the legislative session.
7. More staff who are dedicated to budget preparation are required for an annual budget cycle. In a biennial cycle, the project managers prepare their budgets as well as administer the program.
8. Oregon's long interim can be a "lame duck" interim because many members of the legislature are on their way out and do not dedicate the time during the interim for training and studying issues.
9. There can be jealousy between legislators because the Emergency Board has significant authority to allocate and adjust funds during the interim.

TEXAS

John Barton

Budget **Legislature**
Biennial **Biennial**

INTRODUCTION

The Texas legislature meets once every two years for 140 days. The legislature traditionally adopts a two-year state budget, usually written during the regular session but has spilled over into special sessions. The two-year budget may be revised subsequently through budget execution authority or in a special session called by the Governor for that purpose. The Texas Legislature has adopted one-year budgets, however the Governor at that time vetoed the one-year budget and called a special session for the Legislature to adopt a two-year budget. In another instance, the Legislature adopted a two-year budget and the Governor at that time vetoed the second year of the budget, requiring the Legislature to meet in special session to adopt a second-year budget.

The impact of oil volatility on Texas' revenues has diminished greatly in the past 10-20 years. Texas' budget depends on oil for 10% of its total revenue. Sales tax is now the largest revenue source making up 55% of the general fund and has stabilized their revenue stream in recent years. The legislative fiscal analyst stated that the most positive effect on having sales tax as the primary revenue source is that, as population grows, so does the general fund and the "formula-based programs do not impact the general fund as heavily.

John Keel, Director of the Texas Legislative Budget Board, was invited and testified to a congressional committee that entertained the idea of Congress adopting a biennial budget. Most of the comments for Texas' review are excerpts from his presentation in Washington D.C.

LEGISLATIVE FINANCE SUB-COMMITTEE ORGANIZATION

The full legislature is called into special session by the Governor to resolve budget issues during the interim.

LEGISLATIVE FISCAL NON-PARTISAN STAFF

The LBB has a wide range of responsibilities that are intended to serve the fiscal policy and analysis needs of the Texas Legislature. These responsibilities incorporate those mandated by general law, those directed by the General Appropriations Act, and those that have been designated by the board and its staff.

Statutory Responsibilities

The following is a summary of significant responsibilities assigned by statute to the LBB:

Statutory Provision

1. Adopt a constitutional spending limit
2. Prepare a general appropriations bill draft
3. Prepare a budget estimates document
4. Prepare a performance report
5. Guide, review, and finalize agency strategic plans
6. Prepare fiscal notes, impact statements
7. Take necessary budget execution actions

Other Responsibilities

The LBB provides a wide range of services and informative documents not required under general law, including the Fiscal Size-Up, agency performance assessments, and on-line computer access to performance and budget information. In terms of services, the LBB maintains a bulletin board service that provides information on the LBB and LBB-required documents, copies of key documents (e.g. the General Appropriations Act), and new on-line features accessible to state agencies. The mainframe-based budget and performance data-base (ABEST II) is available to members of the legislature and their staff, as is the

budget information system (TXIS) that displays current appropriation and expenditure data in a more readable format.

During the interim, the LBB provides assistance to standing and special committees, as requested. In addition, several reports serve to keep the legislature informed about significant budget and performance developments among state agencies. The Fiscal Size-Up summarizes important fiscal actions of the prior legislative session and describes the purpose and services of state agencies, as well as providing comparative information on Texas state government. During the interim, the LBB provides semi-annual and annual assessments of state agency performance. LBB staff review agency performance reports submitted through the ABEST system, as well as other documents, to prepare these assessments.

During the legislative session, the LBB supports the legislative appropriations process by providing staff resources for the House Appropriations Committee and Senate Finance Committee, and the conference committee on appropriations. To a great extent, staff support takes the form of tracking committee decisions, answering inquiries from committee members, and performing analyses. The LBB staff record committee-funding decisions in order to produce bill texts and summaries for each step of the appropriations process. In addition to committee support services, LBB staff prepare fiscal notes and impact statements on proposed legislation.

Summary of Conversation with Texas' legislative fiscal analyst

LEGISLATIVE FISCAL NON-PARTISAN ROLE IN THE BUDGET PROCESS

None discussed.

TEXAS FISCAL ANALYST'S OPINION ON BIENNIAL BUDGETING

Mr. Barton's general impression is that a biennial budget is accepted positively overall.

Two of the most significant questions to consider in biennial budgeting:

How do you estimate future needs 3 ½ years from the time of budget preparation to implementation?

Are there provisions where the legislature can meet in times of crisis?

Mr. Barton then provided four reports on biennial budget testimony that was given in hearings when Congress considered a biennial budget at the federal level (1996).

Excerpts from the Texas House Research Organization's review of annual versus biennial sessions for the Texas legislature follow because most of the concerns relate to state budget issues.

ANNUAL VERSUS BIENNIAL SESSIONS: THE DEBATE

The legislative debate on annual versus biennial sessions in Texas has focused on certain questions: Is it more efficient for the governor to call special sessions whenever needed or to have regularly scheduled annual sessions? Could the state more efficiently allocate spending with one-year budgets? This section presents some arguments made by supporters and opponents of annual sessions.

Annual Session Supporters Say

1. Texas, as one of the largest and most complex states in the Union, no longer can afford to pretend that its Legislature can conduct all of the state government's important business in only four-and-a-half months every two years. During a 140-day biennial regular session, Texas legislators are expected to determine spending priorities in a multi-billion dollar, two year budget... When an unanticipated problem arises, either the Legislature is called back to solve it in the crisis atmosphere of a special session or the problem is allowed to fester until the next biennial regular session.
2. The assertion that election-year politics would somehow taint legislative actions in even-numbered years unjustifiably assumes lack of responsibility on the part of the Legislature and contradicts recent history. Some of the toughest legislative decisions made in recent year – public education reform in 1984, budget cuts and tax hikes to reduce a budget shortfall in 1986, school finance changes and a tax hike in 1990 – were made in special sessions in the midst of election campaigns.
3. A principal reason for regular annual sessions would be adopt a one-year state budget. The two-year budget system is a relic from the 19th century when Texas was a sparsely populated, largely rural state providing relatively few government services.
4. By the end of a two-year budget period, the state is working under a spending plan that was developed using projections of funding needs and revenue that are then three years out of date. For example, current spending plans intended to be used by state agencies until August 31, 1993, initially were developed in mid-1990. The state's spending and revenue needs cannot be estimated precisely so far in advance. Not only is it impractical to try to predict school enrollment, prison population and economic trends three years in advance, a cloudy crystal ball also can mean large funding shortfalls for essential state needs, while lower priority programs may end up with more than they can spend efficiently.
5. Last year the Legislature launched a new budget process based on long-term strategic planning and requiring performance-based budgets measured by specific outcomes. The specific benchmarks measuring spending efficiency will facilitate legislative oversight of state agency spending by allowing state lawmakers to better determine if agencies are meeting their performance goals. Annual sessions and one-year budgets in tandem with the new budget evaluation tools would allow closer legislative oversight of agency spending while avoiding undue interference with day-to-day management and long-range goals.
6. Emergency situations that require any major retooling of the budget should be handled by the entire Legislature...
7. Annual sessions would allow Texas to respond more quickly and effectively to federal mandates and changes in federal funding. If the federal government decreases matching funds for a specific program, the Legislature would have yearly opportunities to adjust the budget to account for any shortfall.

Biennial Session Supporters Say

1. ... With biennial sessions (budget), interim committees have more time to study complex issues and formulate long-term solutions rather than quick fixes.
2. Annual sessions almost inevitably would lead to one-year state budgets. Yet two-year budgets allow more time for long-range planning and greater concentration on legislative oversight and review.
3. Two-year budgets require the comptroller to make two-year revenue projections that tend to be conservative, which in turn helps limit expenditures. During the longer interim between biennial regular sessions, programs can be thoroughly evaluated rather than simply carried forward year-to-year. Even-numbered years are now reserved for budget formulation by the agencies and scrutiny by the LBB (Legislative Budget Board) and the Governor's Office, while odd-numbered years are used for justifying spending programs to the Legislature. Squeezing the two annual processes into a single year would undermine the effectiveness of both.
4. Two-year budgets force agencies to plan and prioritize for the long term. Annual budgeting can produce fiscal myopia that prevents a clear view of the long-range implications of programs and policies, shifting the focus to quick fixes. One-year budgets adopted in annual sessions would force agencies to start preparing the next year's budget request even before the previous request was approved, requiring greater staff resources and more expense. In fact sentiment now is moving away from one-year budgets as being too inflexible. A movement in growing in Congress to abandon the one-year budget system and call for two-year federal budgets. (This has not yet occurred.)
5. The new outcome-based budgetary process will place even greater emphasis on long-range planning by state agencies and discourage the tinkering and micro-management that a one-year budget more likely would produce. The measures of spending efficiency will enhance the ability of the legislature to exercise its biennial oversight function and to determine how well agencies are producing acceptable outcomes and meeting their long-range goals. A two-year budget gives agencies the flexibility to concentrate on how best to produce results rather than on how to justify spending needs before the Legislature each year.
6. Budget execution authority now gives the governor and the LBB the flexibility to solve most interim budget problems based on the state spending priorities adopted by the Legislature. Budget execution authority provides a means of responding to fiscal circumstances that may change when the Legislature no longer is in session, and state leaders have used this delegated authority judiciously and with restraint. Should budget assumptions change drastically between sessions, the Legislature can be called into special session to approve any major revisions.
7. Annual sessions are not needed to meet federal mandates. When fast action is necessary to act quickly to meet a federal mandate, the governor easily can call a special session. There is no guarantee that any deadline to meet a new federal mandate will happen to fall when the Legislature is meeting in annual session.
8. Election-year politics inevitably would creep into an annual session held during even-numbered years. The temptation would be particularly strong during annual sessions held during election years to push for superficially popular legislation purely for political advantage. Legislators also might be less inclined to make difficult choices concerning controversial issues if they did not have sufficient time to explain their actions in the midst of a heated election campaign.

WASHINGTON STATE

Randy Hodgins

Budget	Legislature
Biennial	Annual

INTRODUCTION

The Washington state legislature meets each year. Because of biennial budgeting, the first session is 105 days and the second session lasts 60 days. I bring this note to your attention because of the potential compliment to SJR 29, the duration of the regular legislative session introduced by Senator Parnell.

Mr. Hodgins worked in the California legislative fiscal office and, since 1984, has worked in the Washington State legislative fiscal office. His viewpoint includes both an annual budget cycle and a biennial cycle, with personal preference to the biennial cycle.

Washington State has a spending limit to its budget. If unanticipated revenue loss or the population increases unexpectedly during the biennial cycle, no discretionary money will remain for new program consideration.

No recent legislation has been introduced to move Washington State from a biennial to an annual budget.

Summary of Conversation with Washington State's legislative fiscal analyst

My conversation with Mr. Hodgins was fairly brief.

WASHINGTON FISCAL ANALYST'S OPINION ON BIENNIAL BUDGETING

1. Time savings within an agency allows that agency to focus on the issues at hand rather than budget preparation.
2. Further outlook for budgeting because budgets will continue up to 3 ½ years from the time of preparation.
3. In an annual budget cycle, there is no time to assess programs. During the interim the legislative fiscal office staff reviews for program effectiveness and performs cost benefit analyses.
4. The pace seems to be less frantic on the "off budget" year.
5. Downside of biennial budgeting is that the cost of starting new programs is more tempting. If a new program is presented to the legislature and they agree to fund it for the second of the two year cycle, the following budget will require an increment to full-fund the program for a complete two year cycle.
6. "OMB" has to be more diligent about planned spending in a two-year process.
7. Suggested to try a biennial budget with a few agencies before moving the entire state to a biennial cycle.
 - True biennial budgeting is one budget that funds two fiscal years
 - Quasi biennial budgeting is one biennial appropriation of two one-year budgets

Legislative Research Services

Alaska State Legislature
Legislative Affairs Agency
Division of Legal & Research Services



130 Seward Street, Suite 218
Juneau, Alaska 99801-2196
Phone: (907) 465-3991
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November 7, 1997

MEMORANDUM

TO: Representative Gail Phillips
FROM: Paula d. Scavera and Gina Spartz
Legislative Analysts
RE: **Statutory and Constitutional Reference to Biennial Budgeting in Selected States**
Research Request 98.009

You asked which states legislatures meet annually but pass biennial budgets. You asked for examples of statutory or constitutional language enabling biennial budgeting.

According to the *Book of the States*, of the 40 states with annual legislative cycles, 13 have statutory or constitutional language enabling biennial budgets. Connecticut, Hawaii, Indiana, Minnesota, Nebraska, New Hampshire, Ohio, Virginia, Washington, and Wyoming, meet annually but pass a budget biennially.¹ Arizona and Kansas also meet annually but pass budgets biennially for specific state agencies which have budgets under certain dollar amounts. Missouri meets annually but passes its capital budget biennially.²

We found statutory reference to biennial budgeting in all the states we surveyed except Indiana. Although the Indiana legislature passes a state budget biennially, state officials informed us there is no statutory or constitutional reference governing the practice. In addition to the statutes, we found specific constitutional reference to biennial budgeting in three states, Hawaii, Missouri and Wyoming. Hawaii's constitution states that the governor shall submit the budget to the legislature in odd-numbered years. Wyoming's constitution states that the legislature shall meet for "budget session" in even-numbered years. Missouri's constitution authorizes the legislature to make appropriations for one or two fiscal years.

The pertinent statutory and constitutional language can be found in the following pages. Indented text is directly quoted from the statute or constitution. Copies of the full statutes and constitutional text are Attachment B. Also attached is a survey examining biennial budgeting in selected states. The survey discusses the advantages, disadvantages and impact of biennial budgeting on states.³

¹Council of State Governments, *Book of the States, 1996-97*, p. 227 (Attachment A).

²Vermont's constitution prescribes a biennial legislature, but in practice the legislature meets and passes a budget annually. We attach Vermont's constitutional provision regarding the legislative session since you specifically asked about this state.

³"Biennial Budgeting Survey," New Jersey Office of Management and Budget,

Representative Gail Phillips

November 7, 1997

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Arizona

State agencies in Arizona are divided into *major* budget units and *other* budget units. According to Richard Stravnick of the Arizona Legislative Budget Office, *major* budget units are state agencies with an annual budget of \$50 million or more and are funded annually. Those agencies with less than \$50 million are considered *other* budget units and are funded on a biennial basis. Mr. Stravnick informed us that starting in FY2000, Arizona will use a biennial budget cycle for all state agencies.

Arizona Statutes § 35-121. Format of Appropriations

The format of the appropriations for the support and maintenance of state departments and institutions shall be as follows:

1. Each year the legislature shall appropriate monies to the major budget units for one fiscal year.
2. Every other year the legislature shall appropriate monies to other budget units for two fiscal years, itemized separately for each fiscal year.

Connecticut

Connecticut Statutes § 4-71. Transmission to General Assembly of budget document in odd-numbered year and status report in even-numbered year.

Not later than the first session day following the third day of February in each odd-numbered year, the Governor shall transmit to the General Assembly a budget document setting forth his financial program for the ensuing biennium with a separate budget for each of the two fiscal years and . . . a report which sets forth estimated revenues and expenditures for the three fiscal years next ensuing the biennium to which the budget document relates.

Representative Gail Phillips

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Hawaii

Hawaii Constitution Art. VII-Sec. 8. The Budget.

Within such time prior to the opening of each regular session in an odd-numbered year as may be provided by law, the governor shall submit to the legislature a budget in a form provided by law setting forth a complete plan of proposed expenditures of the executive branch, estimates as provided by law of the aggregate expenditures of the judicial and legislative branches, and anticipated receipts of the State for the ensuing fiscal biennium, together with such other information as the legislature may require.

Hawaii Statutes § 37-71. The Budget.

(a) Not fewer than thirty days before the legislature convenes in every odd-numbered year, the governor shall submit to the legislature and to each member thereof a budget that shall contain the program and budget recommendations of the governor of the succeeding two fiscal years.

Kansas

The Kansas legislature passes an annual budget for all large state agencies. Some state agencies, however, are on a biennial budget cycle. According to the Kansas Legislative Budget office, these agencies are regulatory, fee-funded boards and commissions with a budget of less than \$100,000.

Kansas Statutes § 75-3717. Budget estimates of state agencies; biennial basis for certain agencies.

(a) As provided in this section, each state agency, not later than October 1 of each year, shall file with the division of the budget its budget estimates for the next fiscal year...except that in lieu of such annual filing, each agency listed in subsection (f) not later than October 1, 1994, and every two years thereafter shall file budget estimates for the next fiscal year and for the ensuing fiscal year thereafter.

Representative Gail Phillips
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Minnesota

Minnesota Statutes § 16A.11. Budget to Legislature.

Subdivision 1. **When.** The governor shall submit a four-part budget to the legislature. Parts one and two, the budget message and detailed operating budget, must be submitted by the fourth Tuesday in January in each odd-numbered year. Part three, the detailed recommendations as to capital expenditure, must be submitted . . . by June 15 of each odd-numbered year; . . .

Missouri

According to the *Book of the States*, the Missouri legislature has constitutional authority to pass an annual or a biennial budget. Since FY94 the legislature has passed an annual operating budget and a biennial capital budget.

Missouri Constitution § 23. Fiscal year--limitations on appropriations--specification of amount and purpose.

The general assembly shall make appropriations for one or two fiscal years, . . .

Missouri Statutes § 33.270. Budget to legislature in printed form -- contents.

The budget shall be submitted to the general assembly in printed form. Such budget shall be in two parts:

(1) A budget message outlining the fiscal policy of the state for the biennium . . .

(2) The detailed budget estimates of revenues and expenditures for each fund as provided for in this act showing the recommendations of the governor on each, compared with the figures for each of the fiscal years of the preceding biennium, and giving and explanation of each major change in the recommendations from the revenues and expenditures in the previous biennium.

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Nebraska

Nebraska Statutes § 81-125. State budget; submission to Legislature by Governor; when; contents.

The Governor shall on or before January 15 of each odd-numbered year present to the Legislature a complete budget for all the activities of the state receiving appropriations or requesting appropriations, except that the Governor during his or her first year in office shall present such budget to the Legislature on or before February 1.

New Hampshire

New Hampshire Statutes § 9:8. Formulation of the Budget.

Following his inauguration, the governor shall proceed in the formulation of the budget provided for by RSA 9:2 and 3. In doing so he shall give such weight to the estimates of income as prepared by the commissioner of administrative services and to the estimates of expenditure requirements as submitted by the departments and to the testimony elicited at the hearings thereon as he deems proper, but the proposals contained in the budget shall represent his judgment and recommendations in respect to the provision to be made for meeting the revenue and expenditure needs of the state for each of the fiscal years of the ensuing biennium.

Ohio

Ohio Statutes § 107.03. Governor shall submit budget and estimate of income.

The governor shall submit to the general assembly, not later than four weeks after its organization, a state budget containing a complete financial plan for the ensuing fiscal biennium, except that, in years of a new governor's inauguration, the budget shall be submitted not later than the fifteenth day of March.

Representative Gail Phillips
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Vermont

The Vermont constitution provides for *biennial sessions* of the state legislature. According to officials with the Vermont State Legislature's Joint Fiscal Committee, in practice the legislature meets and passes a budget annually.

Vermont Constitution § 7. [Biennial sessions]

The General Assembly shall meet biennially on the first Wednesday next after the first Monday of January

Virginia

Virginia Statutes § 2.1-398. Submission of budget to General Assembly.

On or before December 20 in the year immediately prior to the beginning of each regular session held in an even-numbered year of the General Assembly, the Governor shall submit to the presiding officer of each house printed copies of a budget, based on his own conclusions and judgement

Virginia Statutes § 2.1-399.1. Capital projects.

On or before December 20 of the year immediately prior to the beginning of each regular session held in an even-numbered year of the General Assembly, the Governor shall submit to the presiding officer of each house of the General Assembly copies of any tentative bill or bills involving proposed capital appropriations for each year in the ensuing biennial appropriation period.

Representative Gail Phillips

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Washington

Washington Statutes § 43.88.060. Legislative review of budget document and budget bill or bills—Time for submission

The governor shall submit the budget document for the 1975-77 biennium and each succeeding biennium to the legislature no later than the twentieth day of December in the year preceding the session during which the budget is to be considered.

Washington Statutes § 1.16.020. "Fiscal biennium"

The fiscal biennium of the state shall commence on the first day of July in each odd-numbered year and end on the thirtieth day of June the next succeeding odd-numbered year.

Wyoming

Wyoming Constitution § 7. Time and place of sessions.

The legislature shall meet at the seat of government, . . . on the second Tuesday of January of the odd-numbered years for general and budget session . . .

Wyoming Statutes § 9-2-1013. State budget; distribution of copies to legislators; items to be included; copies and reports of authorizations.

(a) On or before December 1 of the year preceding the year the legislature convenes in budget session, the governor shall distribute to each legislator printed copies of the state budget, covering the next biennial budget period beginning on July 1 of the ensuing year, containing the itemized requests of the agencies for appropriations of other funds, estimated revenues and receipts to the state, and his recommendations and conclusions.

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Page 8

**Wyoming Statutes § 9-2-1010. Duties of budget division;
biennial budgets and appropriations.**

(b) At each budget session budgets shall be prepared and appropriations made for the operation of state government on a biennial basis.

We hope this information is useful for your purposes. If you have any further questions please don't hesitate to call this office.

Attachments

Alaska State Legislature



Official Business
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State Capitol
Room 411
Juneau, Alaska 99801-1182

Representative Gail Phillips

SPONSOR STATEMENT HJR 2, Biennial State Budget

HJR.2 proposes an amendment to Alaska's Constitution to allow for biennial budgeting, and authorizes the governor to present the legislature with a budget encompassing two fiscal years. As written, the first session of the Legislature would be dedicated to writing a two-year budget. Supplemental budgets could address necessary adjustments, when needed.

Alaska's annual budget cycle is an arduous process, taking up most of the year. Every year hundreds of people from State agencies spend countless hours preparing for budget presentations to the Legislature through hearings, debates and closeouts. There is no doubt that the budget is the single most important piece of legislation that legislators produce for the people of Alaska.

Changing this process to a biennial budget cycle would be very beneficial to our State. Significant cost savings for the Legislature, Administration and the agencies could be achieved as well as far greater efficiencies and productivity by all. Savings are measured in actual dollars and employee productivity. Costs savings are realized in travel and per diem dollars. Significant productivity savings will be achieved in time that can be utilized for programs rather than budget preparation.

Currently a great deal of budget preparation and presentation work occurs during uncompensated overtime hours by exempt employees who are not eligible for overtime pay. The "off budget" year would be far less frenzied than the full budget year and the general analysis work would be of a higher quality. This off year would also allow for more training time and more focus on issues rather than the budget.

A biennial state budget system would allow us to address the budget in the first year of session and focus primarily on legislation in the second year. A biennial state budget process would also work hand-in-hand with the results-based budget concept pursued by the legislature. State agencies would have a chance to initiate advance-planning efforts - something which is very difficult under the present annual state budget system. Alaska would not be unique in adopting a biennial legislative budget cycle.

Research demonstrates that twenty other states operate under a Biennial State Budget system. However, the biennial state budget concept is new to Alaska. Issues for

consideration may include preparation time for the "on year" and funding concerns brought to light in the "off year." Resource planning becomes more critical during the initial biennial state budget implementation phase, which should bring greater efficiency to management systems in all agencies. "Off years" would be a great time to deal with things that the Departments do not have time for during the regular year, especially interagency programs and large issues such as welfare reform.

Details such as budget detail formats, funds disbursement in the off year, seasonal adjustments, determining amounts needed for two years and controlling budget policy and decisions through shortened years are basically mechanical and could be worked out through appropriate legislative vehicles. For example, joint special or standing committees and appointments could oversee specific agency activity in the off year. Schedules could be set for agency progress reports rather than lengthy overview presentations year after year. Legislative changes or directives set forth in the off years could establish better and more timely review periods.

A core legislator advisory group could assist and advise agencies through a transition period to determine and ensure that program evaluation and program authorization reviews are accurate or may need to be modified by legislation. Many possible legislative vehicles are available to work through adjustments and revisions in a biennial state budget system. Other states' biennial budget models also exist as viable guides for implementing a transition plan and facilitating our state into a biennial state budget system. **The Legislature loses no control over the budget process by changing to a biennial budget cycle.**

Above all, sound public policy is paramount to a smooth transition into a new state budget system. Legislative control over the process is mandatory in a biennial state budget system. This may suggest a legislative transition team composed of joint member legislators, and the Administration.

In my opinion and as proven in other states where the biennial cycle is already in place, the greatest benefit of a biennial budget process is the increased efficiency and productivity that can be achieved by State agencies. Alaskans statewide constantly implore us to become more efficient and increase our productivity. **Besides achieving these goals, and the actual costs savings of approximately \$2.5 million, associate with a shortened session in the second year,** the proposed biennial budget system is a win-win concept for Alaska.

FISCAL NOTE

No: 1

Bill Version: CSHJR 2 (JUD)

(H) Publish Date: 1/26/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____	Dept Affected _____	Office of the Governor _____
Title <u>Constitutional Amendment: Relating to a</u>	BRU _____	Elective Operations _____
<u>biennial state budget</u>	Component _____	Elections _____
Sponsor <u>Representative Phillips</u>	_____	
Requester <u>House Judiciary Committee</u>	Component No. _____	<u>21</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	1.5					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1.5	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF	1.5					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

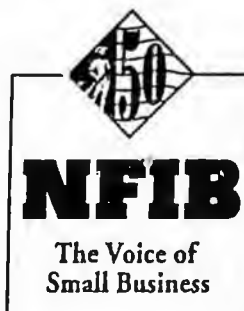
ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. However, only six measures can be printed on an 8-1/2 by 14 inch ballot. If this measure requires printing an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: <u>Gail Fenumia</u> <i>Gail Fenumia</i>	Phone <u>465-3935</u>
Division <u>Division of Elections</u>	Date/Time <u>1/13/00 3:20 PM</u>
Approved by: <u>Lt. Governor Fran Ulmer</u> <i>Fran Ulmer</i>	Date <u>01/13/2000</u>
Agency <u>Office of the Lieutenant Governor</u>	

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NFIB Alaska



National Federation of Independent Business

Statement of Support

of HJR2

A resolution calling for a constitutional amendment to allow the legislature to implement the State budget for a two-year period.

March 19, 2000

The Alaska Chapter of the National Federation of Independent Business has 3,000 members, making it the largest small-business advocacy group in the state.

Each year, the state administration spends many months prior to the legislative session preparing an annual budget for presentation to the Legislature. The Legislature begins reviewing the budget in January each year and completes the process at the close of the session in May.

A majority of NFIB members believe that a biennial process would allow the legislature and the administration to be more efficient by completing a two-year budget during the first session of the legislature and focusing exclusively on substantive legislation during the second session.

Agencies would be better able to do advanced planning since they would know how much they had to spend over a two-year period. Emergency funding and unforeseen circumstances could be dealt with during the second session with a streamlined supplemental budget.

NFIB/Alaska urges support for HJR 2.

Submitted by Thyes Shaub on behalf of NFIB/Alaska.



February 25, 2000

The Honorable Gail Phillips
State Capitol
Juneau, AK 99801

Dear Representative Phillips:

The Fiscal Policy Council of Alaska, Inc. is committed to the advancement of policy decisions that promote the state's long term fiscal certainty. To that end we write in support of a biennial budget. We offer the following comments in support of such efforts:

- 1. Agency budget staff, program managers, and the Legislature will realize productivity savings.** State agencies spend a *tremendous* amount of time to prepare and justify budgets—before the Governor's budget is even introduced for the Legislature's consideration. They then spend a great deal of time justifying that budget before the Legislature. A biennial budget process will enable the Executive and Legislative branches to direct resources away from budget justification every other year.
- 2. Accountability for dollars spent will be emphasized.** Traditionally the annual appropriations process has been used as a tool for the Legislature to exert and enforce legislative policy. Legislative oversight has often been conducted in the context of an agency's request for funds. The Legislature's finance committees' focus on a "results-based government" framework is a shift in the way that the Legislature articulates its policy goals and performance measures will give Alaskans a tool by which they will be able to evaluate the return on public dollars spent. A biennial budget process will provide the Legislature and Executive Branch with more time to focus on the policy implementation of state program results, instead of an annual preoccupation with inputs of how much money is being spent.
- 3. Annual spending is not related to recurring revenues.** Fifteen years ago a multi-year budget would have been unfeasible because of wide swings in annual revenues and accordingly, in spending. During the 1990s, however, there has been little correlation between the annual amount spent and recurring revenues. Instead, the Spring Revenue forecast is a predictor of the amount that will be withdrawn from the Constitutional Budget Reserve Fund to support the level of spending. As a result, this argument against a biennial budget is no longer relevant to Alaska's fiscal structure.

We urge the Legislature's approval of a biennial budget. We recognize the high threshold a



constitutional amendment must achieve to pass the Legislature. At the very least, we encourage the Legislature to build a budget framework that could realize the benefits of a two-year budget cycle by adopting statutory changes.

Thank you for consideration of our support. We look forward to the committee's thoughtful deliberation of this tool that can reform the state's budget process by increasing efficiency and accountability.

Sincerely,

A handwritten signature in cursive script that reads "Marc Langland".

Marc Langland
President

cc: Members, House Finance Committee

Cost associated with shortened sessions

Subject: Cost associated with shortened sessions

Date: Thu, 20 Jan 2000 10:01:47 -0900

From: Karla Schofield <Karla_Schofield@legis.state.ak.us>

Organization: Alaska State Legislature

To: Cora Miller <Cora_Miller@legis.state.ak.us>

Cora,

I've attached a spreadsheet showing the approximate cost per day for shortening a legislative session that Pam and I worked on. The savings for per diem and travel are included in the 27.0/day figure.

If you have further questions please call me at 465-6626.

Karla .. *Legislative Affairs*

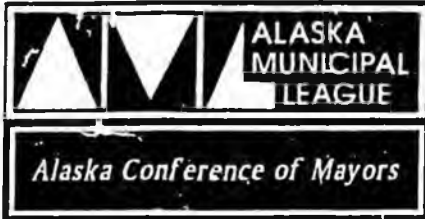
A 90 day session would save the Legislature 810.0. A 60 day session would save the Legislature 1,620.0.

The Legislature traditionally charges expenses occurring during session to session expense accounts and expenses occurring during the interim to interim expense accounts. For example: Most legislative staff payroll costs are charged to operating expense accounts during the interim. Staff salaries for most legislative staffers are charged to session during the session. The legislative payroll is higher during a legislative session. If the regular session were shortened, the session payroll would decrease and the interim payroll would increase. There would be a decrease in the total amount of the payroll due to the higher cost of personal services during a session. The majority of the personal services costs would be a transfer of costs between allocations.

The costs below are for items not needed if the legislature shortened the number of days of a session.

	Per Day	times 60 days	Total
Personal Services	17.1	60	1,026.0
Travel			
Session per diem	9.5		
less increase \$65 interim	<u>-1.0</u>		
per diem	8.5	60	510.0
Contractual	0.8	60	48.0
Telephones, chaplin fees, copier Maintenance			
Supplies	0.6	60	36.0
Lounge supplies			
Printshop paper supplies			
	<hr/>		<hr/>
Total	27.0		1,620.0
Current number of session days	120		
Proposed number of session days	<u>60</u>		
Difference	60		

	Per Day	times 30 days	Total
Personal Services	17.1	30	513.0
Travel			
Session per diem	9.5		
less increase \$65 interim	<u>-1.0</u>		
per diem	8.5	30	255.0
Contractual	0.8	30	24.0
Telephones, chaplin fees, copier Maintenance			
Supplies	0.6	30	18.0
Lounge supplies			
Printshop paper supplies			
	<hr/>		<hr/>
Total	27.0		810.0
Current number of session days	120		
Proposed number of session days	<u>90</u>		
Difference	30		



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325. Fax (907)-463-548

January 21, 2000

Representative Gail Phillips
Alaska State Capitol
Juneau, AK 99811

Dear Representative Phillips:

On behalf of the members of the Alaska Municipal League, I am writing to express our support for your legislation, **HJR 2 Biennial State Budget**. We appreciate you taking the lead on addressing this important cost-saving measure.

As you can see from the enclosed 2000 Alaska Municipal League/Alaska Conference of Mayors Legislative Priorities, our number one priority is development of a state long-range fiscal plan and support for a biennial state budget. We believe that by passing a two-year budget, the state will save money and become more efficient. Passage of the legislation will also free up numerous state employees so they can focus on deliverance of programs instead of budget issues every year.

If you have any questions on our position or any other municipal issues, please feel free to call me at 586-1325.

Sincerely,



Kevin C. Ritchie
Executive Director

Enclosure

cc: House Judiciary Committee

Return-Path: <sherman@ptialaska.net>

Received: from ptialaska.net (mail.ptialaska.net [198.70.245.245]) by jnu-unix.legis.state.ak.us (8.9.1/8 9.1) with ESMTP id HAA16576 for <representative_gail_phillips@legis.state.ak.us>; Thu, 20 Jan 2000 07:59:33 -0900

Received: from default (dialups-98.cordova.ptialaska.net [208.151.113.227]) by ptialaska.net (8.8.8/8.8.8) with SMTP id HAA07493 for <representative_gail_phillips@legis.state.ak.us>; Thu, 20 Jan 2000 07:59:27 -0900 (AKST)

Message-ID: <007701bf63685000772e0Se37197d0@default>

From: "the sherman family" <sherman@ptialaska.net>

To: <Representative_Gail_Phillips@legis.state.ak.us>

Subject: Mr. Mackie's Radical Idea

Date: Thu, 20 Jan 2000 08:01:24 -0900

MIME-Version: 1.0

Content-Type: multipart/alternative;
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X-Priority: 3

X-MSMail-Priority: Normal

X-Mailer: Microsoft Outlook Express 5.00.2314.1300

X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2314.1300

Dear Representative Phillips,

I feel strongly about expressing my opinion about Mr. Mackie's "radical idea." It is radical all right -- who ever heard of spending your savings to balance your checkbook. I do not want a gift of \$25,000 from the State so that the legislature may balance the budget. This is not the solution to the state's fiscal woes.

I once again urge the legislature to use a sane and rational idea of an **income tax!** This is a fair, equitable solution to have residents pay for the services they want so badly to have. And it addresses the numerous non-residents who work in Alaskan yet leave every year with their hard earned cash. I am so tired of hearing summer time fishermen and their families complain to me about the public services they receive in Cordova when they have all those services and more in their "winter homes."

The permanent dividend fund is an excellent idea. Our forefathers were really thinking when they established it. Do not be foolish enough and greedy enough to eliminate this. Look to the future -- for all our children, all our grandchildren, for the great state we live in. We must balance the budget by sharing the burden.

→ And additionally, I support the idea of a biennial budget. This would allow the legislature to spend more time on other important issues.

Thanks for your time and I urge you to visit your districts and hear what people have to say about issues before major votes or undertakings. I am rapidly losing faith in my government representatives and eagerly wish to have my faith restored.

Cathy Sherman
PO Box 1186
Cordova AK 99574-1186

Cora
B

**Alaska Support Industry
ALLIANCE**

4220 'B' Street, Suite 200
Anchorage, AK 99503
Phone 907.563.2226
Fax 907.561.8870
www.akalliance.org

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GENERAL MANAGER

Karen Cowart



THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

January 14, 2000

Representative Gail Phillips
Alaska State Legislature
State Capitol (MS 3101)
Juneau, AK 99801-1182

RE: House Joint Resolution 2, Biennial State Budget

Dear Representative Phillips:

I understand that HJR 2 is on the agenda for discussion during the next House Judiciary Committee meeting next week. On behalf of the Alaska Support Industry Alliance (The Alliance) I'd like to offer the following comments in support of this House Joint Resolution.

The Alliance is a statewide, non-profit trade organization representing over 350 businesses, organizations and individuals that provide goods and services in support of oil and gas exploration, development and production. Collectively our members employ 29,000 people; 25,000 of those are permanent residents of the state.

Since its inception in 1979, The Alliance has advocated a balanced state budget. We believe state government should do business like a business and investigate new ideas that would allow the public sector to do more with less – be more efficient and effective in planning and executing our state budget and budget process. Budgetary efficiency would send a message to potential investors that Alaska has a solid and sound fiscal plan, and that its "house is in order – a good place to do business."

Specifically, The Alliance believes that a two-year budget cycle could result in the following:

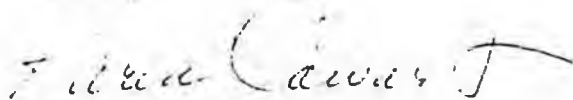
- An opportunity for more effective agency planning. A biennial budget would be conducive to developing proactive spending habits instead of reactive spending dialogue.
- The opportunity to analyze state programs based on performance and results, prior to yearly budget appropriations.

- The potential for a shortened legislative session. The budget typically takes an enormous amount of time to hammer out. By undergoing the full process every other year, we could save state dollars and resources.
- Greater utilization of all 60 legislators and their expertise. Traditionally, the Senate and House Finance committees are made up of the more senior members of each body. The House Finance Committee members serve on no other committee. In many cases, we are missing their valuable input, wisdom and vast experience in creating other critical legislation. A two-year process would afford all legislators time to focus their attentions – one year on budget, the next on legislation.
- Flexibility to address emergency needs or supplementary requirements. A biennial budget process would not preclude supplemental budget considerations due to circumstances of need. These could be addressed on a case-by-case basis.

Twenty states have already adopted a biennial budget process. That's a good indication that other states are "thinking outside of the box." We believe that Alaskan must also embrace new ways of thinking, and for this reason, we encourage the legislature to continue dialogue on the biennial budget process.

The Alliance further believes that *all measures* should be *considered with an open mind*, whether it be results-based budgeting, consolidation of government programs, elimination of non-essential services, use of a two-year budget cycle, and/or privatization of some government functions. Ultimately our goal must be to begin to live within our means.

Sincerely,



Karen Cowart
General Manager

ALASKA STATE CHAMBER OF COMMERCE**Priority 00-1****Fiscal Planning**

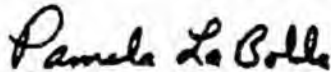
The Alaska State Chamber of Commerce urges the Administration and Legislature to continue efforts to adopt and implement a unified long-range fiscal plan for the state. The plan should address a strategy to bring state spending in line with revenues, encourage and promote economic investment and business development, maintain the state's infrastructure by means of a deferred maintenance plan for all state-owned facilities, and further establish performance measures for state services in concert with results-based government.

The plan should implement a biennial state budget; privatize state services which could be competitively provided by the private sector; promote development of new businesses that could competitively provide goods or services currently provided by the state; and utilize a systematic funding mechanism, such as general obligation bonds, to meet the state's capital needs.

ADOPTED

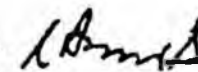
December 3, 1999

BY



Pamela La Bolle
President

BY



Dennis Brandon
Chairman



NFIB Alaska

10-02-99P03:31

*Put copy of this
in our biannual
budget file also*

NFIB/Alaska 1999 Ballot Results

The Alaska Chapter of the National Federation of Independent Business is comprised of 3000 small and independent business owners. The typical NFIB/Alaska member employs five workers and rings up gross sales of about \$181,000 per year. In total, the organization's members employ more than 43,000 workers.

The legislative agenda of NFIB is determined by ballot. A majority vote of the members in response to the poll sets the policy and position on legislative issues. Ballots for the last 5 years are used to establish the full legislative agenda. Following are the ballot results for 1999.

Tort Reform Frivolous Lawsuits

Should the Alaska Legislature enact legislation to allow attorneys as well as their clients to be assessed damages for knowingly or recklessly filing false claims?

96% YES

2% NO

2% Undecided

Tort Reform Collection of Settlement Information

Do you support the mandatory reporting of out of court settlement information such as attorneys fees and dollar amounts paid to claimants?

72% YES

22% NO

6% Undecided

Biennial State Budget

Do you favor a State Constitutional amendment to create a two-year budget cycle?

52% YES

36% NO

12% Undecided

Department of Environmental Conservation Fees

The Alaska Department of Environmental Conservation (ADEC) currently has the authority to assess fees for permits, inspections, certifications and training for a broad range of regulatory programs. Should these fees be limited to "actual direct costs," which do not include travel, overhead and administrative support costs?

81% YES 13% NO 6% Undecided

Should DEC establish reasonable fixed fees for certain department services to cover actual direct costs?

83% YES 9% NO 8% Undecided

If requested by the applicant, should DEC have the ability to negotiate a fee based on a maximum number of hours that may include associated travel costs?

69% YES 21% NO 10% Undecided

Unemployment Insurance

Students under 18 are not eligible to collect unemployment benefits. Should full time students under the age of 18 and their employers be exempt from paying unemployment tax?

93% YES 6% NO 1% Undecided

Distributed by Thyas Shaub
NFIB/Alaska Lobbyist

Biennial budget a money-saving, time-saving bargain for state

By Rep. Gail Phillips
For the Journal



"Money makes the world go round..." Remember this refrain? Surely, it is the truth as we all recognize the need to consider our budget on a daily basis. We balance our checkbooks ... balance our budgets ... balance our expenditures with our income. This need is absolutely critical when we possess a limited amount of earnings to cover our expenditures.

During this past year and a half, Alaskans have heard daily about dwindling oil revenues causing shortfalls for many of our state programs. Cutting the budget is a popular refrain throughout Alaska and in legislative halls — and the cuts are felt everywhere, in our schools, on our roads and in our cities' municipal programs.

For the past year and half, I've been formulating legislation that would put before the voters at the ballot box this November the option of amending our constitution to allow for a two-year budget cycle. I recently introduced House Joint Resolution 2 which, if passed, would require the governor, beginning fiscal 2002-3, to present a budget that encompasses two years instead of one — saving the time, energy, resource and salary expenses incurred while formulating the budget annually.

Biennial budgeting makes good sense. Right now, 20 other states budget in this manner, while Alaska's annual budgeting process remains arduous. In every state department, beginning every June and ending the following May, hundreds of people from every agency spend countless hours preparing their respective department's budget to present in hearings, closets and debates before finance subcommittees.

Then Senate and House finance committees spend

VIEWPOINT

countless hours honing the budget to provide for citizens' needs in the most fiscally responsible manner.

A biennial budget process would allow all legislators to deliberate the budget during the first year of each legislative session, then focus on other legislation in the second year as the spending guidelines would already be in place.

This time frame would work hand-in-hand with our results-based budgeting concept. State agencies would have a chance to plan in advance, which is often difficult under the present annual system.

While it is difficult to forecast revenues on which to base a budget in a commodity-dependent economy like ours, many programs and line items remain status quo from year to year. With a biennial budget, the second year of every session could be shortened considerably because legislators would need only to focus on legislation.

Think of the revenue saved if we could shorten the session every other year by weeks or months. Just cutting the length of time for the Legislature to meet the second year could result in very considerable savings.

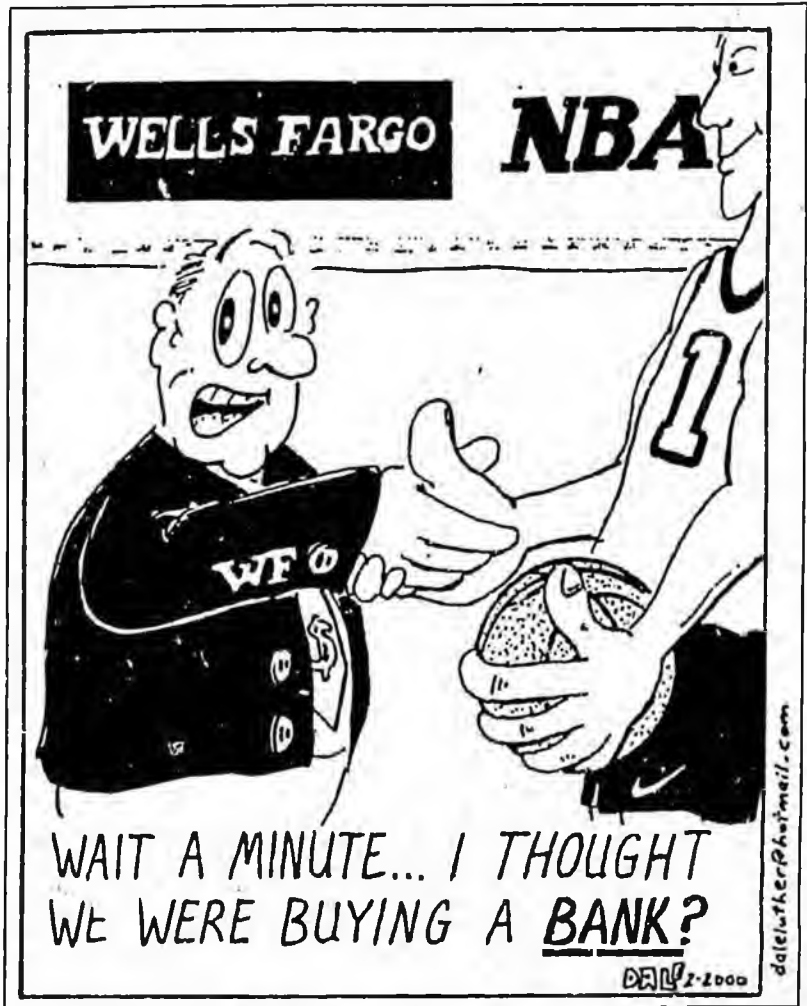
The biennial budget concept is a good way to achieve greater efficiencies in agencies and programs while saving money for the state at the same time. It's



Phillips

a win-win situation for all!

Gail Phillips is a Republican representative from Homer and is former speaker of the Alaska House. She can be reached at (Representative_Gail_Phillips@legis.state.ak.us).



2000's salmon forecast tops 1999's by 3%, but will fish actually show up?

By Laine Welch

FISH FACTOR

breaded appetizer filled with cream cheese. of king and snow crab from Russian waters and now estimate the value of the

following people who have demonstrated the great Alaskan spirit and showing us this is definitely the community we want to remain a part of:

The members of the Snoinads who assisted when I was stuck and my plugs on my snowmachine were fouling.

The Stutzers on Diamond Ridge who gave us gas in their own cans for us to return later, when we were nearly out of gas.

The individuals (Helen, Lisa, Kip, and Jay - sorry if we missed anyone but you know who you are) who showed us during recent blinding snow and wind storms with drifts across Ohlsen Mountain Road, where we all got stuck, that working together and caring about each other is this community's spirit of survival.

We would like to say thank you to Northern Air Cargo and Eagle/Safeway for their assistance last evening (Feb. 3) in getting the tire chains we needed from Anchorage to Homer. We would like to say thank you to John at Glacier Chain, and his staff, for making the chain in Anchorage (in just a couple hours) and taking them to the airport to get to us the same day. We recently bought the Snogo snow blower from Paul Gregoire for our farm up by Ohlsen Mountain, and had received numerous calls requesting snow blowing from people without water, with small children and infants, senior citizens, and others unable to drive out from their homes during the recent snowfall. We would like to say thank you to these hardy Homer individuals for their patience and understanding while waiting for assistance from us ... even though it was late into the night before we got to some of you.

Plus an extra thank you to my parents, Louie and Jean, for their ongoing encouragement and helping us in our move, building and settling in Homer.

Sharon and Dave

19 Women of Science

To the Editor:

Kachemak Bay Girl Scouts would like to extend heartfelt thanks to 19 local professional women who gave their time and effort to present an afternoon "Women of Science" event for us. The girls, ranging in age from 5 to 14, participated in workshops such as chemistry, aviation, veterinary medicine, and healing with energy. They learned to read X-rays, use microscopes, recognize weather patterns, plant seeds, hook up a telephone, do a Well baby check, test water quality, and do the log roll. They had to use their powers of observation and math skills. Some got to build isohedrons from gum drops and toothpicks and others got to build chickadee nesting boxes. They all had fun and were exposed to exciting careers along the way. This was a fabulous experience for us and we plan to do it again next year!

Thank you to Poppy Benson, Daisy Lee Bitter, Murgi Blanding, Fern Cossette, Deb Germano, Elaine Grabowski, Mary Griffith, Vicky Iig, MaryLou Kelsey, Dr. Kristine Lamendola, Claire McCann, Elaine McCollum, Dr. Pam Price, Francie Roberts, Donna Rufshohn, Beth Lambert, Leslie Slater, Sarah Reinert, and Heidi Hedberg.

We would also like to thank Spenard Builders Supply and Kenai Building Supply for their generous donations of wood, and Daryl Furrans and the Homer High School for the use of their facilities.

Tina Seaton
Kachemak Bay Girl Scouts

Hone your boating skills

To the Editor:

Attention, all boating enthusiasts: here's your chance to hone those boating skills by signing up for and attending the Boating Skills and Seamanship class now being offered by the Coast Guard Auxiliary. Classes are every Tuesday and Thursday, from 7-9:30 p.m. at the Homer High School, and will run through March 16.

Subjects included in the course are small boat handling, trailering, legal requirements, marine radio procedures, navigation rules, piloting, weather considerations and knots.

Call Darrell (Community Schools) at 235-4090 or Craig Forrest at 235-5248 for further information.

Milli Martin, public affairs officer
Coast Guard Auxiliary, Homer Flotilla

Keeper clarifies role in community

To the Editor:

This letter responds to the recent letter chastising Cook Inlet Keeper for its position on the Trailside cleanup and discarded batteries in the harbor.

The proposed Trailside cleanup is, to put it bluntly, a big mess. No one even knows the extent of groundwater contamination at the site, yet the current plan will simply backfill the excavated area with clean fill and forget about the problem. That leaves a slug of tainted groundwater to threaten down-gradient property for years to come. Getting a bank loan for contaminated property is virtually impossible, and as a result, economic development in Homer may suffer. We ascribe to the notion that the economic health of our community is inextricably linked to the health of our natural resources.

As for batteries in the harbor, it's the toxic lead, not the battery acid, which is the problem. And despite the well-documented health concerns associated with lead contamination, Cook Inlet Keeper hasn't held this up as some sky-is-falling issue. Rather, discarded batteries are part of Keeper's larger campaign to press for clean boating in Cook Inlet. For years, community members have come to Keeper and complained about pollution around the boat harbor. Keeper believes that no one intentionally pollutes, and if given the proper tools, people will take the steps needed to protect our water quality. So Keeper is working to make the boat harbor a cleaner and healthier place, and removing toxic batteries is but one strategy to achieve this worthy goal.

Bob Shavrlson
Cook Inlet Keeper

None of us walk alone ...

To the Editor:

I would like to thank everyone who gave us their

time, energy and prayers to help ease us through the tragic loss of our son and brother, Kyle Jake Fidler.

My heart was deeply touched by the love and many familiar faces at our service on Saturday. It would warm Kyle immensely to see the compassion and support from such a diverse group of our community.

He was a good boy, and his nurturing tendencies must live on in each of us. None of us walk alone, but it often feels that way. It is only through positive encouragement that we may be able to live together in health and harmony.

Special thanks to all of our neighbors and Kyle's close friends, of whom I am so proud.

May peace be with you.

Kaleen Knodel-Fidler and Family

Money makes the world go

To the Editor:

"Money makes the world go round . . ." Remember this refrain? Surely, it is the truth as we all recognize the need to consider our budget on a daily basis. We balance our checkbooks . . . balance our budgets . . . balance our expenditures with our income. This need is absolutely critical when we only possess a limited amount of earnings to cover our expenditures.

During this past year and a half, Alaskans have heard daily about dwindling oil revenues causing shortfalls for many of our state programs. Cutting the budget is a popular refrain throughout Alaska and in legislative halls — and the cuts are felt everywhere, in our schools, on our roads and in our cities' municipal programs. For the past year and a half, I've been formulating legislation that would put before the voters at the ballot box this November the option of amending our Constitution to allow for a two-year budget cycle. I recently introduced HJR 2 which, if passed, would require the governor, beginning fiscal year 2002-3, to present a budget that encompasses two years instead of one — saving the time, energy, resource and salary expenses incurred while formulating the budget annually.

Biennial budgeting makes good sense. Right now 20 other states budget in this manner, while Alaska's annual budgeting process remains arduous. In every state department, beginning every June or July and ending the following May, hundreds of people from every agency spend countless hours preparing their respective department's budget to present in hearings, closeouts and debates before finance subcommittees. Then Senate and House finance committees spend countless hours honing the budget to provide for citizens' needs in the most fiscally responsible manner possible.

A biennial budget process would allow all legislators to deliberate the budget during the first year of each legislative session, then focus on legislation only in the second year as the spending guidelines would already be in place. This time frame would work hand-in-hand with our results-based budgeting concept. State agencies then would have a chance to initiate

See LETTERS, page 6

Day of the Lupercalia. It was celebrated thousands of years before there were ever such people known as Christians or saints.

Some of the modern customs associated with Valentine's Day, such as exchanging cards, were once practiced in honor of Lupercus, the deified hero-hunter of Rome. These customs have been handed down from the Roman festival of the Lupercalia, celebrated in the month of February, on the evening of the 15th and on the day of the 14th. The Lupercalia was a festival of fertility and was one of the most important of the Roman men's religious practices. The *Encyclopedia Americana's* article on Valentine's Day.

The festival was also dedicated to the goddess Venus and celebrated the feast of Roman mythology, Venus, the goddess of love and beauty.

The Greeks called Lupercus by the name of "Pan." The Semites called Pan "Baal," according to classical dictionaries. Baal, mentioned so often in the Bible, was merely another name for Nimrod, "the mighty hunter." So the hunter Nimrod was the original Lupercus, or wolf hunter, of the Romans who set aside Valentine's Day in his honor.

Another name for the child Nimrod was "Lupercus." The child Nimrod was a hunter and a warrior. He was the son of a woman who had dedicated him to the goddess Venus. He was the son of a woman who had dedicated him to the goddess Venus. He was the son of a woman who had dedicated him to the goddess Venus. He was the son of a woman who had dedicated him to the goddess Venus.

based on the forehead of two men sprint with a thong cut from a sac-animal skin that, when it touched in the crowds, was said to have vented sterility in women.

When Constantine made Christianity the official religion of the Empire, there was some talk in circles of discarding the pagan practices. But the Roman citizens did not want to give up their traditions. The Lupercalia was a festival of fertility and was one of the most important of the Roman men's religious practices. The *Encyclopedia Americana's* article on Valentine's Day.

Continued from previous page

→ advance-planning efforts, which is often difficult under the present annual system.

While it is difficult to forecast revenues on which to base a budget in a commodity-dependent economy such as ours, many programs and line items remain status quo from year to year. With a biennial budget, the second year of every session could be shortened considerably as legislators would need only to focus mainly on legislation. Think of the revenue saved if we could shorten the session every other year by weeks. Just cutting the length of time for the Legislature to meet the second year could result in considerable savings.

The biennial budget concept is a good way to achieve greater efficiencies in agencies and programs while saving money for the state at the same time. It's a win-win situation for all! Feedback from Peninsula constituents on this cost-saving proposal would be much appreciated as we work through this issue.

Representative Gail Phillips

Is Alaska immune?

To the Editor:

Are we immune in Alaska?

Tiny ecological events loom up on us like a slow motion explosion. Then all of a sudden we pull our hair and gnash our teeth wondering why people are sick ... our salmon depleted ... or our waters are running brown.

How fortunate we are to have the foresight and

dedication like the people at Cook Inlet Keeper who steadily remind us what the hindsight of history loudly proclaims: Molehills will indeed grow into mountains when we aren't vigilant.

These community conscious agencies will save our economy billions of dollars by promoting contamination prevention.

There are always some who would rather cut corners with our life giving water resource. Until they appreciate the efficient concept of prevention, and consideration for the community, they will not understand these watchdog agencies. (After all having Mom looking over your shoulder isn't half as much fun when you play with just one single match that "oops" burns the neighborhood down.)

As a child I saw first hand what happens when human "busyness" neglects and undervalues crucial water resources. The health department closed our beaches to swimming or even wading. What was left of our exploited fish... rolled up on the beaches covered with sores in a deathly stink. People were getting gravely ill from the drinking water and you could literally develop your Kodak film in the lake.

Sounds like a grade B horror flick? But indeed this

**Tribune
classified ads
get results**

John's Corner Market

Homer Council on the
Sitka's F
W

Thursday, Feb.
Tickets: \$12 for adults; \$

JUNEAU EMPIRE

*Pls copy
for
Bianchi's
file*

The Voice of Alaska's Capital City

ail to the King



MICHAEL PENN / THE JUNEAU EMPIRE

g Elvis fans sit on stage alongside Clayton Wagy during his Elvis impersonator show at Centennial Hall Friday night. The ert was in celebration of Elvis' 65th birthday and a benefit for the Juneau Arts and Humanities Council.

POC investigating dividend poll

omplaint alleges survey
illegal campaigning

END HOLST
EAU EMPIRE

phone rang. Within minutes,
's Dennis Harris was hopping mad.
d just been told that if he voted no
t, 14, 1999, that his Alaska Perma-
und dividend would disappear.
vas extremely angry," Harris said
"I was particularly irritated that
ere campaigning and calling it a

ost 28,000 other Alaskans were
questions similar to those that so
l Harris. Some of them phoned the
'Public Offices Commission to com-
but Harris took the next step, filing
icial objection with APOC. He
s the poll, taken between Aug. 21

The wording behind the poll

This is the script pollsters used be- (see about using a small portion of
fore the statewide election last Septem- (Alaska) Permanent Fund earnings to
ber pay for essential government services,
like education and public safety. This
would not affect the permanent fund it-
self.

Hi, I'm calling from R.T. Nielsen &
Co. Are you a registered voter?
Could I ask you a few short questions
about the Sept. 14 Special Election?
(If asked who is behind the poll:
Public Policy Council.)
On Sept. 14, you'll be asked how you
Voting YES means saving the divi-
dend program. Your dividend check
would be \$1,700 for the next two years,
decline to about \$1,340 in the third
Please see Poll, Page A10

and Sept. 1, was a campaign ploy, and the
person paying for it should have been
identified by those making the calls with a
"paid for by" disclaimer.

The poll, Harris said, is illegal. Also, he
asserts, backers of a yes vote didn't report
paying for the poll properly. After hearing
Please see APOC, Page A10

Seeking shorter sessions

■ Bills to limit Legislature pas-
House and Senate committee.

By CATHY BROWN
THE JUNEAU EMPIRE

Lawmakers are trying to shorten the am-
of time they spend in Juneau.

Rather than debate the budget every y-
the Legislature would set two-year spend-
plans under a proposal approved Friday by
House Judiciary Committee. Under the prop-
legislative sessions would be shortened from
to 60 days during non-budget years.

A Senate proposal to shorten the Legi-
ture's annual session from 121 days to 75 d-
without altering the budget process, also pas-
its first committee Friday with little difficult.

The House constitutional amendment pro-
ing for a biennial budget is sponsored by F
Gail Phillips, a Homer Republican. She said
change in budgeting should make state gov-
ment more efficient and effective, and to
save money.

"Where it would make a significant impa-
with the agencies," Phillips said. Instead
spending three or four months every year
wing on their budgets, "they would be able to
come far more productive in the progr-
they're putting into place."

If revenues changed dramatically during
off-year, the Legislature still could m-
changes during those years, Phillips said.

The measure received support from the
members of the Judiciary Committee pres-
The governor also supports it, according to J
Fargnoli, a senior policy analyst with the Of-
of Management and Budget.

Rep. Eric Croft, an Anchorage Democrat,
in addition to possible savings for the state,
ernment, the change would save money and t-
for other Alaskans who come to Juneau ev-
year to lobby on budget issues.

"It seems like there's just a societal savin-
Croft said.

Rep. Norm Rokeburg, an Anchorage Rep-
lican, has opposed the change to biennial b-
getting in the past, but he supported the prop-
Friday.

Several issues troubled him in the past.
said. One was the fact that Alaska's budget is
dependent on oil revenues, which can fluctu-
widely from year to year. Another concern
that setting the budget for two years instea-
one, loosens the Legislature's control on
state's purse-strings.

Please see Short Page



SEANNA O'SULLIVAN/THE ASSOCIATED PRESS

No objection: Sen. Dave Donley, an Anchorage Republican, shrugs at what the Senate Judiciary Committee all agreed was a workable idea to limit the legislative session to 75 days as Sens. John Torgerson, center, a Kasilof Republican, and Robin Taylor, a Wrangell Republican, look on.

Short...

Continued from Page A1

"We're in a certain sense giving up... legislative power," he said.

Rokeburg said he decided to support this proposal because he believes a long-term fiscal plan will be adopted within a few years, which will provide more year-to-year stability in income.

Also, he likes the idea of limiting legislative sessions during non-budget years to 60 days and he believes agencies will operate more effectively with two-year budgets.

If approved by both the House and Senate, the constitutional amendment would go to voters this fall.

The Senate proposal by Sen. Sean Parnell, an Anchorage Republican, is also in the form of a constitutional amendment. He said a 75-day session will save the state money and entice more candidates to run for the Legislature.

"The legislative process can expand to fill whatever time we give it," Parnell said, adding that the Legislative Affairs Agency has estimated the state would save more than \$2 million on the change.

The Legislature now convenes in January and meets until mid-May. Parnell's measure would push opening day to late February.

The measure drew little dissent from the three members of the Senate Judiciary Committee present on Friday. Chairman Robin Taylor, a Wrangell Republican, suggested that the starting date might be moved back to January to accommodate lawmakers who work in seasonal industries such as fishing.

"I think the deader part of winter is better," Taylor said.

Parnell said he was concerned that might give legislative budget-writers less time to work after the Department of Revenue issues its annual spring revenue forecast.

Sen. John Torgerson, a Kasilof Republican who co-chairs the Senate Finance Committee with Parnell, called the proposal "very workable" but observed that some lawmakers might find themselves

working more in the interim between sessions.

"I'm not sure the amount of work is going to change," said Torgerson, R-Kasilof.

Rick Urion, a former member of the Legislature who now works as a lobbyist, testified in favor of the measure.

"The Legislature is sort of like water. It will occupy whatever space you give it," Urion said. "If you could harness the wasted energy in this building, you could light the state for the year."

Urion served before 121-day limit was imposed in 1984.

◆◆◆◆

The Associated Press contributed to this report.

NASA mete

■ Object may help agency learn more about the solar system.

THE ASSOCIATED PRESS

ANCHORAGE -

joined the search for a meteorite that fell last week's meteor explosion in the Yukon Territory, a space object may help learn more about our solar system.

The meteor, which fell Tuesday over the village of Fairbanks, Alaska, was the largest meteorite ever found over dry land in 10 years.

The powerful explosion was seen and felt by people in Alaska and Canada and Alaska hundreds of miles from Fairbanks, according to astronomers and Canadian scientists.

The National Aeronautics and Space Administration is sending a search plane to the Yukon Territory today to collect atmospheric samples from the explosion. NASA said packed the meteorite with up to three kilotons of TNT.

"They're sampling the atmosphere for particles," said Michael Zolensky, a cosmologist at the Johnson Space Center near Houston, Texas. He is looking to see if we can

Launches sci

THE ASSOCIATED PRESS

FAIRBANKS - The

launches are planned from the Poker Flat Range, north of Fairbanks.

The first is scheduled according to the Geophysical Institute at the University of Fairbanks.

Charles Carlson, a physicist from the University of

For Your
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Anchorage Daily News

Saturday, January 22, 2000

2-year budget backed

Plan could save state thousands

By DAN JOLING

The Associated Press

JUNEAU - Shifting to a two-year budget plan would save state money and allow the Legislature to meet for shorter sessions, the sponsor of a constitutional amendment said Friday.

Rep. Gail Phillips, R-Homer, told the House Judiciary Committee that her measure would save thousands of dollars in agency staff time now taken up by annual budget preparations. The measure would also save money by shortening legislative sessions to 60 days in years when the budget is not taken up.

"It gives a far greater efficiency and effectiveness in our budget, and it saves us money," Phillips said.

Judiciary Committee members agreed and voted unanimously to approve the measure. Phillips said estimates of actual savings are being researched and will be reported when the bill is taken up by the House Finance Committee.

Under the plan, two-year budgets would be considered by legislators in the first year after an election. Other bills could be considered in either year, but any measure approved the second year that spends money would have to wait to be implemented until the next budget cycle, Phillips said.

The former House speaker said the second session of the Legislature could be shortened considerably if lawmakers had no budget matters to consider. But the real savings in state government would come through greater productivity by agency personnel who would not have to prepare budgets and defend them before lawmakers every year.

"They can do real planning and have the time to spend on programs," Phillips said.

Rep. Norm Rokeberg, R-Anchorage, agreed.

"The administration spends so much time budget-building, they can't

get their work done," Rokeberg said. "That may be the singular thing that swings my vote."

Jack Fagnoli of the governor's Office of Management and Budget said the governor supports the notion of a biennial budget.

During off-budget years in other states, Fagnoli said, lawmakers are free to focus on pressing issues like rural economic development or welfare reform.

In response to a question from Rokeberg, Fagnoli said he could not say whether the change would mean a reduction in personnel, but savings could be achieved by a reduction in travel and overtime.

In the case of a major downswing in the amount of projected revenue, Phillips said, legislators could take up the budget again to make adjustments. But even that would be less time-consuming, she said, because departments could be reduced by percentages.

"You wouldn't have to go through the whole budget process," she said.

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Two-year budgeting worth discussing

A two-year budget cycle for the state is an idea that House Speaker Gail Phillips promises to pursue during the session. It's a capital idea. According to Phillips, if the state operates with a two-year budget, the Legislature could cut down the amount of time it meets, a savings of both time and money. The second year of every legislative session could be shorter dramatically.

What the speaker wants is a serious discussion, and we think the topic deserves that. Yes, it's difficult to forecast budgets in a commodity-dependent economy like Alaska. But the state could save millions of dollars if lawmakers would do more long-range budgeting, and many areas of the budget are stable from year to year. As long as revenue projections are conservative and responsible, a biennial budget should be workable with the help of supplemental budgeting.

We welcome the discussion and debate about biennial budgeting. It may be the needed step to control fluctuating budgets and costly legislative sessions.

Voice of The Times

The Anchorage Times

Publisher: BILLY J. ALLEN
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Every two years

THE IDEA IS not new. It's been kicked around time and time again. Unfortunately, it's still being kicked around — in not the best sense of the phrase. Too bad. The subject: adopting the state budget on a two-year basis.

Since statehood, Alaska's spending plan has been proposed by the governor and adopted by the Legislature on an annual schedule. Each year, the Legislature spends an uncommon amount of time fussing with the budget — four months each year, as a matter of fact.

One of the first bills presented at the opening of each legislative session is the budget. One of the last bills passed at the end of every four-month lawmaking session is the budget.

All kinds of other legislation is log-jammed until it is known how various bills will dovetail with the spending proposals. In many ways, the session is dragged out to a full one-third of the year because — and only because — the budget stands as a red light, stopping other progress.

Over the years, various attempts have been made in the Legislature to change this by providing for enactment of a budget that would span a two-year period, instead of one. Each time, the proposal has sunk like a rock in a stormy sea.

The arguments against it are never very good, mostly centering on the contention that it's impossible to look two years ahead and see what the state's income and spending needs might be.

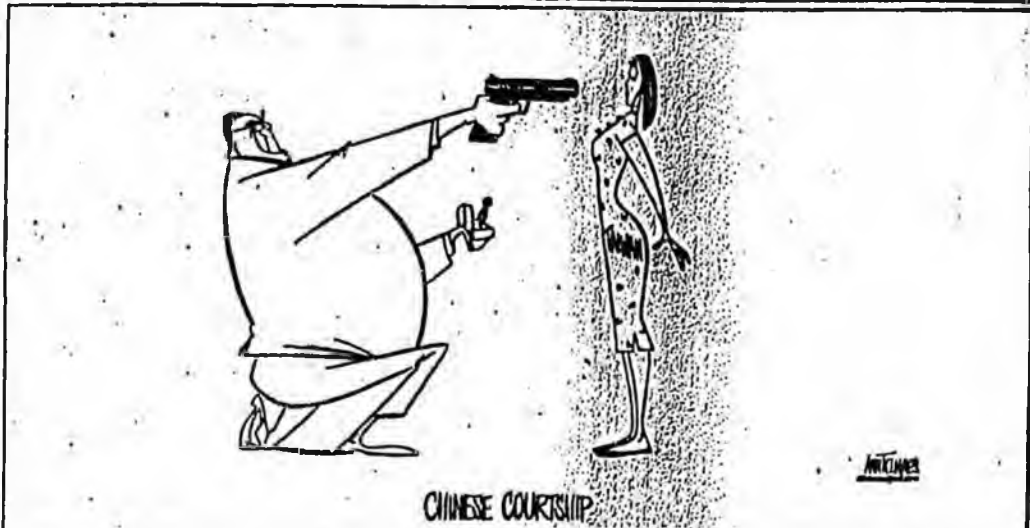
That's specious. Any number of other states — big states, with spending budgets much larger than Alaska's — do biennial budgets. It is by far the most efficient way to keep the decks clear for consideration of other legislation.

In fact, some states provide that every other year, the budget — and related financial legislation — is the only topic that can be considered. The agenda for the alternate years then is open to full consideration of other matters and other issues, free of having to link everything to new spending proposals.

In territorial days, when the Alaska Legislature met only every other year, the budget did indeed cover a 24-month period. Ah, but say the dichards, Alaska was a much smaller place then — with fewer people to serve, fewer issues to handle.

True, but so what? If other states can efficiently manage their financial affairs in this fashion, why can't Alaska? There would be nothing to prevent the Legislature from dealing with emergency funding situations during the intervening year — but lawmakers should be able to handle that in stride.

Rep. Gail Phillips of Homer is the latest legislator to offer a bill calling for biennial budgeting. Unfortunately, her measure got short-shrift in the last session. But it's still on the table — and it deserves attention when the Legislature next meets in January.



The chronic poor and other liberal myths

BY WALTER E. WILLIAMS

The rich are getting richer, and the poor are getting poorer. That's a refrain taken as gospel. It's also the melody that's used in calls for more government spending.

But the truth of the matter is the richer are getting richer and the poor are getting richer faster. That's the conclusion reached by W. Michael Cox, vice president of the Federal Reserve Bank in Dallas and Richard Alm, a Dallas Morning News reporter, in their new book aptly titled "Myths of Rich and Poor: Why We're Better Off Than We Think."



Each year, the Bureau of Census publishes America's poverty rate, which has hovered around 14 percent for several decades. The impression given is that poverty for about 20 percent of Americans is hopelessly permanent. That's a conclusion easily reached when given a static portrait of our income distribution. Cox and Alm report on a dynamic portrait that comes from a University of Michigan survey consisting of detailed data from a sample of 60,000 Americans collected since 1968.

Collecting income over time gives a startlingly different picture of income distribution than that given by Bureau of Census statistics. The University of Michigan study shows that only 6 percent of those in the bottom fifth of the income distribution in 1976 were still there in 1991. What happened to them? They moved up to the top three-fifths of the income distribution — middle class or higher.

Even more amazing is that three out of 10 of the lowest-income earners in 1976 moved up into the top fifth of income earners by 1991. Those who were poor in 1976 had an inflation-adjusted gain of \$27,745 in average income by 1991. Workers who were in the top fifth of income earners in 1976 were better off in 1991 by an average of only \$4,354.

Poverty is largely a transitory experience for people who are willing to work, as Labor Department data confirms. In the early '90s, the median duration of poverty was 4.2 months. Only a third of the 36 million Americans the Bureau of Census classifies as poor had been below the poverty line for 24 or more months. This holds down to a long-term poverty rate of 4 percent, compared to the overall official rate of 13.3 percent in 1997.

You say, "OK, Williams, but what about black and Hispanics?" Blacks still earn less than whites, but black income rose as well. Adjusting for inflation, the

proportion of black families earning more than \$75,000 tripled since 1970 to 9 percent. In 1998, the overall poverty rate for blacks fell to 23.6 percent, the lowest it has ever been. The number of black-owned businesses stood at \$20,912 in 1992, up 281 percent since 1967, with sales of \$36 billion.

Cox and Alm give a mixed story for Hispanics. On the positive side, the number of Hispanic businesses rose from 100,000 in 1967 to 882,606 in 1992, with sales of \$66 billion. Although many Hispanic families are making it up the economic ladder, the group's overall income hasn't kept pace with blacks or whites. One possible explanation is the continuing immigration waves of low-skilled, low-wage workers who are overwhelming the statistical gains of longer-term residential Hispanics who've improved their education and skills.

The income mobility that Cox and Alm point to is possibly one of the greatest features about our country. Just because you know where a person ended up in life is no guarantee that you can predict where he started. And knowing where a person starts out in life does not control where he ends up.

Walter E. Williams is a professor at George Mason University at Fairfax, Va. His column is distributed by Crestone Syndicate Inc., 5777 W. Century Blvd., Suite 700, Los Angeles, CA 90045; (310) 837-7000.

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Ernest 'Turk' Mayfield

IN A VERY real sense, Ernest L. Mayfield was Alaska's trailblazing policeman. He set a course in law enforcement, at both the local and state levels, that thousands of others have followed — and he did so with distinction and honor.

At the age of 88, Turk Mayfield — as he was known throughout the state — died last week in relative obscurity. Sadly, he was unknown to many newcomers to Alaska, and perhaps even forgotten by those who once were aware of his contributions and his importance in the formation of police force policy and operations in the state.

Those who didn't know him missed a special person — a soft-spoken, sandy-haired man whose personality and demeanor were those of a gentle neighbor, far from what one might suspect for a tough cop who demanded the best of those who served with him.

He came to Alaska in World War II as a civilian investigator for the Corps of Engineers, and stayed on — first as police chief in Juneau and in 1949 as one of the first officers of the old Alaska Highway Patrol. After statehood, he was named head of the state police headquarters in Anchorage. What is in place now for the Alaska State Troopers was built on the foundation laid by Turk Mayfield.

Honored by his law enforcement colleagues, treasured by those who knew him well, Turk Mayfield was an Alaskan of unheralded stature. He deserves a lasting memorial for service that was a model of modesty, dedication and professionalism.

Efficient budgeting

TOPPING THE wish list of legislation that the Alaska State Chamber of Commerce would like to see approved next year is House Joint Resolution 2, introduced early this year by Rep. Gail Phillips, R-Homer.

HJR2 would amend the state constitution to establish a two-year budget cycle, replacing the current annual process.

Under the plan, the governor would submit a biennial budget in odd-numbered fiscal years. The Legislature would act on the plan by approving an appropriations bill that would cover a two-year period, beginning the first of the next even-numbered fiscal year.

The primary purpose is to make government more efficient. State agencies would be freed up to do their assigned jobs rather than spending an inordinate amount of time each year preparing, defending and changing budgets — which is what happens now.

The Legislature also would be freed from the annual budget morass that gums up most of every 121-day session.

It's a win-win idea for the state.

Why is Clinton silent on peace sabotage?

By CHARLES KRAUTHAMMER

Having failed to topple Saddam Hussein or Slobodan Milosevic, Bill Clinton had to settle for Ehryman Netanyahu. In a characteristic display of partisan glee, Clinton tossed political consultant Robert Shrum last week (reports Lloyd Grove in The Washington Post) to congratulate him (and happily the administration) for helping the Israeli opposition bring down the prime minister Washington loves to hate.

Yet for all the glowing at the White House, there is deep trouble afoot in the peace process. A momentous shift has occurred that has almost completely eluded the radar screen of the Western media and the attention of the administration. While Palestinians, Americans, Egyptians, other Arabs and many Israelis assiduously scolded Netanyahu for this or that alleged violation of the spirit of the Oslo peace accords, Yasser Arafat went on a 60-nation diplomatic tour — hardly a stealth campaign — to kill the accords.

Here is the background. In the 1967 Six-Day War, Israel conquered the West Bank, East Jerusalem and Gaza. In the 1993 Oslo accords, Israel agreed to begin giving parts of it to the Palestinians in return for peace. The whole process was explicitly grounded in U.N. Resolutions 242 and 338 endorsing this land-for-peace formula.

Fine. After years of persistence, Netanyahu manages to get most of the not-so-itch "nationalist" half of Israel to accept the 242/338 formula. What happens? For the last six months Arafat has been going around the world demanding instead implementation of U.N. Resolution 181.

What is that? An obsolete, defunct resolution passed by the General Assembly (unlike 242 and 338, not by the Security Council), and thus not even binding... In 1947, it partitioned British Palestine into a Jewish state and an Arab state. At the time, every single Arab state, as well as the Palestinian Arab Higher Committee, totally rejected 181. In fact, they invaded the area given to the Jews with the express purpose of wiping it off the map.

They failed. And now 60 years later, the Palestinians are converts to 181.

What's wrong with that? In the course of that '48-'49 war, Israel fought back. The armistice lines of 1948 ending it created the current internationally recog-



nized (pre-'77) Israel — an area larger than that outlined in 181. Hence Arafat's 181 ploy. Under 181, Israel would have to give up not just the 77 conquests (all of the West Bank, East Jerusalem and Gaza) but large chunks of pre-'77 Israel proper in the Galilee and the Negev. Indeed, 181 would take not only east Jerusalem away from Israel, but most Jerusalem — entirely Jewish and always under Israeli control — as well.

Before the Israeli elections, says Ehud Ya'ari (Middle East correspondent for Israeli Television and an associate of the Washington Institute for Near East Policy), the Palestinians were preparing to go to the U.N. General Assembly to demand an explanation from Israel for the measure it took illegally to extend its laws and regulations to the territory it occupied... beyond the territory allocated to the Jewish state in resolution 181.

Now, this is worse than a con artist. This is a peace stopper. It sabotages any possible coming negotiations. Arafat is making demands on Israel that he knows neither Ehud Barak nor the sweetest Israeli dove (say, the hapless Shimon Peres) could ever contemplate.

And yet the Clinton administration, remarkably able to take lines off from Kosovo to criticize and undermine Netanyahu for this or that, was not last

week silent on Arafat's gross underwriting of Oslo. After all, Oslo is based on 242 and 338, reflecting the obvious fact that 181 died 60 years ago with the Arab war on the new Jewish state.

It was only two weeks ago that the first squeak was heard. "Not relevant and not appropriate," said special Middle East coordinator Dennis Ross of 181. His reference was oblique — he didn't even dare mention 181 — and the characterization tepid. What next? How about "sabotaging, chiding in obliquity, refusing to 'revisit' talk of U.N. Security Council Resolution [sic] 181." "Talk? Arafat's been on a global campaign to revive it.

Compared to the bluntness of the administration's treatment of an Netanyahu, the administration's non-pursuing of 181 revealed how far into Arafat's corner it has maneuvered itself.

And with serious damage to the peace process. After all, Arafat has moved the goal posts. The 181 maneuver will make it infinitely harder for Barak to negotiate the kind of final settlements with the Palestinians that Clinton has been pushing for six years.

Why then the silence? Isn't it for an administration that says it is in Oslo to publicly repudiate Arafat's 181 maneuver that undermines it? How can an administration that calls itself the friendliest ever to Israel not denounce Arafat's brazen international campaign for the territorial dismantling of pre-'77 Israel?

Charles Krauthammer writes a weekly, nationally syndicated column for the Washington Post. His column is distributed by the Washington Post Writers Group. © Copyright 1999 The Washington Post Co.

Voice of The Times

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Martians beware

OUT OF SIGHT, and almost out of mind, the Ballistic Missile Early Warning facility at Clear Air Force Station, near Fairbanks, continues serving the nation as an important element in America's defense shield. It's a shield that's about to get a lot better.

Ground was broken on April 16 for a \$106 million project to replace the existing mechanical radar with what is known as a PAVE PAWS system.

Don't be alarmed by all the acronyms. PAVE is an Air Force program name, and PAVE stands for Phased Array Warning System. The purpose of the upgrade is to modernize the operations and capabilities of the system and expand the range and coverage of its eye in the sky.

And despite the big-ticket dollars involved, an Air Force announcement says the new radar will use existing equipment being shipped to Alaska from a PAVE PAWS site in Eldorado, Texas. The result, officials said, will be a cost savings of \$140 million.

The Clear facility is operated by the 13th Space Warning Squadron, part of the 21st Space Wing at Peterson AFB, Colo. Its mission is to provide tactical warning and attack assessment of sea-launched and intercontinental ballistic missiles.

Another top assignment for the military in Alaska.

Catching on

VICE PRESIDENT Al Gore has endorsed a couple of proposed changes in the way Congress funds the federal government. They should sound familiar because they're suggestions that also are on the table in Alaska.

Addressing a conference of the Association of Public Administration in Washington, Gore said he supports both a results-based government and a plan to pay the costs on a two-year budget basis.

The Alaska Legislature passed a results-based budget act this year. It will require state agencies to define measurable, specific objectives, then report annually on progress made on them.

This will assist lawmakers and the administration in identifying programs that can be eliminated, consolidated, expanded or otherwise altered — based not on the lobbying of interest groups but on a true measure of a program's effectiveness and efficiency.

A biennial budget proposal was introduced this year by House Speaker Carl Phillips, R-Homer. Her purpose is to get a discussion started on the advantages of budgeting every two years rather than annually. The first hearing on the biennial budget idea was held April 30.

It's good to see the vice president following in Alaska's footsteps.

Old transportation ideas float to the surface

By LEW M. WILLIAMS JR.
KETCHIKAN — We can hear Haugen hollering from heaven: "I told you so."

Ernie Haugen was mayor of Petersburg just before and just after statehood and served many years in the state House. When Alaskans were considering building the Alaska Marine Highway ferry system, Haugen led a Petersburg delegation which proposed a system of shuttle ferries serving the Southeast Panhandle with road extensions out of communities in order to shorten the ferry runs.

Haugen and Petersburg lost out to Ketchikan and Juneau pushing the through-ferry idea with ships running between Prince Rupert and Haines.

This year, State Department of Transportation planners are visiting Southeast communities touting a ferry and road plan they have worked out with Southeast mayors almost exactly like Haugen and company proposed 40 years ago. Haugen died a half-dozen years ago but must be smiling down on the state's new plan.



Williams

Haugen served on the territorial highway board in the 1950s. That board designated which road and harbor projects received the meager funds then available to the territory. Alaska didn't participate in the federal highway program then, although Alaskans paid the gasoline tax which funded the federal highway program.

John LeFever, mayor of Cordova for many years, served on the highway board with Haugen. He was a powerful advocate of building the Copper River Highway from the Richardson Highway into Cordova following the long abandoned right-of-way of the Copper River and Northwestern Railway. Longtime Cordova residents say the road would have been built if LeFever had lived 10 more years.

He has been dead 30 years and the mood of the town has switched. Anti-development environmentalists, anti-warrior rednecks and millionaire fishermen (who make more money out of Exxon Valdez court decisions than fishing nets) oppose a road or even the prospect of a hiking trail along the route.

The trail idea was once offered by Gov.



Tony Knowles, a strong advocate of hiking trails throughout the state.

LeFever must have broken into a slight smile from on high about the suggestion of a trail following the Copper River route. It isn't a full road, but trails and a new governor might make it a road some day.

Knowles is only half-hearted in pushing a trail plan, probably as the result of environmentalists' opposition. It's not in the latest state transportation plan. But there is money to pay for 10 miles of hiking trail alongside the portion of the Copper River Highway still used.

Knowles should encourage his transportation planners to extend the Copper River Hiking Trail, or whatever they are going to call it, to the old Katalla townsite, across the river from Cordova, and from there down the coast of the Gulf of Alaska to Cape Yakataga.

More than 50 miles of highway extend from Cape Yakataga to Icy Bay that can be converted to a hiking trail after logging is completed in the area. It's beautiful country, which logging hasn't destroyed. Some of the prettiest forest is in second growth on land logged 35 years ago. A trail from the Richardson to Katalla, to Icy Bay would be unmatched anywhere in the world.

In the state's 1998-2000 state transportation improvement program, not much is listed for the shuttle ferry and road program in Southeast, except for building a ferry terminal to support a shuttle ferry between Saxman (Ketchikan) and Walden Point Road out

of Malakatia. But the Department of Transportation proposes a lot of projects to upgrade existing ferries and terminals.

It also proposes building four miles of road out of Cordova to a deeper port site at Shepard Point so that tour ships have a place to land. (We love tourists in Ketchikan. So will Cordova.) And it proposes widening and paving 10 miles of the Copper River Highway out of Cordova after 2000.

Maybe the next governor will get to finish the Knowles' Copper River Hiking Trail. And the governor after that can turn it into a highway so Cordova can compete with ports at other highway terminuses — Seward, Valdez and Whittier.

The state's six-year Statewide Transportation Improvement Plan towers the state from one end to the other, from replacing a trestle at the ferry landing near Hyder, the southern-most Alaska town hooked to the continental highway system, to an Arctic coastal lookout at the end of the Dalton Highway.

In between, each community in the state gets highway, ferry, bike path and associated improvements from more than \$300 million a year in federal funds, matched by 10 percent by the state.

The biggest transportation project is the \$131 million of the \$310 million plan the governor has for improving Anchorage International Airport. The smallest is a tossup between relocating the Aniak Barge Access Road and lighting the Married Man's Trail along Ketchikan's historic Creek Street, the old red light district now frequented by tourists. Each is \$50,000 or less.

With a gubernatorial and legislative election this year, a number of veteran aides are going into jobs with more future security. That means new people are being hired.

One new aide was standing in front of a paper shredder with a puzzled look. An experienced secretary asked if she could help.

"Yes, how does it work?"

The secretary turned on the switch, inserted the newcomer's document and turned to leave.

"One minute," the new aide said. "Where do the copies come out?"

Lew Williams Jr. is a retired Ketchikan newspaper publisher whose e-mail address is: lewy@ak.net

Voice of

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Alaskan many t

By JIM CRAWFORD
Anchorage Mortgage

The Times editor (April 25), was good. Printing our expanding unnecessary story of mainly the fulfillment of conservative electoral voters were re-elected they had said what they do, then did what their word. That's r of Clinton doublespe

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Too darned long

WITH THE end of the 1997 legislative session in sight, let's suggest again, that it's time to make a fundamental change in the way Alaska lawmakers do their business.

We're not talking about the conduct or results of this session. We are not criticizing legislators, individually or collectively.

The change that's needed is in the system itself.

Simply put, the state's annual legislative sessions last too long.

As things now stand, lawmakers meet for four months every year.

For one-third of every year, the principal focus of government is on events happening in the state House and Senate. The workings of the bureaucracy may go on, albeit with some considerable distractions from the Capitol, but the attention of the top administration leaders — the commissioners, their deputies and various department heads — is riveted on what is happening in the Legislature.

Once adjournment is reached, each department of the government spends the next three months dealing with implementation of any new laws that affect their respective operations, and struggling with financial changes caused by budget cuts and changes in line-item appropriations.

And during the final one-third of the year the administration — all the departments, commissioners, deputy commissioners and workers down the line — must concentrate on planning for the next session, preparing new bills for introduction, working on the next budget, and generally gearing up to do battle all over again.

It's a wonder anything gets done.

THERE IS a solution.

By statute or by constitutional amendment, it should be mandated that the Legislature handle the state budget process on a two-year cycle — rather than dealing with appropriations annually.

Every other year, legislators should meet for a short session — 45 days at the maximum — to consider only a biennial budget. No other legislation would be considered, other than that required to address items that are judged to be absolute emergencies.

On the alternate years, the legislators would meet to consider general legislation — no budget work at all. Without the need to deal with budgets and funding, the work of this session would not require lawmakers to be in Juneau for four months of the year.

Maybe, under this scenario, they could get the work done in 60 days. Certainly 90 would be sufficient, under any circumstances.

The grim need for legislators to be in Juneau for a third of the year would be eliminated. And the administration would have much more time to concentrate on the job of running the state.

This is not rocket science. This is not plowing new fields in government. Any number of states now operate, very successfully, in this fashion. So should Alaska.

Let me, however, comment in the editorial that account for up state's income were may be true of Gen but it is certainly n come of the state is tion is an important

According to the agement and Budget cal year 1996 was \$ \$1.9 billion came fr

Investment Income Permanent Fund and counts into which illi di- enues have been depash of — generated \$2 billion billion came from

In other words, th on new oil revenues, addi- total revenue collect year. Why is it impes of distinction?

Because the fallacring dependency affects A secy and stifles the statio an international investmeagen

If you were on We lost rating bonds for a nae air that's 85 percent dep source of income), wpaid the interest rate? Incrod it affect every communt chor- 85 percent fallacy all marriage or apartment b no of for interest, and th businesses or indivi In- owner for rent. In- right

Every renter in Al cer- vidual or a business, is our for the continuation! fallacy. Our cost of ad- business facilities is fied, than comparable ure, acc- Wall Street believes rest- economy heavily depstate industry. A one-horse fund

do not invest here. They a percent assertion, believ for total state revenues third of the revenues use ing budget.

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I encourage The Time get out the word that Al- ing, diversified economi decreasing dependency c sector of the economy l strength. The state is in for building our future share this information and with fellow Alask- benefits would be immec

Jim Crawford is a former politician Party of Alaska and dental and commercial mar-

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LETTERS TO



Phillips floats budget change

By MARK SABBATINI.

THE JUNEAU EMPIRE

Having the Legislature draft a budget every two years, with a shortened session in off-years, will be proposed this session by House Speaker Gail Phillips.

A biennial budget process would save considerable time and money by reducing the workload required to put budgets together, said Phillips, a Homer Republican. But skeptics said the proposal has been considered and rejected before, largely because Alaska's reliance on oil revenues makes accurate long-range forecasting difficult.

Phillips said she will introduce the bill during the coming legislative session, but is expecting serious debate to last until 1999.

"What I just want people to do this year is go around, have a couple hearings on it and let people start talking about it and start working on it again next year," she said.

Phillips didn't specify how much shorter the second-year session would be. But she said state agencies would benefit from not having to wait until its conclusion to make their own budget decisions.

Please turn to Budget, Page 8

Budget...

Continued from Page 1

"When they know that 'This is going to be our budget for a two-year period of time,' I think the planning ability for them is much strengthened," she said.

The problem with the proposal is Alaska's income is more unpredictable than Washington and other states that have biennial budgeting, said Rep. Kim Elton, a Juneau Democrat.

"I think that the danger of that is our annual revenues can fluctuate fairly widely because more than 80 percent of our budget is dependent on oil," he said.

"If the price of oil goes from \$18 to \$16 (a barrel) we're going to be spending a lot of time in those nonbudget years dealing with the fluctuations."

State revenue officials originally predicted a spending gap of hundreds of millions of dollars in last year's budget, but an unexpected price surge instead

brought a surplus, Elton said.

Annalee McConnell, budget director for Gov. Tony Knowles, said problems could be corrected through supplemental budgets, something done now to cover shortfalls, and the \$3.3 billion Constitutional Budget Reserve protects the state when shortages occur. She said her office has done some research into a biennial budget and has an interest in it, believing it could be a significant time-saver.

"I think in many areas of the budget where you have the same thing every year . . . you're not going to make drastic changes," she said.

Rep. Mark Hanley, an Anchorage Republican who co-chairs the House Finance Committee, said the idea merits consideration, although other states using it generally have fluctuations of less than 2 percent in their budgets. He said he didn't know how much time would be saved in off-years, noting finance officials would proba-

bly have to do some advance work for the following year.

"Obviously the budget part would cut down easily a month," he said. "It's one of those things where we don't know. If the constitutional limit was 60 days, we'd get out of there in 60 days."

Senate Minority Leader Jim Duncan, a Juneau Democrat, said the same proposal has been introduced several times, including by former Anchorage Democratic Rep. Kay Brown several years ago. He said Phillips can achieve her goal of shorter working sessions without the bill, but doubts lawmakers in the Republican-led majority would want to.

"You can do a budget each year and the session can still be short," he said. "It's up to the leadership to get their priority legislation through."

"I think members of the majority are going to be very hesitant to leave without getting some of their priority issues through."



THE ONE THING I WOULD CHANGE ABOUT CONGRESS...

Bring on Biennial Budgeting

Two-Year Fiscal Planning Would Make Government More Effective and Efficient

By Rep. Bob Ney
Ohio Republican and
member of the House
Administration Committee

The time is here to change our budget process. Specifically, I believe we need to implement a biennial federal budget.

As the former chairman of the Appropriations Committee in the Ohio Senate, I have seen firsthand how biennial budgeting improves public policy and the efficiency of government.

Year after year, Congress works through grueling budget negotiations, hearings and markups. After months of hard work passing the annual federal budget, the process immediately begins all over again. Very simply, I believe the current process doesn't allow nearly enough time for Congress to perform its oversight responsibilities, or for federal agencies to implement the law efficiently. We can do better.

I support the current push, being led by Rep. David Dreier (R-Calif.), to implement a two-year federal budget. If a two-year budget process replaced the current annual process, it would work in the following way:

At the beginning of each Congress, the president would submit a two-year budget instead of a one-year budget. Congress would then pass a two-year budget resolution and two-year appropriations bills. After all 13 appropriations bills have been signed into law, Congress would then have a full year to conduct crucial oversight of federal agencies and spending.

Implementing a biennial budget is about more than just changing the budget process in Washington. It is about making the bureaucracy more responsible and making lives better for the people we represent. By allowing for more Congressional oversight of federal spending and government programs, we will help federal



Photo by Rebecca Roth

If biennial budgeting were to be instituted, Appropriations Committee members, including (from left) Sens. Daniel Inouye, Tom Harkin and Arlen Specter, could spend a full year conducting "crucial oversight of federal agencies and spending," writes Rep. Bob Ney.

agencies deliver better services and reduce the cost of wasteful spending.

Think about it. Federal agencies are currently administering the fiscal 2000 budget, submitting their requests for the fiscal 2001 budget and analyzing potential budget proposals for fiscal 2002. If we can reduce the time, energy and money these agencies spend preparing for the budget process, more time can be spent increasing efficiency and eliminating waste.

This is not a partisan issue. It is supported by leaders in both parties as well as experts in public policy. All these people agree a biennial budget will provide Congress with a management tool to better plan short-term and long-term spending.

Millions of individuals as well as thousands of local governments and organizations depend on federal funding for their individual

concerns or community interests. A two-year budget will give these people and communities more confidence in their planning programs. If we can better serve our constituents and reduce wasteful spending by changing the budget process, shouldn't we move forward? I believe so.

Implementing these structural changes will go a long way toward truly changing the way Washington works. As a state Senator in Ohio, I worked on the two-year budget and personally realized that the importance of legislative oversight can not be overstated. Whether it is a state or federal legislature, parallels can be seen. Like most states, Ohio has to balance its budget every year.

We had to make many tough decisions to pass our budgets. But because of our oversight, we were able to greatly reduce spending in state agencies to save taxpayers' money — without hurting services. With the tough decisions Congress is making to restore fiscal

responsibility to Washington, I believe more time for oversight would improve the implementation of public policy.

Unfortunately, that type of oversight is missing in Washington. We have made some progress in terms of reining in an out-of-control bureaucracy. But much more needs to be done.

Old programs continue to be funded without making improvements, overlapping bureaucracies don't operate efficiently and taxpayers' money is being spent to fund projects that don't work.

Biennial budgeting would not solve all the problems of waste and inefficiencies in government, but it is another important step we should take. By taking this step, we can work together to improve the efficiency of government, reduce waste and fraud in the Washington bureaucracy and improve the lives of the people we represent. I believe the time is finally right for us to take that step.



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Table 6.1
STATE BUDGETARY CALENDARS

State	Budget guidelines to agencies	Agency requests submitted to governor	Agency hearings held	Governor's budget sent to legislature	Legislature adopts budget	Fiscal year begins	Frequency of legislative/budget cycles
Alabama	September	Nov/Dec	January	February	Feb/May	October	Annual/Annual
Alaska	July	October	November	December	May	July	Annual/A annual
Arizona	June 1	September 1	Nov/Dec	January	Jan/April	July	Annual/Annual (a)
Arkansas	March	July	August	Sept/Dec	Jan/April	July	Biennial/Biennial
California	July/Nov	Aug/Sept	August/Nov	January 10	June 15	July	Annual/Annual
Colorado	June	August 1-15	August/Sept	January 15	May	July	Annual/Annual
Connecticut	July	September	February	February	May/June (b)	July	Annual/Biennial
Delaware	August	Oct/Nov	Oct/Nov	January	June 30	July	Annual/Annual
Florida	June	September	November	December	March	July	Annual/Annual
Georgia	May	September	Nov/Dec	January	March	July	Annual/Annual
Hawaii	July/Aug	September	November	December	April	July	Annual/Biennial
Idaho	June	September	...	January	March	July	Annual/Annual
Illinois	September	Nov/Dec	Nov/Dec	March	June	July	Annual/Annual
Indiana	...	...	...	...	...	July	Annual/Biennial
Iowa	June	September	Nov/Dec	January	April/May	July	Annual/Annual
Kansas	June	September	November	January	May	July	Annual/Annual (c)
Kentucky	July	October	...	January	April	July	Biennial/Biennial
Louisiana	September	November	February	February	June	July	Annual/Annual
Maine	July	September	Oct/Dec	January	June	July	Biennial/Biennial
Maryland	June	August 31	Oct/Nov	January	April	July	Annual/Annual
Massachusetts	August	October	October	January	June	July	Annual/Annual
Michigan	October	November	December	(d)	July	October	Annual/Annual
Minnesota	May/June	October 15	Sept/Oct	January (e)	May	July	Annual/Biennial
Mississippi	June	August	...	November 11	...	July	Annual/Annual
Missouri	July	October	...	January	April/May	July	Annual/Annual (f)
Montana	Dec/August	May/Oct	May/Oct	January	April	July	Biennial/Biennial
Nebraska	July	September	Jan/Feb	January	April	July	Annual/Biennial
Nevada	May/June	September	Sept/Dec	January	June	July	Biennial/Biennial
New Hampshire	August	October	November	February	May	July	Annual/Biennial
New Jersey	July/August	October	...	January	June	July	Annual/Annual
New Mexico	July	September	Sept/Dec	January	Feb/March	July	Annual/Annual
New York	July	September	Oct/Nov	January	March	April	Annual/Annual
North Carolina	January	August	Sept/Nov	February	June	July	Biennial/Biennial
North Dakota	March	June/July	July/Oct	December	Jan/April	July	Biennial/Biennial
Ohio	July	Sept/Oct	Oct/Nov	February (g)	June	July	Annual/Biennial
Oklahoma	July	October	Oct/Dec	February (h)	May (i)	July	Annual/Annual
Oregon	Jan/June	September	Sept/Nov	January	Jan/June	July	Biennial/Biennial
Pennsylvania	August	October	Dec/Jan	February (j)	June	July	Annual/Annual
Rhode Island	July	October	Nov/Dec	February	June	July	Annual/Annual
South Carolina	August	September	...	January	June	July	Annual/Annual
South Dakota	June/July	September	Sept/Oct	December	March	July	Annual/Annual
Tennessee	August	October	November	January (j)	April/May	July	Annual/Annual
Texas	March	July/Nov	July/Sept	January	May	September	Biennial/Biennial
Utah	July	September	Oct/Nov	December	February	July	Annual/Annual
Vermont	September	October	Nov/Dec	January	May	July	Annual/Annual (k)
Virginia	April/August	June/Sept	Sept/Oct	December	March/April	July	Annual/Biennial
Washington	April	September	October	December	May	July	Annual/Biennial
West Virginia	July	September	Oct/Nov	January	March	July	Annual/Annual
Wisconsin	June	September	...	January	June/July	July	Biennial/Biennial
Wyoming	May 15	September	November	December	March	July	Annual/Biennial

Source: National Association of State Budget Officers, *Budgetary Processes in the States* (February 1995).

Key:

... — Not applicable

(a) Agencies are divided into major budget units and other budget units. Major budget units submit annual budget requests. Other budget units submit biennial budget requests.

(b) Legislature adopts budget during June of odd years, May of even years.

(c) Twenty agencies are on a biennial budget cycle. The rest are still on an annual cycle.

(d) Within 30 days after legislature convenes in regular session, except when a newly elected governor is inaugurated when presentation must occur within 60 days after legislature convenes.

(e) Fourth Tuesday.

(f) There is a constitutional authority to do annual and biennial budgeting. Beginning in Fiscal 1994, the operating budget has been on an annual basis while the capital budget has been on a biennial basis.

(g) Budget submission delayed to mid-March for new governors.

(h) First Monday.

(i) Last Friday.

(j) Budget is submitted in March when governor has been elected for first full term. In Tennessee, budget may be submitted by March 1 during the first year of a governor's term.

(k) State Constitution prescribes a biennial legislature; in practice, legislature meets annually, in regular and adjourned sessions.

Table 3.2
LEGISLATIVE SESSIONS: LEGAL PROVISIONS

State or other jurisdiction	Year	Regular sessions			Limitation on length of session (a)	Special sessions		
		Legislature convenes		Legislature may call		Legislature may determine subject	Limitation on length of session	
		Month	Day					
Alabama	Annual	Jan. Apr. Feb.	2nd Tues. (b) 3rd Tues. (c, d) 1st Tues. (c)	30 L in 105 C	No	Yes (f)	12 L in 30 C	
Alaska	Annual	Jan. Jan.	2nd Mon. 3rd Mon. (g)	120 C (h)	By 2/3 vote of members	Yes (i)	30 C	
Arizona	Annual	Jan.	2nd Mon.	(j)	By petition, 2/3 members, each house	Yes (i)	None	
Arkansas	Biennial- odd year	Jan.	2nd Mon.	60 C (h)	No	Yes (f, k)	(k)	
California	(l)	Jan.	1st Mon. (d)	None	No	No	None	
Colorado	Annual	Jan.	2nd Wed.	120 C	By request, 2/3 members, each house	Yes (i)	None	
Connecticut	Annual (m)	Jan. Feb.	Wed. after 1st Mon. (n) Wed. after 1st Mon. (n)	(p)	Yes (q)	(q)	None (r)	
Delaware	Annual	Jan.	2nd Tues.	June 30	Joint call, presiding officers, both houses	Yes	None	
Florida	Annual	Feb.	Tues. after 1st Mon. (d)	60 C (h)	Joint call, presiding officers, both houses	Yes (f)	20 C (h)	
Georgia	Annual	Jan.	2nd Mon.	40 L	By petition, 3/5 members, each house	Yes (i)	(a)	
Hawaii	Annual	Jan.	3rd Wed.	60 L (h)	By petition, 2/3 members, each house	Yes	30 L (h)	
Idaho	Annual	Jan.	Mon. (n) or nearest 9th day	None	No	No	20 C	
Illinois	Annual	Jan.	2nd Wed.	None	Joint call, presiding officers, both houses	Yes (i)	None	
Indiana	Annual	Jan.	2nd Mon. (d, t)	odd-61 L or Apr. 30; even-30 L or Mar. 15	No	No	30 L or 40 C	
Iowa	Annual	Jan.	2nd Mon.	(u)	By petition, 2/3 members, both houses	Yes (i)	None	
Kansas	Annual	Jan.	2nd Mon.	odd-None; even-90 C (h)	Petition to governor of 2/3 members, each house	Yes	None	
Kentucky	Biennial- even year	Jan.	Tues after 1st Mon. (d)	60 L (v)	No	No	None	
Louisiana	Annual	Mar. Apr.	1st Mon. (d, n) 1st Mon. (m, n)	odd-60 L in 85 C; even-30 L in 45 C	By petition, majority, each house	Yes (i)	30 C	
Maine	(l, m)	Dec. Jan.	1st Wed. (b) Wed. after 1st Tues. (o)	3rd Wed. of June (h) 3rd Wed. of April (h)	Joint call, presiding officers, with consent of of majority of members of each political party, each house	Yes (i)	None	
Maryland	Annual	Jan.	2nd Wed.	90 C (g)	By petition, majority, each house	Yes	30 C	
Massachusetts	Annual	Jan.	1st Wed.	(w)	By petition (x)	Yes	None	
Michigan	Annual	Jan.	2nd Wed. (d)	None	No	No	None	
Minnesota	(y)	Jan.	Tues. after 1st Mon. (n)	120 L or 1st Mon. after 3rd Sat. in May (y)	No	Yes	None	

LEGISLATIVE SESSIONS: LEGAL PROVISIONS — Continued

State or other jurisdiction	Regular sessions				Special sessions		
	Year	Legislature convenes		Limitation on length of session (a)	Legislature may call	Legislature may determine subject	Limitation on length of session
		Month	Day				
Mississippi	Annual	Jan.	Tues. after 1st Mon.	125 C (h, z); 90C (h, z)	No	No	None
Missouri	Annual	Jan.	Wed. after 1st Mon.	May 30	By petition, 3/4 members, each house	Yes	30 C (aa)
Montana	Biennial- odd year	Jan.	1st Mon.	90 L	By petition, majority, each house	Yes	None
Nebraska	Annual	Jan.	Wed. after 1st Mon.	odd-90 L (h); even-60 L (h)	By petition, 2/3 members	Yes	None
Nevada	Biennial- odd year	Jan.	3rd Mon.	60 C (u)	No	No	20 C (u)
New Hampshire	Annual	Jan.	Wed. after 1st Tues. (d)	45 L	By 2/3 vote of members, each house	Yes	15 L (u)
New Jersey	Annual	Jan.	2nd Tues.	None	By petition, majority, each house	Yes	None
New Mexico	Annual (m)	Jan.	3rd Tues.	odd-60 C; even-30 C	By petition, 3/5 members, each house	Yes (l)	30 C
New York	Annual	Jan.	Wed. after 1st Mon.	None	By petition, 2/3 members, each house	Yes (l)	None
North Carolina	(y)	Jan.	1st Wed. after 2nd Mon. (n)	None	By petition, 3/5 members, each house	Yes	None
North Dakota	Biennial- odd year	Jan.	Tues. after Jan. 3, if not later than Jan. 11 (d)	80 L (hh)	No	Yes	None
Ohio	Annual	Jan.	1st Mon.	None	Joint call, presiding officers, both houses	Yes	None
Oklahoma	Annual	Feb.	1st Mon. (cc)	160 C	By vote, 2/3 members, each house	Yes (l)	None
Oregon	Biennial- odd year	Jan.	2nd Mon. after 1st Tues.	None	By petition, majority, each house	Yes	None
Pennsylvania	Annual	Jan.	1st Tues.	None	By petition, majority each house	No	None
Rhode Island	Annual	Jan.	1st Tues.	60 L (u)	No	No	None
South Carolina	Annual	Jan.	2nd Tues. (d)	1st Thurs. in June (h)	No	Yes	None
South Dakota	Annual	Jan.	2nd Tues.	odd-40 L; even-35 L	No	No	None
Tennessee	Annual	Jan.	(dd)	90 L (u)	By petition, 2/3 members, each house	Yes	30 L (u)
Texas	Biennial- odd year	Jan.	2nd Tues.	140 C	No	No	30 C
Utah	Annual	Jan.	3rd Mon.	45 C	No	No	30 C (cc)
Vermont	(y)	Jan.	Wed. after 1st Mon. (n)	None	No	Yes	None
Virginia	Annual	Jan.	2nd Wed.	odd-30 C (h); even-60 C (h)	By petition, 2/3 members, each house	Yes	None
Washington	Annual	Jan.	2nd Mon.	odd-105 C; even-60 C	By vote, 2/3 members, each house	Yes	30 C
West Virginia	Annual	Feb. Jan.	2nd Wed. (v, d) 2nd Wed. (e)	60 C (h)	By petition, 3/5 members, each house	Yes (ff)	None
Wisconsin	Annual (gg)	Jan.	1st Mon. (n)	None	No	No	None

See footnotes at end of table

LEGISLATURES

LEGISLATIVE SESSIONS: LEGAL PROVISIONS — Continued

State or other jurisdiction	Regular sessions				Special sessions			
	Year	Legislature convenes		Limitation on length of session (a)	Legislature may call	Legislature may determine subject	Limitation on length of session	
		Month	Day					
Wyoming	Annual (m)	Jan.	2nd Tues. (n)	odd-40 L; even-20 L	No	Yes	None	
Dist. of Columbia	(hh)	Feb. Jan.	3rd Mon. (i) 2nd day	None				
American Samoa	Annual	Jan. July	2nd Mon. 2nd Mon.	45 L 45 L	No	No	None	
Guam	Annual	Jan.	2nd Mon. (ii)	None	No	No	None	
No. Mariana Islands	Annual	(jj)	(d, jj)	90 L (jj)	Upon request of presiding officers, both houses	Yes (i)	10 C	
Puerto Rico	Annual	Jan.	2nd Mon.	Apr. 30 (h)	No	No	20 C	
U.S. Virgin Islands	Annual	Jan.	2nd Mon.	None	No	No	None	

Sources: State constitutions and statutes.

Note: Some legislatures will also reconvene after normal session to consider bills vetoed by governor. Connecticut—if governor vetoes any bill, secretary of state must reconvene General Assembly on second Monday after the last day on which governor is either authorized to transmit or has transmitted every bill with his objections, whichever occurs first; General Assembly must adjourn *sine die* not later than three days after its reconvening. Hawaii—legislature may reconvene on 45th day after adjournment *sine die*, in special session, without call. Louisiana—legislature meets in a maximum five-day veto session on the 40th day after final adjournment. Missouri—if governor returns any bill on or after the fifth day before the last day on which legislature may consider bills (in even-numbered years), legislature automatically reconvenes on first Wednesday following the second Monday in September for a maximum 10 C sessions. New Jersey—legislature meets in special session (without call or petition) to act on bills returned by governor on 45th day after *sine die* adjournment of the regular session, if the second year expires before the 45th day, the day preceding the end of the legislative year. Utah—if 2/3 of the members of each house favor reconvening to consider vetoed bills, a maximum five-day session is set by the presiding officers. Virginia—legislature reconvenes on sixth Wednesday after adjournment for a maximum three-day session (may be extended to seven days upon vote of majority of members elected to each house). Washington—upon petition of 2/3 of the members of each house, legislature meets 45 days after adjournment for a maximum five-day session.

Key:

C — Calendar day

L — Legislative day (in some states called a session day or workday; definition may vary slightly, however, generally refers to any day on which either house of legislature is in session).

(a) Applies to each year unless otherwise indicated.

(b) General election year (quadrennial election year)

(c) Year after quadrennial election

(d) Legal provision for organizational session prior to stated convening date. Alabama—in the year after quadrennial election, second Tuesday in January for 10 C. California—in the even-numbered general election year, first Monday in December for an organizational session, recess until the first Monday in January of the odd-numbered year. Florida—in general election year, 14th day after election. Indiana—third Tuesday after first Monday in November. Kentucky—in odd-numbered year, Tuesday after first Monday in January for 10 L. Louisiana—in year after general election, second Monday in January, not to exceed 3 L. Michigan—held in odd-numbered year. New Hampshire—in even-numbered year, first Wednesday in December. North Dakota—in December. South Carolina—in even-numbered year, Tuesday after certification of election of its members for a maximum three-day session. West Virginia—in year after general election, on second Wednesday in January. Mariana Islands—in year after general election, second Monday in January.

(e) Other years.

(f) By 2/3 vote each house.

(g) Following a gubernatorial election year.

(h) Session may be extended by vote of members in both houses. Alaska—2/3 vote for 10-day extension. Arkansas—2/3 vote. Florida—3/5 vote. Hawaii—petition of 2/3 membership for maximum 15-day extension. Kansas—2/3 vote. Maine—2/3 vote for maximum 10 L. Maryland—3/5 vote for maximum 30 C. Mississippi—2/3 vote for 30 C extension, no limit on number of extensions. Nebraska—4/5 vote. South Carolina—2/3 vote. Virginia—2/3 vote for 30 C extension. West Virginia—2/3 vote (or if budget bill has not been acted upon three days before session ends, governor issues proclamation extending session). Puerto Rico—joint resolution.

(i) Only if legislature convenes itself. Special sessions called by the legislature are unlimited in scope in Arizona, Georgia, Maine, and New Mexico.

(j) No constitutional or statutory provision; however, legislative rules require that regular sessions adjourn no later than Saturday of the week during which the 100th day of the session falls.

(k) After governor's business has been disposed of, members may remain in session up to 15 C by a 2/3 vote of both houses.

(l) Regular sessions begin after general election, in December of even-numbered year. In California, legislature meets in December for an organizational session, recesses until the first Monday in January of the odd-numbered year and continues in session until Nov. 30 of next even-numbered year. In Maine, session which begins in December of general election year runs into the following year (odd-numbered); second session begins in next even-numbered year.

(m) Second session limited to consideration of specific types of legislation. Connecticut—individual legislators may only introduce bills of a fiscal nature, emergency legislation and bills raised by committees. Louisiana—fiscal matters. Maine—budgetary matters; legislation in the governor's call; emergency legislation; legislation referred to committees for study. New Mexico—budgets, appropriations and revenue bills; bills drawn pursuant to governor's message; vetoed bills. Wyoming—budget bills.

(n) Odd-numbered years.

(o) Even-numbered years.

(p) Odd-numbered years—not later than Wednesday after first Monday in June; even-numbered—years not later than Wednesday after first Monday in May.

(q) Constitution provides for regular session convening dates and allows that sessions may also be held "... at such other times as the General Assembly shall judge necessary." Call by majority of legislators is implied.

(r) Upon completion of business.

(s) Limited to 40 L unless extended by 3/5 vote and approved by the governor, except in cases of impeachment proceedings.

LEGISLATIVE SESSIONS: LEGAL PROVISIONS — Continued

- (l) Legislators may reconvene at any time after organizational meeting; however, second Monday in January is the final date by which regular session must be in process.
- (u) Indirect limitation; usually restrictions on legislator's pay, per diem, or daily allowance.
- (v) May not extend beyond April 15.
- (w) Legislative rules say formal business must be concluded by Nov. 15th of the 1st session in the biennium, or by July 31st of the 2nd session for the biennium.
- (x) Joint rules provide for the submission of a written statement requesting special session by a specified number of members of each chamber.
- (y) Legal provision for session in odd-numbered year; however, legislature may divide, and in practice has divided, to meet in even-numbered years as well.
- (z) 90 C sessions every year, except the first year of a gubernatorial administration during which the legislative session runs for 125 C.
- (aa) 30 C if called by legislature; 60 C if called by governor.
- (bb) No legislative day is shorter than a natural day.
- (cc) Odd number years will include a regular session commencing on the first Tuesday after the first Monday

in January and recessing not later than the first Monday in February of that year. Limited constitutional duties can be performed.

(dd) Commencement of regular session depends on concluding date of organizational session. Legislature meets, in odd-numbered year, on second Tuesday in January for a maximum 15 C organizational session, then returns on the Tuesday following the conclusion of the organizational session.

(ee) Except in cases of impeachment.

(ff) According to a 1955 attorney general's opinion, when the legislature has petitioned to the governor to be called into session, it may then act on any matter.

(gg) The legislature, by joint resolution, establishes the session schedule of activity for the remainder of the biennium at the beginning of the odd-numbered year.

(hh) Each Council period begins on January 2 of each odd-numbered year and ends on January 1 of the following odd-numbered year.

(ii) Legislature meets on the first Monday of each month following its initial session in January.

(jj) 60 L before April 1 and 30 L after July 31

Table 6.3
STATE BALANCED BUDGETS: CONSTITUTIONAL AND STATUTORY PROVISIONS,
GUBERNATORIAL AND LEGISLATIVE AUTHORITY

State or other jurisdiction	Constitutional and Statutory Provisions				Gubernatorial Authority			Legislative Authority		
	Governor must submit a balanced budget	Legislature must pass a balanced budget	Governor must sign a balanced budget	May carry over deficit	Governor has line item veto	Can reduce budget without legislative approval	Restrictions on budget reductions	Votes required to override gubernatorial veto	Votes required in pass revenue increase	Votes required in pass budget
Alabama	C,S	S	...	...	(a)	*	ATB	Majority in each chamber	Majority	Majority
Alaska	S	S	S	...	*	...	...	2/3 elected (h)	Majority	Majority
Arizona	C,S	C,S	C,S	* (c)	*	*	(d)	2/3 elected	2/3 elected (e)	Majority
Arkansas	S	S	S	...	*	...	...	Majority elected	3/4 elected	3/4 elected
California	C	...	...	*	*	...	...	2/3 elected	2/3 elected	2/3 elected
Colorado	C	C	C	...	*	*	...	2/3 both chambers	Majority (f)	Majority
Connecticut	S	C,S	C	...	*	*	MR	2/3 both chambers	Majority (g)	Majority (g)
Delaware	C,S	C,S	C,S	...	*	* (h)	*	2/3 elected	3/5 elected	Majority
Florida	C,S	C,S	C,S	...	*	* (i)	MR	2/3 elected	Majority	Majority
Georgia	C	C	C	...	*	*	ATB	2/3 elected	Majority	Majority
Hawaii	C,S	...	C,S	...	*	* (j)	...	2/3 of members	Majority	Majority elected (k)
Idaho	...	C (l)	...	...	*	* (m)	* (m)	2/3 elected	Majority	Majority
Illinois	C,S	C	...	*	*	...	...	Majority 3/5 (n)	Majority	Majority 3/5 (n)
Indiana	...	...	...	...	*	*	...	Majority	Majority	Majority
Iowa	C,S	S	...	...	*	*	ATB	2/3 vote	Majority	Majority
Kansas	S	C,S	...	...	*	...	ATB (o)	2/3 elected	Majority	Majority
Kentucky	C,S	C,S	C,S	...	*	*	...	Majority	2/3 elected	Majority
Louisiana	C,S	C,S	C,S	*	*	*	MR	2/3 elected	(p)	Majority
Maine	C,S	C	C,S	...	...	...	ATB (q)	2/3 elected	Majority	Majority (r)
Maryland	C	C	...	*	...	*	*	(s)	Majority	Majority
Massachusetts	C,S	C,S	C,S	...	*	*	...	2/3 present	Majority	Majority (t)
Michigan	C,S	C	C,S	*	*	*	(v)	2/3 elected	Majority	Majority
Minnesota	S	S	C,S	...	*	*	MR	2/3 elected	Majority	Majority
Mississippi	S	S	...	...	*	*	...	2/3 elected	3/5	Majority
Missouri	C	...	C	...	*	*	...	2/3 elected	Majority	Majority
Montana	S	C	...	...	*	* (v)	MR	2/3 elected	Majority	Majority
Nebraska	C	S	...	...	*	...	*	3/5 elected	Majority	3/5 elected
Nevada	S	C	C	...	...	*	MR	2/3 elected	Majority	Majority
New Hampshire	S	...	...	...	...	...	...	2/3 elected	Majority	Majority
New Jersey	C	C	C	...	*	* (w)	...	2/3 elected	Majority	Majority
New Mexico	C	C	C	...	*	...	...	2/3 elected	Majority	Majority
New York	C	...	...	...	*	* (x)	(a)	2/3 elected	Majority	Majority
North Carolina	C,S	S	...	...	...	* (y)	...	...	Majority	Majority
North Dakota	C	C	C	...	*	*	ATB	2/3 elected	Majority (z)	Majority (z)
Ohio	C	C	C	...	* (aa)	*	*	(bb)	Majority	Majority
Oklahoma	S	C	C	*	*	* (cc)	*	2/3 elected (dd)	3/4 elected	Majority
Oregon	C	C	C	*	*	*	MR	2/3 elected	Majority	Majority
Pennsylvania	C,S	...	C	...	*	* (ee)	...	3/3 elected	Majority elected	Majority elected
Rhode Island	C	C	S	...	...	*	*	3/5 present	Majority	2/3 both houses
South Carolina	C	C	C	...	*	* (ff)	*	2/3 present	Majority	Majority

STATE BALANCE BUDGETS — Continued

State or other jurisdiction	Constitutional and Statutory Provisions				Governatorial Authority			Legislative Authority		
	Governor must submit a balanced budget	Legislature must pass a balanced budget	Governor must sign a balanced budget	May carry over deficit	Governor has line item veto	Can reduce budget without legislative approval	Restrictions on budget reductions	Votes required to override gubernatorial veto	Votes required to pass revenue increase	Votes required to pass budget
South Dakota	C	C	C	*	*	...	...	2/3 elected	2/3 elected	Majority
Tennessee	C	C	C	...	*	*	...	Majority	Majority	Majority
Texas	...	C,S	...	...	*	*	...	2/3 present	Majority	Majority
Utah	C,S	C,S	...	...	*	*	ATB (gg)	2/3 elected	Majority	Majority
Vermont	...	...	...	*	...	(hh)	*	2/3 elected	Majority	Majority
Virginia	(ii)	...	...	...	*	*	MR (jj)	2/3 members present (kk)	Majority	Majority
Washington	S	...	...	...	...	*	ATB	2/3 elected	Majority	Majority
West Virginia	...	C	C	...	*	(ll)	*	2/3	Majority	Majority
Wisconsin	C	C	...	*	*	...	...	2/3 elected	Majority	Majority
Wyoming	...	...	...	...	*	*	...	2/3 elected	Majority	Majority
Puerto Rico	C	C	C	...	*	*	...	2/3 elected	Majority	Majority

Sources: National Association of State Budget Officers, *Budgetary Processes in the States* (February 1995); updated April 1996 by The Council of State Governments. Update reflects literal reading of state constitutions and statutes.

Key:

- C — Constitutional
- S — Statutory
- ATB — Across the board
- MR — Maximum reduction dictated
- * — Yes
- ... — No

(a) The governor may return a bill without limit for recommended amendments for amount and language, as long as the legislature is still in session.

(b) Joint session.

(c) May carry over "casual deficits," i.e., not anticipated.

(d) Governor may reduce budgets of administration-appointed agencies only.

(e) If the Governor vetoes the increase, it requires a vote of three-fourths of elected members to override the veto.

(f) All tax increases must be approved by a vote of the people.

(g) Must have quorum.

(h) Budget reductions are limited to executive branch only.

(i) The elected cabinet (administrative commission) for the Executive Branch and the Chief Justice of the Supreme Court for the Judicial Branch are authorized to resolve deficits under \$300 million. Deficits over \$300 million shall be resolved by the legislature.

(j) The Governor's authority to reduce budgets can be done only pursuant to existing statutes.

(k) If general fund expenditure ceiling is exceeded, two-thirds vote required; otherwise majority of elected members.

(l) Although the constitution requires that the legislature pass a balanced budget, there are no sanctions if they do not.

(m) The Governor's authority to reduce budgets is temporary. The State Board of Examiners (Governor, Attorney General and Secretary of State) have permanent appropriation reduction authority.

(n) If the Governor vetoes a bill or an item of appropriation entirely, the legislature can override him with a three-fifths vote in each house. If the Governor amendatorily vetoes language or reduces an item of appropriation, the legislature can accept the amendatory changes or restore the item or appropriation to its original amount with a majority vote in each house. Appropriations require a majority vote in each house if passed prior to midnight on June 30th of each year and require a three-fifths vote in each house if passed after that point.

(n) Reductions allowed only to get back to a balanced budget.

(p) 2/3 elected (tax), majority (fee).

(q) Governor may expend funds up to one year. Certain restrictions apply to ATB reductions.

(r) For emergency enactment, two-thirds votes required.

(s) Governor has no veto power over the budget bill.

(t) For capital budget, two-thirds votes required.

(u) There are both statutory and constitutional restrictions on executive branch authority to make budget reductions, involving approval by both House and Senate appropriations committees.

(v) May reduce appropriations by 15 percent except debt service, legislative and judicial branch appropriations, school foundation programs and salaries of elected officials.

(w) May not reduce debt service.

(x) May reduce budget without approval only for state operations; only restriction on reductions is that reductions in aid to localities cannot be made without legislative approval.

(y) Except for certain block grants.

(z) Emergency measures and measures that amend a statute that has been referred or enacted through an initiated measure within the last seven years must pass both houses by a two-thirds majority.

(aa) Line item veto in appropriation act only.

(bb) Two-thirds if appropriation or tax, three-fifths for all others.

(cc) Would require agreement of agency governing boards and/or CEO.

(dd) Emergency measures require a three-fourths vote for passage.

(ee) The governor may reduce budgets selectively; he must provide 10 days prior notice and the reasons for so doing before lapsing current year grant and subsidy money.

(ff) The Budget and Control Board can authorize an across-the-board agency reduction when there is a revenue shortfall. When in session, the General Assembly has five statewide session days to take action to prevent the reduction.

(gg) Some restrictions, i.e. cannot cut debt services.

(hh) The Governor may reduce expenditures but not appropriations.

(ii) Requirement applies only to budget execution. The governor is required to insure that actual expenditures do not exceed actual revenues.

(jj) The Governor has power to withhold allotments of appropriations, but cannot reduce legislative appropriations.

(kk) Two-thirds of members present includes a majority of the members elected. The revenue stabilization fund was approved by voters in November of 1992.

(ll) May reduce spending authority.

BUDGETS

Alaska Support Industry**ALLIANCE**

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GENERAL MANAGER

Karen Cowart



Karen Cowart
Testimony

THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

**THE ALASKA SUPPORT INDUSTRY ALLIANCE
POSITION**

regarding

HJR 2 "BIENNIAL STATE BUDGET"

Presented by Alliance General Manager Karen Cowart

March 22, 2000

Good afternoon and thank you Mr. Chairman and members of the committee for allowing me this opportunity to address this body on HJR 2, a resolution to amend Alaska's Constitution relating to a biennial state budget process.

The Alaska Support Industry Alliance is a non-profit trade association representing over 350 members engaged in business within the oil, gas, and mining industries. Collectively, we represent over 25,000 employees. Our mission is to foster and promote the safe and environmentally sound development of Alaska's natural resources.

We believe state government should do business like a business and investigate new ideas that would allow government to do more with less – be more efficient and effective in planning and executing our state budget and budget process. Budgetary efficiency would send a message to potential investors that we have a solid and sound fiscal plan, and our "House is in order – a good place to do business".

We believe a two-year budget cycle could result in the following:

- ✓ An opportunity for agency planning – proactive spending habits instead of reactive spending dialogue;
- ✓ The opportunity to analyze state programs based on performance and results prior to yearly budget appropriations;
- ✓ The potential for a shortened legislative session, thereby saving state dollars and resources; and
- ✓ A greater utilization of all 60 legislators and their expertise. Traditionally, the Senate/House Finance Committees are made up of the more senior members of each body. The House Finance Committee members serve on no other committee. In many cases, we are missing their valuable input, wisdom and vast experience in legislation creation due to physical time restraints. A two-year process would give all legislators a chance to voice their opinions in the early stages of legislation and budget development.

But, what about emergency needs or supplemental requirements? A biennial budget process would not preclude supplemental budget considerations due to circumstances of need. These could be addressed on a case-by-case need.

Nevertheless, the process would free up legislators to focus attention – one year on budget, one year on legislation.

Twenty states have already adopted a biennial budget process. That's a good indication that other states are "thinking outside the box".

We believe Alaska needs to embrace a new way of thinking. We must look at new and innovative ways to conduct business. We encourage the dialogue on a biennial budget process to continue.

THANK YOU.

Alaska Regional Development Organizations

Annual Report

Anchorage Economic Development
Corporation



Arctic Development Council

Bering Strait Alaska Regional
Development Organization

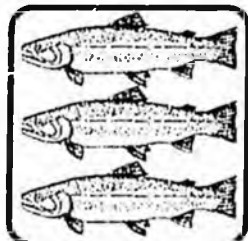
Copper Valley Economic Development
Council



Interior Rivers Economic Development
Council

Kenai Peninsula Borough Economic
Development District

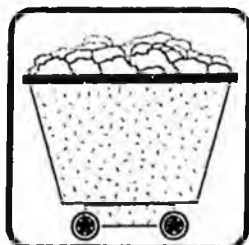
Lower Kuskokwim Economic
Development Council



Lower Yukon Economic Development
Council

Mat-Su Resource Conservation &
Development Council

Northwest Arctic Borough Economic
Development Commission



Prince William Sound Economic
Development Council

Southeast Conference

Southwest Alaska Municipal Conference

January 2000

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SOUTHEAST CONFERENCE

Working for strong economies, healthy communities, and a quality environment in Southeast Alaska

February 20, 2000

Representative Eldon Mulder
Room 507
State Capitol Bldg.
Juneau, AK 99801-1182

Dear Representative Mulder:

The Southeast Conference would appreciate your support for the reauthorization of the Alaska Regional Development Organizations (ARDOR) Legislation. This legislation originally adopted in 1988 has a proved record of accomplishments. Statewide there are 13 ARDORs working to create strong and healthy economies in their respective regions. This program with a modest contribution from the State of Alaska has generated millions of dollars of other funds and fostered economic development throughout the state. Enclosed is the latest ARDOR Annual Report and you can see the positive ARDOR results and specifically the effort of the Southeast Conference in our region (page 14). Also enclosed is a resolution from the Southeast Conference annual meeting which was passed unanimously.

At this point Representative Austerman has introduced HB 265 in the House and the Governor has submitted SB 219. We would appreciate any assistance that you can give this very important economic development legislation.

Please do not hesitate of contact me if you have any questions.

Thank you for your support.

Sincerely,



Frank Homan
Executive Director

Enclosure:
ARDOR Annual Report
Resolution 00-12

SOUTHEAST CONFERENCE

Working for strong economies, healthy communities, and a quality environment in Southeast Alaska

A RESOLUTION URGING REAUTHORIZATION OF THE ALASKA REGIONAL DEVELOPMENT ORGANIZATION (ARDOR) PROGRAM (Resolution 00-12)

- WHEREAS** one of the most serious challenges facing Alaskans today is expansion, diversification, and stabilization of the State's economy; and,
- WHEREAS** among the most successful approaches to economic expansion, diversification, and stabilization is one that encourages and facilitates a high level of participation at local and community levels; and,
- WHEREAS** the Alaska Regional Development Organization (ARDOR) Program was established to create and sustain regional development capacity by fostering effective public-private partnerships to implement locally conceived and executed economic and community development projects; and,
- WHEREAS** the ARDOR Program will "sunset" unless reauthorized by the Legislature, and
- WHEREAS** ARDORs statewide have laid a solid foundation for greater responsibility and leadership in economic and community development at the regional level; and,
- WHEREAS** Southeast Conference has assisted the people and communities of Southeast Alaska by: 1) supporting and helping improve and expand marine and land transportation infrastructure; 2) helping communities address solid waste management, household hazardous waste disposal, and other environmental needs; and, 3) helping communities plan and execute development efforts responsive to local needs and priorities.

NOW THEREFORE BE IT RESOLVED THAT:

Southeast Conference urges the Administration and Legislature to fully support the ARDOR Program through appropriate administrative policies and appropriation of funds adequate to sustain the ARDOR mission of "building local capacity" and developing sustainable economies.

Southeast Conference urges the Administration and Legislature to reauthorize the ARDOR Program during the next legislative session.

This Resolution be sent to the Governor, the Legislature, the Department of Community and Economic Development and Alaska Industrial Development and Export Authority.

ADOPTED BY: SOUTHEAST CONFERENCE ON SEPTEMBER 30, 1999

Witness: _____
Robert W. Ward, Jr. - President Southeast Conference

Attest: _____
Frank Homan - Executive Director

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“Economic development is not simply creating a business or job—and the term means something different in each region of Alaska. Where infrastructure is in place, new business starts and job creation are the translation. Where little infrastructure exists, economic development means developing the water, energy, and transportation systems and workforce—that is, creating an environment in which development can occur. Thus, economic development, especially in areas with little infrastructure, takes time. Even when the infrastructure and resources exist, creating businesses and jobs is a capacity building process—it does not happen overnight.”

Donna Tollman, Former Executive Director,
Copper Valley Economic Development Council



Overview

The Alaska Regional Development Organizations (ARDOR) Program is the State's contribution to regional initiatives for developing Alaska's economy. In 1988, the Legislature recognized that locally driven initiatives, in partnership with the State, is the most effective approach to creating and sustaining strong, healthy economies. The Legislature established the ARDOR Program to create a network of organizations to plan and support economic development at the regional level.

There are currently 13 ARDORs. The ARDORs, like their counterparts nationwide:

- enable local officials and businesses to pool their limited resources and work together on economic development issues.
- develop partnerships among public, private and other organizations, and
- provide needed technical assistance via direct links with local citizens.

It's not the State trying to determine what's best for the region—rather it's the residents and those doing business in the region working together to create their economic future.

The ARDOR Program is providing a return for the State's investment. The State provides \$620,000 in grant funds for the ARDOR Program. As indicated on the following pages, the accomplishments of the ARDORs are impressive. Additionally, to their credit, the ARDORs have used the \$620,000 in State grant funds to leverage over \$3.5 million annually in other funds.

Communities and local organizations are making a significant financial commitment to the ARDOR program. An FY98 DCED evaluation of the ARDOR Program indicates that 96% of the required match is provided by local sources. ARDOR board member participation reflects a local commitment to the ARDOR Program. The 13 ARDOR boards, each with 10-20 members, constitutes 150+ local, civic minded individuals, who volunteer their time to achieve a stronger economic base in their region.

ARDOR boards bring together the leadership, expertise and dedication needed to generate sustainable economic development. ARDOR boards include individuals representing the private sector, land owners, school district, utilities, local government, etc.

The original intent of the ARDOR Program was to create regional entities, similar to the Southeast Conference or Southwest Alaska Municipal Conference, that could (1) improve the local economy and (2) eliminate region-wide economic development barriers, such as inadequate transportation or uncoordinated marketing efforts.

As reflected on the following pages, the ARDORs are meeting this Legislative intent. The ARDORs work on a wide range of projects. Some, like Anchorage's "Top of the World Cargo Conference" have regional or statewide impacts. Other projects, such as eco-tourism expansion, business start-up workshops, and the Kenai Business Innovation Center, assist individuals and businesses.



Issues

The ARDOR Program will sunset 6/30/00 unless the Legislature reauthorizes the Program. The reauthorization is a critical issue this Legislative Session. The very survival of many of the regional economic development councils is dependent on whether the ARDOR Program continues after 6/30/00.

If the funding for each ARDOR were to be increased above the \$50,000 level, the ARDORs could accomplish even more. Additional funding would allow the ARDORs to establish even more small business incubators, develop Internet marketing expertise, address more costly infrastructure needed for business development, focus on value-added manufacturing, etc.

Participants of the Arctic Development Council's Youth Entrepreneurship Program



Top row from left: Holly Elbert, Eugene Gueco, Timothy Aiken.

Bottom Row from left: Michelle Grimes, Ashley Brookes, Martina Leavitt, Steven Kaleak

"We are a group of 13 year olds that have gone through the Educating Youth on Entrepreneurship (EYE) program. We learned everything about starting a small business. We had to write a business plan and present it to the ADC Board of Directors for approval for a loan from the Youth Revolving Loan Fund to start our business. This program has given us the chance to be owners and operators of our own business "PHATsnacks". We make the decisions, pay the bills (including balancing the checkbook), order the inventory, and operate the concession stand. We have learned that in order for our business to be successful we need dedication and teamwork and work our scheduled time."
PHATsnacks Owners



Anchorage Economic Development Corporation

1999 Examples of Accomplishments

- New Business Incentive Program passed by Legislature and signed into law.
- BUY ALASKA available statewide on the Internet at www.buyalaska.com.
- With DCED, published Fresh and Live Seafood Reports for Korea, Taiwan and Hong Kong.
- Assisted Kinetic Aviation, Inc. with site location, permits and financing.
- Facilitated formation of advocacy group for multi-modal transportation access to the Anchorage waterfront in support of oil industry module construction projects and shipping of goods through the Port.
- Developed and published forecast and quarterly economic updates (in AEDC newsletter - circulation 32,000), presented updates to 87 audiences (ranging in size from 5 - 600 persons), and briefed Permanent Fund managers and guests of Mayor.

The Business Incentive Program provides infrastructure, equipment, key personnel relocation costs and on-the-job training for manufacturing and value added industry in Alaska. BUY ALASKA has created or retained 331 jobs with \$15.24 million retained in Alaska's economy. An increasing fraction of services are outside of Anchorage. Fresh and Live Seafood Reports are available on CD ROM and were presented at a 10/98 public symposium. Data is in support of fresh and live air cargo from Anchorage.

3 Top Economic/Business Needs

- Workforce development.
- Transportation infrastructure for commercial corridors.
- Completion of year round tourist destinations in Anchorage.

To keep more of our talented entry level graduates in the Alaska workforce, student outreach about work opportunities in aviation, health services, manufacturing and tele-communication needs to be supported with promotion campaigns and collaboration with local and "Outside" universities. Anchorage's growth patterns need to accommodate industrial development and freight mobility, as well as residential, tourist and pedestrian amenities. Additional tourist destinations, such as the Native Heritage Center, Potter Marsh Nature Center and Fisheries Industry Center at Ship Creek will enhance Anchorage's year round appeal.

2000 Goals

- Promote Anchorage as site for global logistics and light manufacturing.
- Promote Anchorage waterfront as multi-modal transportation/trade center.
- Expand base of Anchorage businesses to Alaska communities, especially health care and education.
- Promote year round tourism and convention infrastructure and destinations.
- Provide applied economic research/analysis for business opportunities in Anchorage.

FY 2000 Budget

\$47,692	State ARDOR grant
47,692	Locally generated match
1,060,616	Additional funds generated or leveraged by the ARDOR (may include State funds)
\$1,156,000	Total (The State ARDOR grant funds 4% of the total.)

Board of Directors

Executive Committee

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Jim Gorski, (Vice Chair) prof services
Gene O'Hara, (Sec/Treas) health services
Ernie Hall, manufacturing
Kirk McGee, Native corporation

Members

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William Deaver, transportation
Jim Kubitz, transportation
Max Lowe, tourism
Dale Mormon, construction and equipment
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Dana Tindali, communications
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Tennys Owens, retail
Drue Pearce, State Senator
Morton Plumb Jr., transportation
Deborah Sedwick, DCED Commissioner
B. John Shipe, Financial
Randy Simmons, industrial dev.
Dick Tremaine, Anch. Assembly
FayVon Gemmingen, Assembly

Contact

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Arctic Development Council, Inc.

1999 Examples of Accomplishments

- Continued to provide technical assistance to more than 400 individuals of the North Slope Borough, including conducting a series of 2 business plan development workshops in each of the 8 communities.
- Provided revolving loan fund financing for 2 new small businesses on the North Slope. Total active loans = 9, reflecting \$221,380 in loans. Types of loans extended: Native arts and crafts, welding services, video game rentals/sales, coffeehouse, bed & breakfast and youth-owned concession stand.
- Developed Educating Youth on Entrepreneurship (EYE) Program. This helps young adults learn all aspects of ownership and operation of a small business. The 13 EYE graduates selected a small business to own and presently operate a successful concession stand at the Barrow Roller Rink.
- Implemented Youth Revolving Loan Fund - any youth organizations in the North Slope Borough are eligible to apply for a loan. Funding ranges from \$1,000 to \$5,000. One loan approved to date - a concession stand.
- Established and presently operate a Native arts and crafts gift shop; marketing outlet for local artisans.
- Continue to operate a business incubator having 4 clients and 5 successful graduates.
- Established a business resource library in the ADC Small Business Support Center providing a centralized location for residents. The library has more than 600 business-related materials (cataloged into the local Tuzzy library system) along with 2 personal computers (including a variety of software and a funding database) for client use.
- Continue to operate Project Information Center (PIC) for North Slope contractors who may review and/or purchase upcoming construction projects for bid. This year 50 borough capital improvement project bid packets were made available in the PIC and 149 plans and specifications sold. Also, available in the PIC are procurements for state and federal government construction projects.

3 Top Economic/Business Needs

- Privatization of borough services to private industry to increase small business ownership opportunities and efficiency of operations.
- Develop cultural tourism to replace dwindling oil revenues.
- Increase circulation of dollars spent on the North Slope.

FY 2000 Goals

- Privatization of North Slope Borough services designated for private sector operations.
- Expand Youth Entrepreneurship Program to at least 1 outlying village.
- Expand Business Resource Library to the 7 outlying villages.
- Establish business incubator in at least 1 village.
- Develop gift shop into an artisan's cooperative, if the community wants one. Otherwise develop gift shop into privately-owned business.

FY 2000 Budget

\$ 47,692	State ARDOR grant
423,000	Locally generated match - North Slope Borough
0	Additional funds generated or leveraged by the ARDOR (may include State funds)
\$470,692	Total (The State ARDOR grant funds 10% of the total.)

Board of Directors

Executive Committee

Mayor Jim Vorderstrasse (Pres),
City of Barrow
Robert Harcharek (Vice-Pres),
North Slope Borough
Ron Panigeo (Treas), Ukpeagvik
Inupiat Corp
Lucy Brown (Sec), Tagiugmiulla
Nunumiullu Housing
Authority

Members

Vacant, Native Village of Barrow
Ray Jakubczak, BP Exploration
Dorcus Thompson, Cape
Smythe Air Service
Wes Osowski, National Bank of
Alaska
Forrest "Deano" Olemaun,
Arctic Slope Regional
Corporation
Lisa Asplin, Ilisagvik College

Contact

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**"I believe that ADC here in Barrow is a great asset to the people of the North Slope. When I was in need of services to put my business package together, they were of great assistance. They helped me with putting my business plan, budget and financial projections together."
Max Ahgeak, Egasak Electric Enterprises**



Lower Kuskokwim Economic Development Council, Inc.

1999 Examples of Accomplishments

- Three tourism product development tours for travel industry representatives to our region completed.
- Provided capacity building to village organizations to establish and grow local small businesses.
- Completed 2 business workshops for potential business operators.
- Promoted school-to-work activities for high school students, in partnership with the school district.
- Helped two communities seek and obtain funding to develop and implement a local economic development plan where none previously existed.
- Completed the second year of our salmon quality enhancement project, providing 75 local commercial fishermen a pay incentive for icing their catch.

The above supports job creation by providing information on business opportunities; how to access financing and technical assistance; how to operate a business successfully; educating those doing business in the region about the communities and services currently available; and giving communities a vision of how they want to improve their economy.

3 Top Economic/Business Needs

- Develop new markets for value-added fish products from our commercial salmon fisheries.
- Provide technical assistance to potential businesses, including assistance with preparing a business plan, securing financing, and managing a business successfully.
- Access to capital for business development.

The commercial salmon fishery is currently the economic mainstay of the region. Improving product marketability and new product development will increase the return to fishermen and allow for new jobs in the region.

2000 Goals

- Maintain the salmon quality enhancement project for the region's commercial salmon fishery.
- Complete economic development plans in two villages.
- Continue promoting local tourism through product development tours to our region for travel industry representatives.

The above will revitalize the region's fishery, the current leading industry, and lay the groundwork for new business development (tourism, food and lodging facilities).

FY 2000 Budget

\$47,692	State ARDOR grant
25,000	Locally generated match
0	Additional funds generated or leveraged by the ARDOR
\$72,692	Total (The State ARDOR grant funds 65% of the total.)

Board of Directors

Executive Committee

Andrew Guy, (Chair) Calista Native Corporation, Inc.
Myron Naneng, (Vice-Chair) President AVCP, Inc.
Max Angellan, (Treas) IRA Council
Peter Julius, (Sec) IRA Council Administrator, business

Members

Willard Church, business, Native Village of Kwinhagak
Mary Kapsner, State Rep.
Richard Foster, State Rep.
Sam George, business, Yupiit School District
Lyman Hoffman, State Senator
Alexie Jimmie, business, United Villages Inc. President
Jackson Lomack, IRA Council
Fred Phillip, IRA Council, Coastal Villages (CDQ) President
Les Daenzer, Lower Kuskokwim School District

Contact

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"Starting a new business is like caring for a baby. The baby is helpless and you must do whatever has to be done to meet its needs and keep it healthy so it will grow and prosper." Alexie Jimmie, LKEDC Board Member



Lower Yukon Economic Development Council

1999 Examples of Accomplishments

- With DCRA and VISTA from the region, held a "Champion Community" meeting in Marshall.
- Assisted Emmonak Tribal Council's with value added fish plant sales to sample Lower Yukon School District school sites.
- Assisted the Native Village of Chuloonawick with a "Small and Needy Tribes" grant.
- Assisted Kotlik and Sheldon Point with fishery related planning.

The USDA Champion Community project brings together local, State and federal resources to address economic development in Marshall. In-region sales of fish helps circulate dollars in the region, thereby improving the local economy. The "Small and Needy Tribes" grant will further economic opportunities of individuals in the region. Fishery related planning is addressing fish buying and value added production opportunities.

3 Top Economic/Business Needs

- Business training for residents.
- Career guidance.
- Collateral for business loans.

These are on-going needs that, with long term intervention, can achieve economic growth in the region. The Champion Community project, if pursued in additional villages, may be a forum to address business training needs and opportunities. The LYEDC, in cooperation with the Lower Yukon School District, intends to hold a meeting to discuss agency cooperation for career guidance for the area's youth. Collateral for business loans is still an obstacle for many. To their credit, the Yukon Delta Fish Development Association and Association of Village Council Presidents, Inc. have tailored loans for region residents with collateral problems.

2000 Goals

- Assuming LYEDC and LYSD partner to do career guidance, will prepare and implement work plan for the same.
- Establish administrative capabilities, develop a five year economic strategy, and provide career guidance for young tribal members for the Native Village of Chuloonawick.
- Expand marketing for the Emmonak value added fish plant.
- Continue developing Kotlik and Sheldon Point fish economy.
- Achieve a federal/State/community partnership in Marshall to better coordinate economic development efforts in the community.

Career guidance is an effort to ensure that future jobs in the region will be held by area residents. Should the pilot sites in the school district do well, sales to the entire school district will be the goal. Individual community work is helping build the local economic base.

FY 2000 Budget

\$47,692	State ARDOR grant
15,738	Locally generated match
0	Other funds generated or leveraged by the ARDOR (may include State funds)
\$63,430	Total (The State ARDOR grant funds 75% of the total.)

Board of Directors

Executive Committee

George Owletuck (Pres), tribal council
 Andrew Brown (Vice-Pres), education
 Bay Johnson (Sec/Treas), banking

Members

Edward Adams, Sr., tribal council
 Nick Andrews, Jr., tribal council
 Andrew Kelly, Sr., business
 Dan Kirby, transportation
 Benny Okitkun, Native corporation
 Alvin Owletuck, city
 Laura Peterson, city
 Doug Redfox, city
 Anthony Ulak, city
 Richard Weaver, Sr., city

Contact

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 E-mail: lyedc@mtaonline.net

"The Lower Yukon Economic Development Council has worked with me on our pursuit of value-added fish plant."
Bill Akers, Chalunawick Native Corporation



Matanuska-Susitna Resource Conservation & Development Council

Our purpose is to enhance the employment and tax base of the Mat-Su Borough while maintaining a high quality of life for residents.

1999 Examples of Accomplishments

- Assisted Mat-Su Port Commission in obtaining funding.
- Hosted the 1st Annual Valley Economic Development Conference.
- Drafted Overall Economic Development Plan.
- Completed & distributed Timber Utilization Plan for the Mat-Su.
- Completed construction of the Houston Educational Park.
- Completed Houston Homesteaders Community Center.
- Completed Big Lake's 100 Junker Rally (clean-up project).
- Completed economic recovery grants for Wasilla, Houston, and Big Lake.
- Provided continuing assistance to: Wasilla Wonderland, Palmer Children's Playground, Houston Homesteaders, Skateboard Park, Goldrush Centennial, Palmer Hockey Association, Wasilla Soil and Water Conservation District.
- Completed portable dry kiln project.

3 Top Economic/Business Needs

- Lack of a port: A bulk commodity port is needed to facilitate mineral development in interior Alaska.
- Investment in infrastructure: Improved road and/or rail access is needed to develop Port MacKenzie and Hatcher Pass.
- Increased private ownership of land: Only 3% of the Mat-Su Borough is in private hands. State land (60%) is not managed for economic growth.

2000 Goals

- Market Port MacKenzie as an industrial site.
- Development of Hatcher Pass ski area.
- Continue work on Chijik Road access project.
- Complete the Overall Economic Development Plan.
- Complete Timber Bridge commercialization project.
- Assist the City of Houston with feasibility study of a septic treatment site.
- Apply for Economic Development District designation.
- Big Lake Fish Hatchery: Acquire land and market property.
- Host 2nd Annual Valley Economic Development Conference.

FY 2000 Budget

\$47,692	State ARDOR grant
25,500	Locally generated match
111,800	Additional funds generated or leveraged by the ARDOR (may include State funds)
\$184,992	Total (The State ARDOR grant funds 26% of the total.)

Board of Directors

Executive Committee

Bruce Borup, (Pres) Palmer EDA
Jim Ericksen, (Vice Pres) AK
Farmers & Stock Growers
Al Jorgenson, (Sec) Mat-Su Native
Federation
"Tiny" DePriest, (Treas) Greater
Palmer Chamber
Ted Smith, Willow Chamber Past
Pres.

Members

Ed Brittingham, Wasilla Chamber
Dan Deedy, Enstar Gas
Steve Levine, MSB School District
Edna DeVries, City of Palmer
Janet Kincaid, Mat-Su Convention &
Visitors Bureau
Clarence Furbush, Palmer SWCD
Donna Totten, Houston Chamber
Mayor Sarah Palin, City of Wasilla
Jackson Parry, Upper Su SWCD
Anna Von Reitz, Big Lake Chamber
Wayne Carmony, Mat-Su Electric
Assoc.
Darcie Salmon, Valley Board of
Realtors
Tim Sullivan, Small Bus Dev Cntr
Steve Totten, City of Houston
Dick Zobel, Alaska Soil & Water
Conservation District
Chris Holmes, MTA
Meg Burgett, Wasilla SWCD
Debby Retherford, NBA
Michael Scott, Mat-Su Borough
Manager
Bill Stearns, Talkeetna Chamber

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Northwest Arctic Borough Economic Development Commission

1999 Examples of Accomplishments

- Established Small Business Grant Program and awarded grants to 5 small business entrepreneurs.
- Designated as a Champion Community through the Empowerment Zone application process.
- Was awarded Community Development Block Grant to design a clinic in our region.
- Provided matching grants for a Foam Panel Manufacturer, Value Added Processor and a Burnbox Construction Project.

3 Top Economic/Business Needs

- Tourism expansion.
- Fisheries development.
- Technology-based businesses.

2000 Goals

- Establish a tourism marketing council.
- Provide grant writing training to City and IRA governments.
- Establish a youth loan program.
- Organize and hold an "Arctic Business Gathering" conference.

Board of Directors

Levi Cleveland, (Chair)
Bert Adams, business
Jo Oxentenko, banking
Guy Adams, non-profit
Frank Greene, NAB Planning
Commission
Garth Elson, (Vice Chair)
business
Martha Whiting, NANA
Regional Corp
Brad Reeve, utilities
Jeff Hadley, for-profit

Ex Officio

Andy Baker, Assembly President
Chuck Greene, Borough Mayor

Contact

Denise Koutchak, Exec. Dir.
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denise_koutchak@yahoo.com

If this ARDOR had more resources- the ARDOR would address some of the more costly infrastructure needs (such as water and sewer, better or new roads) that are required to develop and maintain a new business, tourism, or industry.

FY 2000 Budget

\$47,692	State ARDOR grant
60,000	Locally generated match
0	Other funds generated or leveraged by the ARDOR (may include State funds).
\$107,692	Total (The State ARDOR grant funds 44% of the total.)



Prince William Sound Economic Development Council

1999 Examples of Accomplishments

- Assessment of spot shrimp in Prince William Sound - Valdez Native Tribe and NOAA.
- Approval of Comprehensive Economic Development Strategy (CEDS) by U.S. Department of Commerce, Economic Development Administration.
- Provided small business seminars and services with University of Alaska Small Business Development Center - Rural Outreach Program in Prince William Sound.
- Completed strategy to establish Maritime Response Center - Valdez.
- Provided assistance to Valdez Museum and Lord Cultural Resources/Toronto on expansion plan for museum.
- Hosted Regional Development meeting with Valdez Visitor and Convention Bureau.
- Completed project management for Tatitlek Coho Salmon release, funded by the Exxon Valdez Oil Spill Trustees.

The Spot Shrimp Population Study is a five year study to estimate the abundance of the spot shrimp population in western Prince William Sound. The project has the potential to provide useful information on a resource important to subsistence users and potentially to commercial fishers.

3 Top Economic/Business Needs

- Diversity in economic base for region.
- Work Force Development
- Natural gas line from the North Slope to Valdez.

2000 Goals

- Complete application to become RC&D.
- Become Federal Economic Development District.
- Obtain funding to build environmentally approved sewage pump-out stations in Chenega Bay, Cordova, Tatitlek and Whittier.
- Establish maritime response center in Valdez, with training satellites in other Prince William Sound communities.

A Maritime Response Center in Prince William Sound will provide a broader economic base by offering more education and technical training in oil spill response and prevention. Programs will be offered through Prince William Sound Community College. Conferences and seminars will be held throughout the year with other response and prevention specialists. The proposed Maritime Response Center - Valdez will offer technical skills necessary to train highly capable response teams for Alaska. As the program expands, these teams will be able to mobilize anywhere needed.

FY 2000 Budget

\$47,692	State ARDOR grant
15,896	Locally generated match
29,926	Additional funds generated or leveraged by the ARDOR (may include State funds)
\$ 93,514	Total (The State ARDOR grant funds 51% of the total.)

Board of Directors

Dave Dengal (Pres), Valdez
Dave Cobb, (Vice Pres), Valdez
Mayor, fisheries
Jim Roberts (Treas), Cordova
Betty Miller (Sec), oil industry
John Christensen, Chenega Bay
IRA Council
Larry Hancock, Cordov
Gary Kompkoff, Tatitlek IRA
Council
Robin Moore, Whittier
Chuck Totemoff, Chenega Corp.

Membership

BP Exploration, Alaska
Alaska Tanker Company
Alyeska Pipeline Service Company
ARCO Alaska, Inc.
Cities of Cordova, Valdez and
Whittier
Cooper Valley Telephone Coop.
Copper Valley Cellular
Chenega Corporation
Cordova Air Service
Carr Gottstein Foods
First National Bank of Anchorage
National Bank of Alaska
Tatitlek IRA Council
Village Inn
Pat Day
Stephl Engineers
Valdez Chamber of Commerce
Valdez Convention Visitors Bureau

Contact

Sue Cogswell, Exec. Director
P.O. Box 2353
Valdez, Alaska 99686
Phone: 835-3775
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**Prince William Sound
Economic Development
Council has sponsored
over \$5,367,000 in projects
since 1991, leveraged by
approximately \$486,426 in
State ARDOR funds.**



Southeast Conference

1999 Examples of Accomplishments

- Publication of the Southeast Alaska Transportation Plan, bringing together the communities of the region and insuring their needs were included in the plan.
- Creation of the Southeast Electrical Intertie Committee to work toward implementation of the the Southeast Alaska Electrical Intertie System Plan.
- Provided technical and financial assistance for tourism development, fisheries enhancement, community development, and business infrastructure projects.
- Undertook major economic development planning/research project to seek federal designation as an Economic Development District (EDD) under the US Dept. of Commerce, Economic Development Agency.

This EDD designation will complement the State designation of the Southeast Conference as an Alaska Regional Development Organization and the US Dept. of Agriculture designation as a Resource Conservation and Development Council.

3 Top Economic/Business Needs

- Implement the Southeast Alaska Transportation Plan to improve transportation connections, reduce operating costs, increase capacity and provide more frequent and convenient service.
- Strengthen economic opportunities through an improved electrical intertie system of sharing energy resources, lowering cost and providing for environmental conservation.
- Stimulate economic recovery and stabilization in communities adversely affected by downturns in the natural resource based economy.

Continuation and improvement to the Alaska Marine Highway System (AMHS) is critical to the future economic and social life of the region. The AMHS ties the communities of the region together.

2000 Goals

- Develop regional infrastructure through implementation of the Southeast Alaska Transportation Plan and the Southeast Electrical Intertie System Plan.
- Support and assist communities in planning and executing local and regional economic development efforts and projects.
- Encourage and assist communities and organizations in responsible and balanced regional development and conservation efforts, as demonstrated by the Mendehall Watershed Management Project and the investigation of a Green Star program for marine vessels in Southeast Alaska.
- Strengthen partnerships with other organizations for the protection and improvement of the quality of life for all residents.

Southeast Conference will strive to achieve two major objectives in support of its mission to build strong economies, healthy communities and quality environment for Southeast Alaska: (1) Build upon those regional infrastructure projects that bring the communities of the region closer together and (2) Enhance the opportunity of community development through support and assistance at the individual project level.

FY 2000 Budget

\$47,692	State ARDOR grant
47,692	Locally generated match
268,500	Additional funds generated or leveraged by the ARDOR (may include State funds)

\$363,884 Total (The State ARDOR grant funds 13% of the total.)

Board of Directors

Executive Committee

Bob Ward (Pres), public
Rosemary Hagevig (1nd VP), private
John "JC" Conley (2nd VP), private
Tom Briggs (Sec), public
Lonnie Anderson (Treas), Mayor of Kake
Linda Snow (Past Pres), at large

Members

John Pearson, private
Maxine Thompson, Mayor of Angoon
Cheryl Lowden, public
Rob Allen, private
Murray Walsh, private

Ex Officio

Frank Homan, Executive Director

Contact

Frank Homan, Exec. Director
Southeast Conference
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If this ARDOR had more resources- the Southeast Conference would play a more aggressive role in providing direct technical assistance to individuals and groups seeking creation and retention of new wealth in the region. Opportunities exist in all sectors of Southeast Alaska's economy. Resource enhancement and value-added manufacturing are possibilities.



Southwest Alaska Municipal Conference

1999 Examples of Accomplishments

- Conducted two regional conferences.
- Through SWAMC's resolutions and legislative policy process, developed united positions on numerous issues, including transportation funding, increased fishery and marine ecosystem research, fishery disaster aid and State university funding.
- Completed Southwest Alaska brochure which highlights various community tourism products. The brochure will assist in educating existing audiences and attracting new visitor target markets.

The regional conferences provided a variety of training opportunities including tourism business development, marketing, infrastructure development, and electronic commerce opportunities that assist in business development and job creation. A united front on public policy issues is essential to create more stable local economies, improve infrastructure, and provide a better economic climate.

3 Top Economic/Business Needs

- Education and training.
- Diversification of local economies.
- Infrastructure development.

The local economies and availability of jobs in many Southwest Alaska communities has been adversely impacted by changes associated with the commercial fishing industry, including world market conditions, technology, and climate. Infrastructure development is essential for economic diversification. Education and training is critical for work force development to meet the challenges of diversification.

2000 Goals

- Conduct successful regional conferences.
- Produce Comprehensive Economic Development Strategy (CEDS) for Southwest Alaska.
- Improve visibility and utilization of regional tourism services and facilities.
- Be a strong voice for businesses and people in regard to public policy issues affecting the Southwest region.

Public policy that is favorable to rural communities can improve the climate for economic diversification, business development, and job creation. Promoting available tourism services will assist in strengthening and diversifying local economies, as well as attracting new interest in rural business. An annual economic development plan can be an important resource for Southwest communities by providing up-to-date demographic and economic information. Regional conferences are critical communication and networking situations for Southwest community representatives.

FY 2000 Budget

\$47,692	State ARDOR grant
47,692	Locally generated match
126,108	Other funds generated or leveraged by the ARDOR (may include State funds)
\$221,492	Total (The State ARDOR grant funds 21% of the total.)

Board of Directors

Executive Board

Mayor Frank Kelty (Pres), City of Unalaska
Wayne Stevens (Vice-Pres), Chamber
Carvel Zimin (Sec/Treas), Bristol Bay Borough
Alice Ruby, Choggiung Ltd.
Kara Sandvik, Key Bank of Alaska

Members

Mayor Glen Alsworth, Lake Clark Air/The Farm Lodge
Steven Hakala, Aleutians East Borough
Stephanie Madsen, Aleutian Seafood Processors Assoc.
Jack McFarland, Kodiak Island Borough
Mary Monroe, Kodiak Island Borough
Joe Sullivan, (At-Large) At-Sea Processors Association

Contact

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The Southwest Alaska Municipal Conference is indeed an important advocacy group that represents a dynamic region of our state. Pointing out the inter-relationships of economic, social, and cultural issues of southwestern villages with all other rural and urban communities is an important mission and a vital service to the future of Alaska." Lt. Governor Fran Ulmer



Frequently Asked Questions

What is an ARDOR? A non-profit organization of local volunteers, representing numerous public and private interests, working together to achieve economic development in their region. An ARDOR is organized in accordance with Alaska Statute 44.33.026 and the Alaska Administrative Code (3 AAC 57).

Why have a regional organization do economic development? The Legislature established the ARDOR Program in 1988, and again in 1997, in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies.

How does an ARDOR get established? DCED approves an ARDOR designation. To be approved, the ARDOR must (1) be large enough and contain adequate resources to support a regional economic development program, and (2) be an economically viable unit with shared interests, resources, traditions, and goals. Currently, there are 13 ARDORs in all regions of Alaska, except for most of the Doyon region.

How does an ARDOR work? Each ARDOR is guided by a Board comprised of the economic development interests in the region. Board members are usually appointed by organizations in the region; however, some are elected. The Board hires an Executive Director to work with the Board to ensure an annual work plan is implemented. The Board oversees and directs the activities of the ARDOR.

What are the ARDOR Program goals? Encourage a healthier economic climate to increase the number of jobs; strengthen existing businesses; attract new businesses; and encourage economic diversification.

What does an ARDOR actually do? Each ARDOR is different with regard to existing economic development; infrastructure; a marketable natural resource; an educated work force; and a cohesive leadership organization—factors in achieving economic development. Thus, what each ARDOR does, is unique to that ARDOR. Generally, however, ARDOR's:

- ✓ conduct economic development related research and planning, including develop and implement a regional economic development strategy;
- ✓ respond to information requests;
- ✓ coordinate ARDOR's activities with other economic development activities;
- ✓ provide services designed to encourage economic development;
- ✓ collect and distribute economic information;
- ✓ develop and maintain community and village economic profiles;
- ✓ coordinate State economic or business development efforts; and
- ✓ serve as a liaison between State government and the region.

How is an ARDOR funded? DCED awards annually, a State grant to each ARDOR that satisfies the statutory and regulatory requirements of the ARDOR Program, including the requirement that each ARDOR provide a local, non-State match. In FY00, each ARDOR received \$47,692. The State grant and required match is usually not the ARDOR's only source of funding. ARDOR's can and do receive funding from a variety of sources.

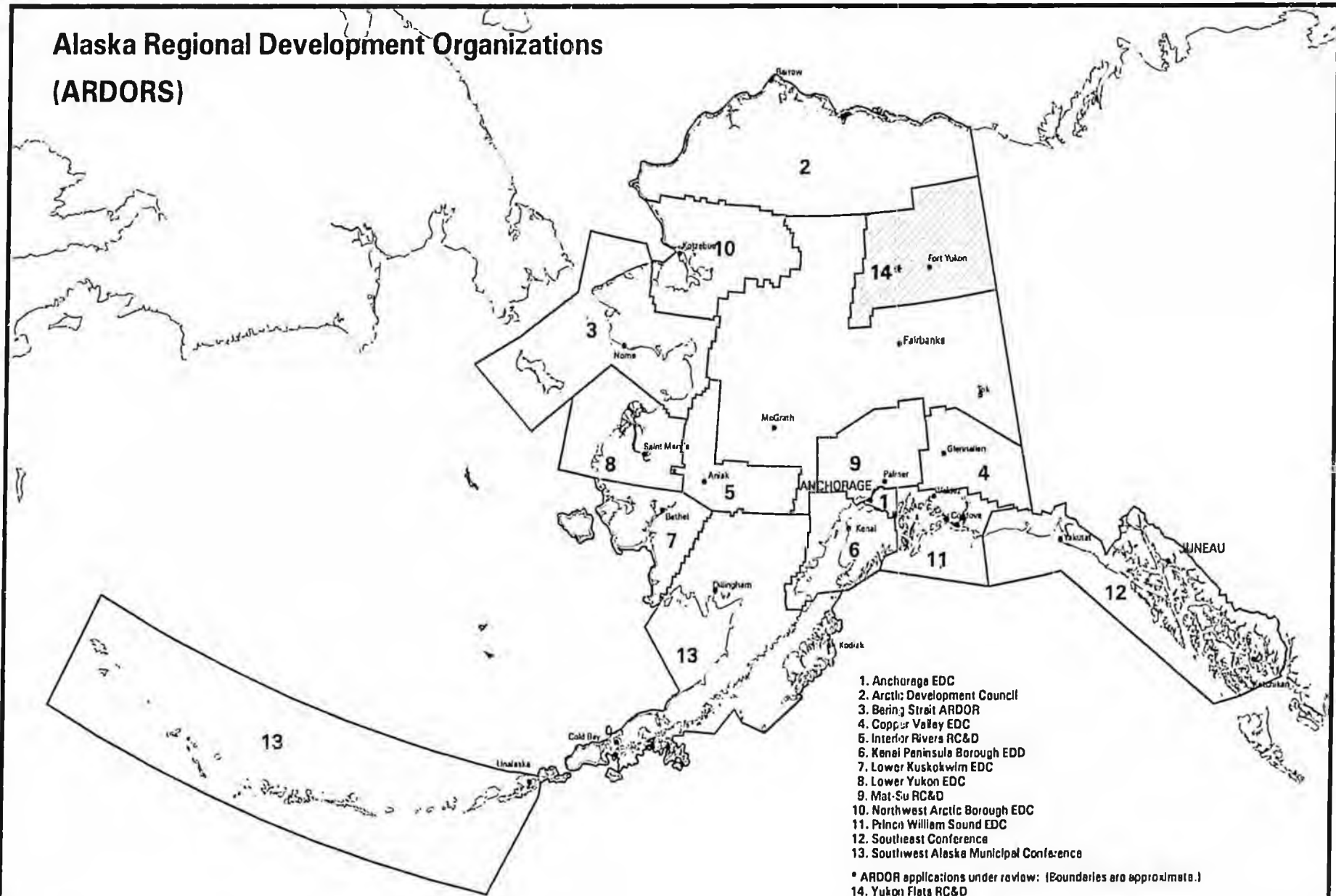
How much money does the State contribute to the ARDORs?

	FY97	FY98	FY99	FY00
Total	\$620.0	\$620.0	\$620.0	\$620.0
Each Grant	\$54.5	\$51.7	\$51.7	47.7
# of ARDORs	11 ¹	12	12	13

¹Plus, one organizing ARDOR received \$20.0.
NOTE: Amounts are \$1,000.



Alaska Regional Development Organizations (ARDORS)



1. Anchorage EDC
2. Arctic Development Council
3. Bering Strait ARDOR
4. Copper Valley EDC
5. Interior Rivers RC&D
6. Kenai Peninsula Borough EDD
7. Lower Kuskokwim EDC
8. Lower Yukon EDC
9. Mat-Su RC&D
10. Northwest Arctic Borough EDC
11. Prince William Sound EDC
12. Southeast Conference
13. Southwest Alaska Municipal Conference

* ARDOR applications under review: (Boundaries are approximate.)
14. Yukon Flats RC&D

NOTES: DCED anticipates the Fairbanks North Star Borough will seek ARDOR designation in FY00.
* Russian Mission is in both Interior Rivers RC&D and Lower Yukon EDC.

EDC/EDD: Economic Development Commission, Corporation, Council or District
RC&D: Federally designated Resource Conservation & Development District

Kenai Peninsula Borough Economic Development District

1999 Examples of Accomplishments

- The new Kenai Peninsula Borough industrial prospectus was designed and written.
- Implemented electronic commerce training for small businesses through the Northwest Economic Development Network Project. Trained over 103 participants in Basic and Advanced Internet, Business and Marketing, and Web Page Design. Electronic commerce training opens the doors to global markets for small businesses, providing them with the tools to compete in the new electronic marketplace.
- Provided business consultation and training to over 220 clients, resulting in 41 jobs created and 37 jobs retained, and leveraged over \$2 million in loans. Business counseling and training help new and existing businesses solve a variety of business problems.

3 Top Economic/Business Needs

- Expansion of the Revolving Loan Fund pool and investigation of other financing alternatives. Recapitalization of the Revolving Loan Fund would allow EDD to partner with local banks to finance more businesses considered unlikely candidates for conventional financing in a conservative lending environment.
- Assessment of infrastructure needs for value added and communications technology. Infrastructure and skilled workers are critical elements for industrial growth.
- Diversification and development of existing business. Development of existing industry strengthens the industrial base and creates jobs.

2000 Goals

- Establish organizations leadership role in electronic commerce, work to strengthen information technology access across economic sectors. Assist small businesses in overcoming the "rural penalty" that can result from geographic isolation by using and developing telecommunications resources.
- Target recruitment activities towards industries that can take advantage of the Kenai Peninsula's infrastructure and resource assets. Identifying assets and targeting marketing efforts towards these assets will help bring new industries to the Kenai Peninsula Borough.
- Continue to strengthen relationships with municipal/community groups to promote locally driven economic development activities. Local participation in the development of goals will ensure community support.
- Continue the creation of new jobs through business assistance.
- Expand the Business Innovation Center activities to target technology and value-added businesses. The BIC and other business assistance activities promote economic growth.

FY 2000 Budget

\$47,692	State ARDOR grant
47,692	Locally generated match
461,402	Other operating funds leveraged by the ARDOR (may include State funds)
<hr/>	
\$556,786	Total Operating Funds
50,000	Pass-thru and project specific funds
<hr/>	
\$606,786	Total FY00 Budget (The State ARDOR grant funds 7% of the total.)

Board of Directors

Executive Committee

- Tom Boedeker, (Pres) city manager/City of Soldotna
 Jim Chambers, (Vice Pres) organized labor
 Pat Norman, (Sec) minority representative/Village of Port Graham
 Jeff Sinz, (Treas) finance/Kenai Peninsula Borough

Members

- John Crawford, minority representative, City of Seldovia
 Philemon Morris, transportation, City of Kachemak
 Bill Popp, non-profit, borough assembly
 Bob Satin, recreation, City of Seward
 Diana Spann, telecommunications, City of Soldotna
 Mary Tougas, retail, City of Soldotna
 Luke Welles, retail, City of Homer
 John Williams, real estate, City of Kenai

Contact

James A. Elson, Interim Chief Exec. Offc.
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 Kenai, AK 99611
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 E-Mail: info@kpedd.org
 Web: <http://www.kpedd.org>

If this ARDOR had more resources we could increase our outreach to provide better services to the remote villages; spend more time cultivating new industries; and concentrate on more in-depth market research in order to keep abreast of economic trends, thus enabling the organization to become more responsive to business opportunities.



Interior Rivers RC&D Council

History

The Interior Rivers Resource Conservation and Development (RC&D) Council, formed in 1997, completed its Area Plan in September of that year. The Council members articulated the following vision and mission:

Vision

The Interior Rivers R C & D area is at 20th century standards (no Third World conditions) with local control that guides strong economic development while protecting the environment, subsistence resources, and the cultural heritage of all people.

Mission

The mission of the Interior Rivers R C & D Council is to create long-term jobs and improve village living standards on behalf of all residents of the region.

The Council has provided assistance to a number of local projects, such as helping Chuathbaluk obtain funds for utility planning and assisting in the preparation of an Overall Economic Development Plan for Russian Mission. A project to develop community profile maps for four villages is nearing completion. The Council obtained designation as an ARDOR in 1999, and is beginning its first year of activity under this program.

Plan for 1999/2000 Goals

The Council's first year ARDOR workplan focuses on the development of a regional economic development strategy. Using ARDOR funds and a Magnuson-Stevens grant, the Council will conduct research and surveys, host village meetings on economic issues, and develop a strategy for economic diversification. This strategy will be consistent with the Council's vision and mission, and will demonstrate respect for local values.

In response to a regional meeting held in Aniak in March 1999, the Council is also working on plans for a regional training center. A steering committee has been meeting to guide plans for a training center that will meet local needs for job skills and life skills training.

The Council's community mapping project is expected to continue into 2000 with the completion of maps for all villages in the region.

Board of Directors

Executive Committee

Arnold Hamilton, (Pres)

Shageluk

Carl Morgan, Jr., (Vice-Pres)
Kuskokwim Native Assoc.

Lovey Duffy, (Sec)

Russian Mission

Robert Walker, (Treas) Anvik

Jeff Nelson, Aniak

Members

Brian Soosuk, Chuathbaluk

Gabe Alexie, Crooked Creek

Gabe Nicholi, Grayling

Alfred Demientieff, Holy Cross

Liza Phillips, Lower Kalskag

Theodore Gordon, Red Devil

Andrew Gusty, Stony River

Evan Bobby, Jr., Lime Village

Angela Morgan, The

Kuskokwim Corporation

Phillip Demientieff, Tanana

Chiefs Conference

Kenny Morgan, Kuspuk School

District

Contact

Ruth St. Amour, Coordinator

P.O. Box 309

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FY 2000 Budget

\$47,692

State ARDOR grant

3,417

Locally generated match

33,585

Additional funds generated or leveraged by the ARDOR

\$ 84,694

Total FY00 Budget (The State ARDOR grant funds 57% of the total.)



Copper Valley Economic Development Council, Inc.

1995 Examples of Accomplishments

- Consolidated Area Strategic Plan.
- Community profile updated.
- Computerized Small Business Resource Center.
- Small Business Training Consortium with University of Alaska.
- IRS 501C 3 Designation obtained.
- Community needs assessment conducted.
- USDA RC&D applicant designation.
- Eastern Alaska Interior Forum.
- Small business development and training.

Top Economic/Business Needs

- Natural gas pipeline
- Railroad expansion
- Wrangell St. Elias National Park Visitor Center
- McCarthy Highway improvements
- Local control/management of critical issues
- Physical Infrastructure/services to support growth
- Preservation/enhancement of rural lifestyle

The CVEDC has created an integrated plan of work that includes four major areas:

- Organizational development
- Community development
- Economic development
- Natural resource conservation and development

This plan will help guide the Copper Valley into the next century.

The CVEDC is guided by the principles that:

- The Copper Valley region and its residents will manage and control the future of the area through local participation and decision making.
- Local citizens, businesses, and organizations will be the beneficiaries of the economic opportunities that arise in the Copper Valley.
- The rural lifestyle of the area will be preserved and enhanced, maintaining the Copper Valley as a quality place to live, work and play.

FY 2000 Budget

\$47,692	State ARDOR grant
20,354	Locally generated match
0	Additional funds generated or leveraged by the ARDOR
\$ 68,046	Total (The State ARDOR grant funds 42% of the total.)

Board of Directors

Members

Theresa Absher, (Pres)
business
Vickie Snitzler, (Vice-Pres)
government
Thelma Schrank, (Sec)
employment
Daryl Lowe, (Treas) banking
Phil Baur
Earl Bell, labor (retired)
John Downes, business
Carol Neeley, business
Robert Wilkinson

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"The Copper Valley Economic Development council is creating the Donna Tollman award to be presented to the person that most exemplifies service to the Copper Valley community. The first award will be presented this year."



Bering Strait Regional Development Organization

1999 Examples of Accomplishments

- Began implementation planning and activities in response to the Comprehensive/Regional Economic Development Strategy (CEDS/REDS) for the region.
- Sponsored a regional freight symposium.
- Sponsored a regional village store managers workshop.
- Made application to USDA-NRCS for designation as a Resource Conservation and Development (RC&D) Area.
- Organized the Native Voices Theatre.
- Started a business incubator process to nurture development of construction trade skills and businesses in the region. Organized a Construction Technology Support Unity (CTSU) to assist communities with all aspects of force account construction projects.

Designation as the ARDOR has created a permanent, full time position, the Planning Development Specialist. With the support of Kawerak's CED program we expect to have a minimum of three new businesses going during 1999 and 30% increase in local construction activity.

3 Top Economic/Business Needs

- Education at all levels.
- Access to risk-subsidized capital.
- More participation by local residents in the construction trades.

These three elements will enhance job creation and business development and wealth creation by: (1) establishing a labor force that can take advantage of opportunities that presently, in many cases, requires importing skilled personnel with the concomitant outflow of income; (2) allowing small enterprises to start up and expand; and (3) increasing income from construction (architect, engineer, material supply, labor) which will add dramatically to the village and regional income flows and create additional wealth.

2000 Goals

- Continue implementing elements of the CEDS and REDS in the region.
- Develop and conduct workshops for the annual update the CEDS/REDS.
- Present a successful application for designation by USDA-NRCS as a RC&D.
- The Native Voices Theatre will have several performances and research opportunities for high school students.
- Help new businesses and growing businesses with feasibility analyses and business planning and management.
- Organize and conduct a follow-up village store manager's training workshop.
- Organize and conduct a regional economic development symposium to explore potential economic development opportunities in the region.
- Provide follow-up assistance and information in response to issues learned at the regional freight symposium.

FY 2000 Budget

\$47,692	State ARDOR grant
15,896	Locally generated match
0	Additional funds generated or leveraged by the ARDOR (may include State funds)
\$63,588	Total (The State ARDOR grant funds 39% of the total.)

Board of Directors

Executive Committee

Robert Keith (Chair), Kawerak, Inc.
Don Stiles (Vice-Chair), fisheries
Mary Darlene Charles (Sec.), Southcentral Sub-regional Villages

Members

Fred Eningowuk, banking
Simon Bekoalok, Jr., Kawerak, Inc.
Mark Johnson, tourism
Jim Rowe, transportation
Tom Sparks, minerals
Kevin Zweifel, Norton Sound
Wayne Mundy, Bering Strait Housing
Not designated, City of Nome
Gilbert Tocktoo, Northern Sub-regional Villages
Fritz Waghiyi, St. Lawrence Island Villages
Steve Longley, Nome Sub-region

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Produced, in cooperation with the 13 ARDORs, by the State Department of Community and Economic Development, Municipal and Regional Assistance Division, 550 W. 7th Avenue, Suite 1770, Anchorage, AK 99501.

For additional copies, contact Sharon Harris (1-907-269-4580). For more information on the ARDOR program, call Nelda Warkentin (1-907-269-4568).

DCED complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Request for such should be directed to DCED at 1-907-269-4580 or TDD 1-800-930-4555.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 463-4885

DATE: February 4, 2000

TO: Representative Gail Phillips

FROM: Traci Carpenter and Virginia Blaisdell *VB*
Fiscal Analysts

RE: Quantitative Analysis of Costs Associated with a Biennial State Budget (HJR 2)

As requested, we have performed an independent analysis of the potential time and cost savings for state government for biennial budgeting versus annual budgeting. Attached are spreadsheets containing the following information: 1) a summary of current annual budget cycle costs and biennial budget cycle costs *by department*; 2) a summary of current annual budget cycle costs and biennial budget cycle costs *by position type*; and 3) individual department summaries *by position type*. Please be aware that all costs are estimates calculated upon a set of assumptions derived collectively from this office's staff budget experience in both the executive and legislative branches. Additionally, we agree with the Office of Management and Budget's (OMB) assessment that budget preparation and presentation savings are productivity savings, not actual dollar savings.

After reviewing the information compiled by OMB, it is notable that our numbers are conservative in comparison. We estimate costs that are approximately \$1.2 million less than OMB's. This could be attributed to the fact that the departments identified 150 plus positions that we did not identify as related to budget preparation and presentation, as well as their more accurate knowledge of actual staff time worked by position. We believe this indicates that our assumptions are both reasonable and similar to those made by the departments. A copy of our assumptions is attached along with a table of estimated hours spent in finance committee meetings during the 1999 legislative session.

Our chief means of identifying positions that work on budgets was to comb through each department's personal services detail and identify all positions that fell into the category of nine position types that typically have budget duties. We also applied any experience we have with each department to refine the list. We then applied an estimated rate of budget participation, based upon position type, to salary and benefits to calculate the cost per position. That level of detail is available, however, it is not included in this package.

We would be happy to meet with you or your staff to further discuss our assumptions and methodology. Please contact us at your convenience.

Attachments

Assumptions for Quantitative Analysis:

By Position Class:	Hours	Time	Notes
			2,096.0 (=262 work days * 8 hrs)
Commissioner			
Cabinet level policy meetings	22.5	1.07%	
Department level policy meetings	22.5	1.07%	
subtotal budget prep	45.0	2.15%	
H&S finance committee meetings	11.0	0.52%	(avg 22 hrs x .50)
Deputy/Assistant Commissioner			1 trip x \$500 avg trip cost = \$500
Department level policy meetings	45.0	2.15%	
H&S finance committee meetings	22.0	1.05%	(avg committee meeting time)
Executive Director			3 trips x \$500 avg trip cost = \$1500
Board level policy meetings	7.5	0.36%	
H&S finance committee meetings	7.5	0.36%	
Division Director (Admin Services)			2 trips x \$500 avg trip cost = \$1000
Department level policy meetings	150.0	7.16%	
Division level policy/technical meetings	300.0	14.31%	
Department level budget review	112.5	5.37%	
subtotal budget prep	562.5	26.84%	
H&S finance committee meetings	44.0	2.10%	(avg 22 hrs x 2)
Division Director (All other)			1 trip x \$500 avg trip cost = \$500
Department/division level policy meetings	45.0	2.15%	
Division level budget review	37.5	1.79%	
subtotal budget prep	82.5	3.94%	
H&S finance committee meetings	11.0	0.52%	(avg 22 hrs x .50)
Deputy/Assistant Director/Admin Services Manager			
Department level policy meetings	75.0	3.58%	
Division level policy/technical meetings	150.0	7.16%	
Division level budget review	37.5	1.79%	
subtotal budget prep	262.5	12.52%	
H&S finance committee meetings	22.0	1.05%	(avg committee meeting time)
Budget Analyst/Specialist/Coordinator/Manager			
Division level policy/technical meetings	150.0	7.16%	
Dept/Division level budget preparation/input/review	300.0	14.31%	
subtotal budget prep	450.0	21.47%	
Legislative requests for information	150.0	7.16%	
H&S finance committee meetings	22.0	1.05%	(avg committee meeting time)
subtotal budget presentation	172.0	8.21%	
Administrative Manager/Officer/Accountant III-IV			
Division level budget preparation/review	37.5	1.79%	
Administrative Assistant/Clerk			
Division level budget preparation/input	75.0	3.58%	

ESTIMATED HOURS IN COMMITTEE MEETING -- 1999 LEGISLATIVE SESSION

Dept.	House Fin Subcom	House Finance	Senate Fin Subcom	Senate Finance	Conference Committee	Total Committees
DOA	6.0	4.5	9.0	2.5	1.0	23.0
DCED	8.5	3.5	9.5	2.5	1.0	25.0
C&RA	12.0	3.5	7.5	2.5	1.0	26.5
DOC	11.5	3.5	3.5	2.5	1.0	22.0
COURTS	0.0	3.5	3.0	2.5	1.0	10.0
DOE	10.5	4.5	7.5	2.5	1.0	26.0
DEC	14.0	3.5	5.0	5.5	1.0	29.0
F&G	6.0	3.5	14.0	2.5	1.0	27.0
GOV	0.5	1.5	0.5	2.5	1.0	6.0
H&SS	12.0	3.5	5.5	3.5	0.5	25.0
DOL	4.0	3.5	6.5	2.5	1.0	17.5
LAW	9.0	3.5	4.0	2.5	1.0	20.0
LEG	0.5	1.5	1.0	2.5	1.0	6.5
DMVA	0.0	3.5	2.5	2.5	1.0	9.5
DNR	10.0	3.5	9.0	2.5	0.5	25.5
DPS	4.5	3.5	5.0	2.5	1.0	16.5
DOR	7.5	4.5	2.0	3.5	1.5	19.0
DOTPF	13.5	2.5	14.0	7.5	0.5	38.0
UNIV	7.0	3.5	1.5	2.5	1.0	15.5
Capital *	0.0	19.0	12.5	21.0	0.0	52.5
Total Hours	137.0	64.5	110.5	57.5	18.0	387.5
Total Days	18.3	8.6	14.7	7.7	2.4	51.7
Avg Hours	8.0	3.6	6.4	3.1	0.9	22.1

average excludes Gov & Leg

* Total hours shown for the capital budget are distributed to the departments so this is excluded from the sum.

Note: Committee schedules downloaded from the BASIS and used to derive estimates.

Statewide Summary by Department

Current Annual Budget Cycle					
Dept	Number of Budget Related Positions	Estimated Cost of Budget Prep/Review	Estimated Cost of Budget Presentation	Estimated Cost of Travel	Total All Costs
DOA	39	\$164,462	\$23,739	\$9,000	\$197,201
DCED	28	\$98,766	\$15,982	\$10,500	\$125,248
DOC	28	\$149,107	\$22,603	\$4,500	\$176,210
COURTS	9	\$38,611	\$5,225	\$5,000	\$48,836
EED	23	\$143,284	\$32,224	\$10,500	\$186,009
DEC	26	\$130,155	\$23,252	\$4,000	\$157,407
DFG	59	\$137,561	\$11,161	\$9,000	\$157,722
GOV	25	\$323,856	\$97,130	\$2,000	\$422,985
DHSS	62	\$285,369	\$47,319	\$12,500	\$345,188
LABOR	24	\$138,543	\$16,663	\$2,000	\$157,206
LAW	9	\$81,286	\$10,596	\$1,000	\$92,882
DMVA	10	\$17,851	\$2,043	\$1,000	\$20,894
DNR	33	\$104,997	\$13,919	\$6,500	\$125,416
DPS	26	\$135,497	\$20,771	\$4,500	\$160,768
DOR	33	\$150,597	\$32,208	\$10,000	\$192,805
DOT/PF	72	\$390,510	\$66,574	\$11,000	\$468,085
UNIV	18	\$241,716	\$26,802	\$4,500	\$273,018
	524	\$2,732,168	\$468,211	\$107,500	\$3,307,879

Biennial Budget Cycle							
Year 1				Year 2			
Estimated Budget Prep/Review	Estimated Cost of Budget Presentation	Estimated Cost of Travel	Total All Costs	Estimated Budget Prep/Review	Estimated Cost of Budget Presentation	Estimated Cost of Travel	Total All Costs
\$205,577	\$23,739	\$9,000	\$238,316	\$102,789	\$7,122	\$2,700	\$112,610
\$123,458	\$15,982	\$10,500	\$149,939	\$61,729	\$4,795	\$3,150	\$69,673
\$186,384	\$22,603	\$4,500	\$213,487	\$93,192	\$6,781	\$1,350	\$101,323
\$48,264	\$5,225	\$5,000	\$58,489	\$24,132	\$1,568	\$1,500	\$27,200
\$179,106	\$32,224	\$10,500	\$221,830	\$89,553	\$9,667	\$3,150	\$102,370
\$162,693	\$23,252	\$4,000	\$189,945	\$81,347	\$6,976	\$1,200	\$89,522
\$171,951	\$11,161	\$9,000	\$192,112	\$85,976	\$3,348	\$2,700	\$92,024
\$404,820	\$97,130	\$2,000	\$503,949	\$202,410	\$29,139	\$600	\$232,149
\$356,711	\$47,319	\$12,500	\$416,530	\$178,356	\$14,196	\$3,750	\$196,301
\$173,179	\$16,663	\$2,000	\$191,842	\$86,590	\$4,999	\$600	\$92,188
\$101,607	\$10,596	\$1,000	\$113,203	\$50,803	\$3,179	\$300	\$54,282
\$22,314	\$2,043	\$1,000	\$25,357	\$11,157	\$613	\$300	\$12,070
\$131,246	\$13,919	\$6,500	\$151,666	\$65,623	\$4,176	\$1,950	\$71,749
\$169,371	\$20,771	\$4,500	\$194,642	\$84,686	\$6,231	\$1,350	\$92,267
\$188,246	\$32,208	\$10,000	\$230,454	\$94,123	\$9,662	\$3,000	\$106,785
\$488,138	\$66,574	\$11,000	\$565,712	\$244,069	\$19,972	\$3,300	\$267,341
\$302,145	\$26,802	\$4,500	\$333,447	\$151,073	\$8,041	\$1,350	\$160,463
\$3,415,210	\$468,211	\$107,500	\$3,990,921	\$1,707,605	\$140,463	\$32,250	\$1,880,318

Year 1 excludes any adjustment for transition from annual to biennial budgeting.

Year 1 assumes a 25% increase in budget preparation/presentation work hours due to incorporation of the 2nd year expenditure and revenue forecasting. Budget presentation and travel are estimated at current annual budget cycle levels.

Year 2 assumes a 50% decrease from Year 1 in budget preparation/revision work hours where only supplementals, budget amendments, and/or legislative revised programs need be addressed.

Year 2 budget presentation and travel costs are estimated at 30% of Year 1 costs.

Statewide Summary by Position Type

Current Annual Budget Cycle					
Number of Positions Related to Budget	Position Class General Designation	Estimated Cost of Budget Prep/Review	Estimated Cost of Budget Presentation	Estimated Cost of Travel	Total All Costs
15	Commissioner	\$36,417	\$8,902	\$0	\$45,319
29	Deputy/Assistant Commissioner	\$73,026	\$35,701	\$14,500	\$123,227
23	Executive Director	\$8,714	\$8,714	\$34,500	\$51,929
18	Division Director (Admin Services)	\$510,999	\$39,971	\$18,000	\$568,971
81	Division Director (All other)	\$334,929	\$44,657	\$40,500	\$420,086
59	Deputy/Assistant Director/Admin Svcs Manager	\$704,770	\$59,066	\$0	\$763,836
45	Budget Analyst/Specialist/Coordinator/Manager	\$709,530	\$271,198	\$0	\$980,728
137	Administrative Manager/Officer/Accountant III-IV	\$165,788	\$0	\$0	\$165,788
117	Administrative Assistant/Clerk	\$187,996	\$0	\$0	\$187,996
524	Total Estimated Cost Statewide	\$2,732,168	\$468,211	\$107,500	\$3,307,879

Biennial Budget Cycle							
Year 1				Year 2			
Estimated Budget Prep/Review	Estimated Cost of Budget Presentation	Estimated Cost of Travel	Total All Costs	Estimated Budget Prep/Review	Estimated Cost of Budget Presentation	Estimated Cost of Travel	Total All Costs
\$45,521	\$8,902	\$0	\$54,423	\$22,761	\$2,671	\$0	\$25,431
\$91,282	\$35,701	\$14,500	\$141,484	\$45,641	\$10,710	\$4,350	\$60,702
\$10,893	\$8,714	\$34,500	\$54,107	\$5,447	\$2,614	\$10,350	\$18,411
\$638,749	\$39,971	\$18,000	\$696,720	\$319,374	\$11,991	\$5,400	\$336,766
\$418,661	\$44,657	\$40,500	\$503,818	\$209,330	\$13,397	\$12,150	\$234,877
\$880,962	\$59,066	\$0	\$940,029	\$440,481	\$17,720	\$0	\$458,201
\$886,912	\$271,198	\$0	\$1,158,110	\$443,456	\$81,359	\$0	\$524,816
\$207,236	\$0	\$0	\$207,236	\$103,618	\$0	\$0	\$103,618
\$234,995	\$0	\$0	\$234,995	\$117,497	\$0	\$0	\$117,497
\$3,415,210	\$468,211	\$107,500	\$3,990,921	\$1,707,605	\$140,463	\$32,250	\$1,880,318

Year 1 excludes any adjustment for transition from annual to biennial budgeting.

Year 1 assumes a 25% increase in budget preparation/presentation work hours due to incorporation of the 2nd year expenditure and revenue forecasting. Budget presentation and travel are estimated at current annual budget cycle levels.

Year 2 assumes a 50% decrease from Year 1 in budget preparation/review work hours where only supplementals, budget amendments, and/or legislative revised programs need be addressed.

Year 2 budget presentation and travel costs are estimated at 30% of Year 1 costs.