

**HB**

**248**

# SENATE COMMITTEE REPORT

DATE: 4/30/03

FURTHER: Finance

DATE TURNED IN TO OFFICE: 5/9/03

State Affairs Committee considered HOUSE BILL NO. 248

## HB 248 SALARY OF CHIEF PROCUREMENT OFFICER

"An Act relating to the annual salary of the chief procurement officer; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title
- House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DOA	4/16/03		✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 248  
(H) Publish Date: 4/4/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title An Act relating to the annual salary of the chief BRU Centralized Administrative Services  
procurement officer; and providing for an effective date. Component Purchasing  
Sponsor Rules Committee  
Requester Governor Component No. 60

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
The proposed legislation will set the annual salary of the Chief Procurement Officer at range 24. The current annual salary is range 23. Funding for the increased salary cost is available in the current appropriation.

Prepared by: Vern Jones, Chief Procurement Officer Phone (907)465-5684  
Division General Services Date/Time 2/11/03 11:59 AM  
Approved by: Mike Miller, Commissioner Date 2/11/2003  
Agency Department of Administration

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: HB 248  
 (H) Publish Date: 4/22/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title An Act relating to the annual salary of the chief BRU Centralized Administrative Services  
procurement officer; and providing for an effective date. Component Purchasing  
 Sponsor \_\_\_\_\_  
 Requester State Affairs Component No. 60

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This fiscal note is for informational purposes. As explained below, the Governor's FY2004 operating budget includes adequate funding for this legislation. This legislation changes the annual salary of the Chief Procurement Officer (CPO) from range 23 to range 24. The CPO has assumed the role of lead manager in the Division of General Services and the division director position (range 26) has been reclassified to to Deputy Director, range 23. The net fiscal impact of this legislation and the reclassification of the director position is an annual savings in FY2004 of \$8.2 at the salary step placement of the incumbents.

Position	Old Annual Salary	New Annual Salary
CPO range 23 / 24	79.4	84.9
Director range 26	84.8	0.0
Deputy Director	0.0	71.1
<b>Total Old / New</b>	<b>164.2</b>	<b>156.0</b>

Prepared by: Vern Jones, Chief Procurement Officer Phone (907)465-5684  
 Division General Services Date/Time 4/16/03 4:15 PM  
 Approved by: Mike Miller, Commissioner Date 4/16/2003  
 Agency Department of Administration

# MEMORANDUM

**State of Alaska**  
*Department of Administration*  
*Division of Administrative Services*

**To:** Kevin Jardell  
Assistant Commissioner

**Date:** April 23, 2003

**Phone:** 465-5655

**From:** Dan Spencer  
Director

**Subject:** Talking points for HB 248

House Bill 248 will change the salary of the State's Chief Procurement Officer (CPO) from range 23 to range 24.

This change will recognize the additional responsibilities of the CPO and will compensate him at one salary range higher than his two subordinate managers. Although the salary will be below that of a Division Director (normally a range 26) the CPO, by statute, is appointed to a six year term and may be removed only for cause, unlike a Division Director who normally serves at the pleasure of a Commissioner and the Governor.

The leadership of the Division of General Services has been restructured under this administration. The Chief Procurement Officer will act as the lead manager for the Division, with two other senior managers reporting to him. Those two positions are a Leasing/Facilities Manager (range 23) and a Deputy Director, range 23. The Deputy Director position was created by reclassifying the former Division Director (range 26) position, and this position will manage the administrative and non-procurement functions of the division, including the property management and centralized mail services programs.

The net effect of these changes, including the salary change proposed by HB 248, will be a reduction in salary cost of \$8,200 in FY 2004. This savings will be used within the program to help meet the challenges posed by the Governor's budget, including identifying more than \$1.5 million in lease savings and \$2.0 million dollars in general procurement related savings over the course of FY2003.