

SB

125

<TARGET><BILL>SB 125</BILL><SUBJECT>SB
125</SUBJECT><COMM>HRES29</COMM></TARGET>

ALASKA STATE LEGISLATURE

SESSION

State Capitol, Rm 510
Juneau, Alaska 99801-1182
(907) 465-4968 Phone
Sen.Mia.Costello@akleg.gov



INTERIM

716 West 4th Avenue, Suite 509
Anchorage, Alaska 99501
Phone (907) 269-0117

SENATOR MIA COSTELLO

SPONSOR STATEMENT

Senate Bill 125

“An Act adding legislative nonvoting members to the board of directors of the Alaska Gasline Development Corporation.”

Senate Bill 125 amends state law by adding two legislators as ex-officio (non-voting) members to the Board of Directors of Alaska Gasline Development Corporation (AGDC).

As the AKLNG project moves forward, the State of Alaska will face increasingly complex financing and policy decisions. AGDC is the state’s primary representative in the project and will be a focal point for these discussions in the coming years. It is essential the state have a transparent, clear decision making process in place. Senate Bill 125 helps accomplish this by giving all parties a seat at the table.

The AGDC Board of Directors currently consists of five public members appointed by the Governor and two commissioners of state departments. The commissioners for the Department of Revenue and Department of Natural Resources are prohibited from serving on the board. Having legislators participate in an advisory, non-voting capacity adds experience and continuity to the board. Legislators understand the type of budget decisions that will be needed to meet the state’s cash calls for a gasline project, and would be helpful for discussions on project financing. Senate Bill 125 will also increase collaboration on the project as any contract over two years in duration must be ratified by the Legislature.

Alaska State Legislators currently serve on over a dozen state commissions, including the boards of directors of state corporations. Notable examples include the Knik Arm Bridge & Toll Authority, the Alaska Aerospace Corporation, and the board of the Alaska Seafood Marketing Institute. Having legislators on a board is an asset. It will provide perspective and insight to the board and let Alaskans’ elected representatives better understand aspects of state policymaking. AGDC will have a vital role in the development of the AKLNG project, and their important business decisions on the project would be aided by legislative service on the board.

Adding two legislators to AGDC Board of Directors is a natural next step in the state’s decision making process for the AKLNG project. Senate Bill 125 diversifies and strengthens the board in advance of the important policy calls the State of Alaska will be facing in the near future.

Contact: Weston Eiler, Legislative Aide to Senator Mia Costello at (907)-465-4968

29-LS1250\G
Nauman)
3/31/16

HOUSE CS FOR CS FOR SENATE BILL NO. 125()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS COSTELLO, MacKinnon, Coghill, Micciche, Bishop, Giessel, Huggins, Kelly, Meyer

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the board of directors of the Alaska Gasline Development**
2 **Corporation; adding legislators as nonvoting members of the board of directors of the**
3 **Alaska Gasline Development Corporation; and providing for an effective date."**

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

5 *** Section 1.** AS 31.25.020(a) is amended to read:

6 (a) The corporation shall be governed by a board of directors consisting of

7 (1) five public members; [AND]

8 (2) two individuals designated by the governor that are each the head
9 of a principal department of the state, except that the commissioner of natural
10 resources and the commissioner of revenue may not be designated to serve on the
11 board;

12 (3) one nonvoting member who is a member of the house of
13 representatives appointed by the speaker of the house and who serves at the
14 pleasure of the speaker of the house; and

1 **(4) one nonvoting member who is a member of the senate**
2 **appointed by the president of the senate and who serves at the pleasure of the**
3 **president of the senate.**

4 * **Sec. 2.** AS 31.25.020(b) is amended to read:

5 (b) Public members of the board shall be appointed by the governor and are
6 subject to confirmation by the legislature. **Four** [WHEN APPOINTING A] public
7 **members appointed** [MEMBER] to the board [, THE GOVERNOR] shall **have**
8 [CONSIDER AN INDIVIDUAL'S] expertise and experience in natural gas pipeline
9 construction, operation, and marketing; finance; large project management; **or** [AND]
10 other expertise and experience that is relevant to the purpose, powers, and duties of the
11 corporation. Public members of the board serve staggered five-year terms. A public
12 member serves at the pleasure of the governor. A vacancy shall be filled in the same
13 manner as the original appointment. Notwithstanding AS 39.05.100, a public member
14 appointed under (a)(1) of this section is not required to be a registered voter or a
15 resident of the state. If the governor appoints a public member to the board who is not
16 a registered voter in the state or a resident of the state, the governor shall send a
17 written statement to the legislature with the notice of appointment explaining the
18 governor's reasons for making the appointment.

19 * **Sec. 3.** AS 31.25.020(d) is amended to read:

20 (d) The public members of the board receive \$400 compensation for each day
21 spent on official business of the corporation and may be reimbursed by the corporation
22 for actual and necessary expenses at the same rate paid to members of state boards
23 under AS 39.20.180. **Legislative members of the board may not be reimbursed by**
24 **the corporation for a cost related to service on the board or be compensated by**
25 **the corporation for participation on the board.**

26 * **Sec. 4.** AS 31.25.020 is amended by adding a new subsection to read:

27 (e) A legislative member of the board
28 (1) may participate in all activities of the board except for voting;
29 (2) may not be denied access to or participation in an executive session
30 of the board;
31 (3) may not be appointed for a term longer than two years.

1 * **Sec. 5.** AS 31.25.030(a) is amended to read:

2 (a) The board shall elect a chair, secretary, and treasurer from among its
3 **voting members** [MEMBERSHIP] at each annual meeting. A majority of the **voting**
4 members constitutes a quorum for organizing the board, conducting its business, and
5 exercising the powers of the corporation. The board shall meet at the call of the chair.
6 The board shall meet at least once every three months.

7 * **Sec. 6.** AS 31.25.040(a) is amended to read:

8 (a) The **voting members of the** board shall manage the assets and business of
9 the corporation and may adopt, amend, and repeal bylaws and regulations governing
10 the manner in which the business of the corporation is conducted and the manner in
11 which its powers are exercised. The **voting members of the** board shall delegate
12 supervision of the administration of the corporation to the executive director,
13 appointed in accordance with AS 31.25.045.

14 * **Sec. 7.** AS 31.25.040(b) is amended to read:

15 (b) The **voting members of the** board shall adopt and publish procedures to
16 govern the procurement by the corporation of supplies, services, professional services,
17 and construction. The procurement procedures must provide for an Alaska veterans'
18 preference that is consistent with the Alaska veterans' preference in AS 36.30.175.

19 * **Sec. 8.** AS 31.25.040(d) is amended to read:

20 (d) The **voting members of the** board may appoint a program director for an
21 Alaska liquefied natural gas project. The **voting members of the** board may appoint a
22 separate program director for an in-state natural gas pipeline as described in the July 1,
23 2011, project plan prepared under former AS 38.34.040 and defined in AS 31.25.390.
24 A program director appointed under this section shall

25 (1) serve at the pleasure of the **voting members of the** board; and

26 (2) report to the executive director of the corporation.

27 * **Sec. 9.** AS 31.25.045 is amended to read:

28 **Sec. 31.25.045. Executive director.** The corporation shall employ an
29 executive director who may not be a member of the board. The executive director shall
30 be appointed by the **voting members of the** board and serves at the pleasure of the
31 **voting members of the** board.

1 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 APPLICABILITY. AS 31.25.020(a), as amended by sec. 1 of this Act, and
4 AS 31.25.020(b), as amended by sec. 2 of this Act, apply to a member of the board of
5 directors of the Alaska Gasline Development Corporation (AS 31.25) appointed or
6 reappointed on or after the effective date of this Act.

7 * **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).

LEGAL SERVICES

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

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

December 7, 2015

SUBJECT: Legislative Members on AGDC Board
(Work Order No. 29-LS1227)

TO: Senator Mia Costello
Attn: Weston Eiler

FROM: Emily Nauman 
Legislative Counsel

You asked whether a member of the legislature or a person selected by the legislature could serve on the board of the Alaska Gasline Development Corporation (AGDC). The short answer is that legislators or legislative representatives on a state corporation board within the executive branch likely raises a separation of powers issue.

1. Legislators as Board Members

A member of the legislature serving on the board of AGDC likely violates the constitutional separation of powers doctrine.¹ The board clearly has statutory authority, as created by the legislature, and the power to implement and execute the law is a function of the executive branch and cannot be assumed by the legislature.

There is also a second constitutional issue raised by art. II, sec. 5 of the Constitution of the State of Alaska which states in part: "No legislator may hold any other office or position of profit under the United States or the State." The Alaska Attorney General has concluded that in this constitutional provision "of profit" modifies "position" but not "office", so that service in any "office" is prohibited regardless of whether the legislator receives compensation for that service. If a legislator exercises executive branch powers or duties the arrangement is likely to violate the separation of powers doctrine.

The Department of Law (DOL) has consistently argued that appointments of legislators to executive branch boards are unconstitutional.

Legislative membership violates art. II, sec. 5 of the Alaska Constitution, which precludes legislators from dual office-holding. *See State v. A.L.I.V.E. Voluntary*, 606 P.2d 769, 777 - 78 (Alaska 1980). In *Begich v. Jefferson*, 441 P.2d 27 (Alaska 1968), the court explained the rationale is

¹ See *Bradner v. Hammond*, 553 P.2d 1 (Alaska 1976), *State v. Toomey*, 335 P.2d 1051 (Mont. 1958); and *State ex rel. Weinberger v. Miller*, 99 N.E. 1078 (Ohio 1912).

to "guard against conflicts of interest, self-aggrandizement, concentration of power, and dilution of separation of powers. . . ." There is a consistent line of opinions from this office that legislators may not hold positions on executive branch boards. Cf. 1980 Op. Att'y Gen. No. 21 (September 14; J-66-212-81) (legislators may not serve on statehood commission); 1988 Inf. Op. Att'y Gen. 226 (April 12; 883-33-0022) (legislative appointments to children's trust unconstitutional); 1988 Inf. Op. Att'y Gen. 37 (July 1; 663-88-0430) (state legislator should not serve on land use advisory committee); 1989 Inf. Op. Att'y Gen. 297 (May 1; 663-89-0506) (legislators should not serve on commission to investigate Exxon Valdez spill); 1989 Inf. Op. Att'y Gen. 45 (July 1; 883-89-0111) (inclusion of legislators of Amateur Sports Authority is unconstitutional).^[2]

DOL has stated that it might be possible for legislators to serve on temporary advisory boards. In an opinion the department said "It is not our opinion that either the separation of powers doctrine or the prohibition against dual-office holding absolutely forbids the formation of inter-branch committees which are established as clearinghouses for an exchange of ideas and advice on a given subject and which do not exercise sovereign power, i.e., which do not make, execute, or declare the law, do not offend either prohibition Put another way, discussing and advising on the matter may be done by an inter-branch committee; deciding upon and acting on the matter may not."³ DOL has allowed that it may be permissible for legislators to hold a position on a purely advisory committee, but the AGDC board is not a purely advisory committee.

2. Legislative Representatives as Board Members

The separation of powers issue related to the appointment of legislators to an executive board also extend to members of the board selected by the legislature. Art. III, sec. 16 of the Constitution of the State of Alaska provides that "[t]he governor shall be responsible for the faithful execution of the laws." The Alaska Supreme Court has determined that "the appointment of executive officers is an executive function; for without such a power, the responsibility for executing executive duties would be diffused and the goal of separation of branches of government, avoiding too great a concentration of power in one branch, would be defeated."⁴

Similar separation of powers issues also likely exist in the other legislative control possibilities Mr. Eiler and I discussed, including legislative confirmation of board

² 1996 Op. Att'y Gen. (May 24; 883-96-0063).

³ 1977 Inf. Alaska Att'y Gen. Op., file no. J-66-265-78, (November 16) (citations omitted).

⁴ *Bradner v. Hammond*, 553 P.2d 1, 6-7 (Alaska 1976).

Senator Mia Costello
December 7, 2015
Page 3

members⁵ and legislative selection of candidates.

3. Ex Officio Members

As Mr. Eiler and I discussed on the phone, it may be possible to reduce the infringement on executive branch powers by making legislative members of the task force non-voting, ex officio members. I am not sure this resolves the problem, however.

If I may be of further assistance, please advise.

ELN:dla
15-550.dla

⁵ The legislature does not have the power to confirm board members of a public corporation. The power of the legislature to confirm executive branch appointments to a board or commission is contained in art. III, sec. 26 of the Constitution of the State of Alaska, that provides, "when a board or commission is at the head of a principal department or a regulatory or quasi-judicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and may be removed as provided by law." Members of art. III, sec. 26 boards and commissions are subject to confirmation and may only be removed as the legislature has provided by law. The Alaska Supreme Court in *Bradner*, recognized this and said "removal of Section 26 board or commission members is as provided by law and, therefore, not necessarily at the governor's pleasure. Section 26 marks the outer limits of the legislature's authority to require confirmation and provide for the removal of board members."

LEGAL SERVICES

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

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


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 30, 2016

SUBJECT: Constitutionality of HCS CSSB 125()
(Work Order No. 29-LS1250I)

TO: Representative Mike Chenault
Attn: Donald Bullock

FROM: Emily Nauman 
Legislative Counsel

Attached please find the abovementioned draft bill. Members of the legislature sitting on an uncompensated and nonvoting seats on the board of the Alaska Gasline Development Corporation (AGDC) may violate the separation of powers and dual office holding provisions of the Constitution of the State of Alaska.

Dual Office Holding

A member of the legislature is prevented from holding dual offices under the first sentence of art. II, sec. 5, Constitution of the State of Alaska, which reads:

DISQUALIFICATIONS. No legislator may hold *any other office or position of profit under the United States or the State*. During the term for which elected and for one year thereafter, no legislator may be nominated, elected, or appointed to any other office or position of profit which has been created, or the salary or emoluments of which have been increased, while he was a member. This section shall not prevent any person from seeking or holding the office of governor, secretary of state, or member of Congress. This section shall not apply to employment by or election to a constitutional convention.

Emphasis added. The Department of Law (department) has taken the position that there are two distinct types of positions that legislators are prohibited from holding: (1) any office of the state or of the United States, and (2) any position of profit. Thus the department has concluded that "of profit" modifies "position" but does not modify "office."¹ The department's position then is that a legislator may not serve on a state board, even if that service is without compensation because the membership on the board

¹ 1988 Inf. Alaska Att'y Gen. Op., file no. 663-88-0371 (February 29); *see also* 1977 Inf. Alaska Att'y Gen. Op., file no. J-66-674-77 (June 21).

would constitute an office of the state.² This is certainly one conclusion that can be drawn from the language of art. II, sec. 5. Another plausible construction of that language is that "of profit" applies to "office" as well as "position." Under this view, if a legislator was not compensated for the position, there is not a violation of art. II, sec. 5. Each interpretation is equally valid. Even the department seems to have conceded that the prohibition on dual office holding may not be absolute, concluding in another opinion that "[i]t is not our opinion that . . . the prohibition against dual-office holding absolutely forbids the formation of inter-branch committees."³ Thus, without additional guidance from the courts, it may be impossible to know whether uncompensated legislators serving on the AGDC board is unconstitutional under the dual office holding provision of the Constitution of the State of Alaska.

Separation of Powers

Under the separation of powers doctrine, the legislature makes the laws, the executive implements them, and the judiciary interprets and applies them in specific situations. There is no formal statement of the separation of powers doctrine in the Alaska Constitution. As in the United States Constitution, it is implied from the creation of the three branches of government and the powers assigned to them.⁴ If HCS CSSB 125() allows legislators to execute laws through their position on the AGDC board, a separation of powers problem likely arises. However, the legislative board members are nonvoting,⁵ making the crux of the issue whether the board members are able to exert influence on executive branch actions even though they are nonvoting. The bill is clear that the legislative members are not to appoint staff, are not to be counted towards a quorum, may not manage assets and businesses of AGDC, and cannot participate in the procurement decisions of the board. Legislative members are, however, allowed into executive sessions of the board.

The department has fairly consistently opined that a legislator sitting on an executive branch board violates the separation of powers principle.⁶ In regard to the state bond committee, the department found that "[t]he State Bond Committee is within the executive branch and performs executive functions. Accordingly, membership on the

² This position was reasserted in a memo regarding CSSB 125(RES) dated March 20, 2016, from Jerry Juday, Assistant Attorney General, to Darwin Peterson, Office of the Governor. I understand your office has a copy of this memo.

³ 1977 Inf. Alaska Att'y Gen. Op., file no. J-66-265-78 (November 16).

⁴ See *Public Defender Agency v. Superior Court*, 534 P.2d 947, 950 (1975) ("this state does recognize the separation of powers doctrine").

⁵ A similar but more accurate term, rather than *ex officio*.

⁶ 1980 Inf. Alaska Att'y Gen. Op., file no. J-66-212-81 (September 24).

committee by members of the legislature would violate the separation of powers doctrine."⁷ The department reached a similar conclusion with regard to legislative members of the Alaska Statehood Commission.⁸ Neither of these opinions appear to be related to legislators serving on a board as nonvoting members, thus they should not be read to conclusively resolve the issue at hand under HCS CSSB 125().

Because there is no state precedent on the constitutionality of nonvoting legislative members, guidance may be gleaned in precedent from other states. When responding to the specific issue of nonvoting legislative members on the AGDC board,⁹ the department cited an Arkansas case that struck down legislative board members as a violation of the separation of powers principal.¹⁰ However, South Carolina has a well carved out "ex officio exception."¹¹ Given the split in how other states treat nonvoting legislative members, perhaps nothing can be relied upon to divine the outcome in this state.

As mentioned in the dual office holding portion of this memo, the department has opined:

It is not our opinion that either the separation of powers doctrine or the prohibition against dual-office holding absolutely forbids the formation of inter-branch committees which are established as clearinghouses for an exchange of ideas and advice on a given subject and which do not exercise sovereign power, i.e., which do not make, execute, or declare the law, do not offend either prohibition. . . . Put another way, discussing and advising on the matter may be done by an inter-branch committee; deciding upon and acting on the matter may not.^[12]

⁷ 1977 Inf. Alaska Att'y Gen. Op., file no. J-66-265-78 (Nov. 16) (internal citations omitted).

⁸ 1980 Inf. Alaska Att'y Gen. Op., file no. J-66-212-81 (September 24).

⁹ See footnote 2.

¹⁰ The memo cites *State Board of Workforce Education and Career Opportunities v. King*, 985 S.W.2d 731 (Ark. 1999).

¹¹ *South Carolina Public Interest Foundation v. South Carolina Transportation Infrastructure Bank*, 403 S.C. 640 (S.C. 2013). It has a particularly interesting discussion of both the dual office holding and separation of powers issues. Note that South Carolina, as the court notes, is historically a strong legislative branch state. Alaska, on the other hand, was designed as a strong executive branch state.

¹² 1977 Inf. Alaska Att'y Gen. Op., file no. J-66-265-78 (November 16) (citations omitted).

AGDC, however, is not an advisory council, as described above. Whether or not AGDC would be "deciding upon and acting on" a matter is not debatable, there is no question that the corporation will be applying the law. However, it may be possible that a court could take the logic in the abovementioned opinion and apply it to sitting nonvoting legislative board members: the violation of the separation of powers doctrine may be resolved in favor of the legislature because the legislators serve in a nonvoting, essentially advisory capacity. This position is supported in the bill which, in every possible statute, reiterates that decisions related to the execution of laws are left only to the voting members of the board. It is very possible that a court could find that a nonvoting legislature board member does not exert any special influence simply because of his or her position on the board.¹³

What is clear is that the issue of nonvoting legislative members on executive branch boards is unsettled. The only sure resolution is a decision by the Alaska Supreme Court. I would certainly warn that there is a risk involved in placing nonvoting legislative members on the AGDC board, as the board is serving an executive branch function. However, I do not believe the risk is great enough that I would advise removing the legislative board members from the bill. As an advocate for the legislature I note that several other state boards have legislative members including some public corporations, like AGDC.¹⁴ Without a challenge, they have and will continue to serve in accordance with statute.

I hope you found this memo helpful. If I may be of further assistance, please advise.

ELN:lem
16-295.lem

Attachment

¹³ In addition, there may be a legitimate argument that legislators on the board of a state corporation are less constitutionally offensive due to the special status of state corporations. If you would like more information on this potential argument, please let me know. Reviewing *South Carolina Public Interest Foundation* (footnote 10) may be especially helpful as well.

¹⁴ There are two nonvoting legislative members on the board of the Knik Arm Bridge and Toll Authority. There are two members of the legislature serving as ex officio nonvoting members of the board of directors of the Alaska Aerospace Corporation. There are two members from the legislature serving on the Alaska Commission on Postsecondary Education. There are two ex officio legislative members serving on the Alaska Health Care Commission. There are two nonvoting members, serving ex officio, on the board of the Alaska Criminal Justice Commission. There are two legislators serving as ex officio nonvoting members on the Alaska Tourism Marketing Board (which has the authority to "execute a destination tourism marketing campaign."). In addition, there are numerous legislators sitting on the boards of other advisory commissions, note that because they are advisory boards, the department has taken the position that there is no separation of powers concerns.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 125
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB125-DCCED-AGDC-01-29-16
Title: LEGISLATIVE MEMBERS OF AGDC BOARD
Sponsor: COSTELLO
Requester: (S) Labor & Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Alaska Gasline Development Corporation
Allocation: Alaska Gasline Development Corporation
OMB Component Number: 2986

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Fritz Krusen, Interim President	Phone: (907)330-6360
Division: Alaska Gasline Development Corporation	Date: 01/29/2016 12:00 PM
Approved By: Catherine Reardon, Director	Date: 01/29/16
Agency: Division of Administrative Services	

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2016 LEGISLATIVE SESSION**

BILL NO. SB125

Analysis

This bill would place one member of the House and one member of the Senate as non-voting ex-officio members to the Alaska Gasline Development Corporation Board of Directors.

The bill would not impact the corporation's operating budget as this change to the composition of the corporation's board would not increase the operating expenses associated with the activities of the corporation's Board of Directors. It is assumed that any travel or per diem expenses attributable to the participation of these new legislative members of the AGDC board would be covered by their respective bodies. Consequently, this legislation has a zero impact on the corporation's operating budget.