

**SB**

**125**

<TARGET><BILL>SB 125</BILL><SUBJECT>SB  
125</SUBJECT><COMM>SRES29</COMM></TARGET>

# SENATE COMMITTEE REPORT

DATE: 2/8/16

FURTHER:

DATE TURNED IN TO OFFICE: 3/6/16

**Resources Committee** considered SENATE BILL NO. 125

## SB 125-LEGISLATIVE MEMBERS OF AGDC BOARD

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

and recommends:

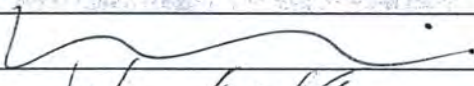
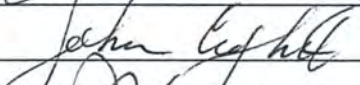
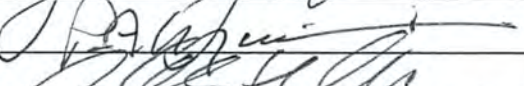
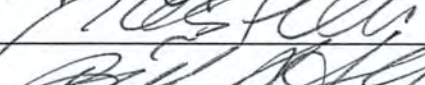

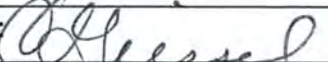
- be replaced with CS SB 125 (RE)  Same Title  New Title
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DCGD			✓	

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Wiebeckowski		✓		
	Coghill	✓			
	Micciche	✓			
	Costello	✓			
	Stoltze			✓	
CHAIR: 	Giesel	✓			

# ALASKA STATE LEGISLATURE

## SESSION

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



## INTERIM

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

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## SENATOR MIA COSTELLO

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### 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*

## **BOARDS & COMMISSIONS ROSTER**

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### **Alaska Gasline Development Corporation Board of Directors (367)**

<b>Member</b>	<b>Date Appointed</b>	<b>Reappointed</b>	<b>Term Expires</b>
Dave Cruz (Palmer) Public	9/13/2013	9/14/2015	9/13/2020
Heidi Drygas (Anchorage) Commissioner of Labor and Workforce Development/Designee	12/20/2014		
Rick Halford (Eagle River) Public	2/19/2015		9/13/2016
Luke Hopkins (Fairbanks) Public	11/20/2015		9/13/2018
Marc Luiken (Anchorage) Commissioner of Department of Transportation and Public Facilities/Designee	11/20/2015		
Joey Merrick II (Eagle River) Public	9/14/2015		9/13/2020
Hugh S. Short (Girdwood) Public	2/19/2015		9/13/2016

Legislative Membership on State of Alaska Boards and Commissions

Board	Seats	Legislators	Authorizing Statute
Alaska Aerospace Corporation Board of Directors*	2	Sen. Stevens, Rep. Stutes	AS 26.27.010 - 040
Alaska Commission on Postsecondary Education	2	Sen. Stevens, Rep. Gattis	AS 14.42.015
Alaska Criminal Justice Commission*	2	Sen. Coghill, Rep. Keller	AS 44.19.642
Alaska Health Care Commission*	2	Sen. Coghill, Rep. Vazquez	AS 18.09.020
Alaska Native Language Preservation & Advisory Council*	2	Sen. Olson, Rep. Nageak	AS 44.33.520
Alaska Seafood Marketing Institute Board*	2	Sen. Stoltze, Rep. Munoz	AS 16.15.010
Alaska Tourism Marketing Board*	2	Sen. Costello, Rep. Hughes	AS 44.33.136
Bond Reimbursement Grant Review Committee	2	Sen. Mackinnon, VACANT	AS 14.11.014
Citizens' Advisory Commission on Federal Management Areas in Alaska	2	Sen. Coghill, Rep. Keller	AS 41.27.160
Knik Arm Bridge & Toll Authority Board of Directors*	2	Sen. Coghill, Rep. Neuman	AS 19.75.021
Parks Bail Advisory Committee	2	Sen. Bishop, Rep. Johnson	AS 41.21.960
Renewable Energy Fund Advisory Committee	4	Sen. Hoffman, Sen. Mackinnon, Rep. Edgmon, Rep. Colver	AS 42.25.045
Statewide Suicide Prevention Council*	4	Sen. Mackinnon, Sen. Gardner, Rep. Nageak, Rep. Tarr	AS 44.29.300

\* = Ex Oficio/Non-Voting Membership

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	CSSB 125(RES)
Fiscal Note Number:	2
(S) Publish Date:	3/4/2016

Identifier: SB125CS(L&C)-DCCED-AGDC-2-29-16  
 Title: LEGISLATIVE MEMBERS OF AGDC BOARD  
 Sponsor: COSTELLO  
 Requester: Senate Resources

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 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
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>0.0</b>

**Fund Source (Operating Only)**

None							
<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>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**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? N  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Prepared By: Miles Baker, VP External Affairs & Government Relations  
 Division: Alaska Gasline Development Corporation  
 Approved By: Fritz Krusen, Interim President  
 Agency: Alaska Gasline Development Corporation

Phone: (907)330-6360  
 Date: 02/29/2016 12:00 PM  
 Date: 02/29/16

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

## Analysis

This bill would increase the size of the Alaska Gasline Development Corporation Board of Directors from seven members to nine members by placing one member of the House and one member of the Senate on the board as non-voting members. The house member would be appointed by the Speaker of the House and the senate member would be appointed by the President of the Senate. These legislative members will serve two-year terms, at the pleasure of the presiding officer of their respective body.

Currently AGDC is governed by a board consisting of five public members and two principal department heads of the state. Public members are appointed by the governor, subject to confirmation by the legislature and serve at the pleasure of the governor. Public members serve staggered five year terms. The Commissioner of Natural Resources and the Commissioner of Revenue are prohibited by statute from serving on the board.

This legislation is expected to have zero impact on the corporation's operating budget. Changing the composition of the existing board by adding two legislators will not increase the operating expenses associated with the activities of the corporation's board. Only the five public members of the board are entitled to receive an honorarium for their service. Travel and per diem related expenses incurred by the two commissioners who currently serve on the board, are paid for by their respective departments. Similarly, it is assumed that all travel and per diem expenses attributable to the participation of these new legislative members will be covered by the legislature's operating budget. Consequently, we are submitting a zero fiscal note for this legislation.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	CSSB 125(L&C)
Fiscal Note Number:	1
(S) Publish Date:	2/8/2016

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 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
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>0.0</b>

**Fund Source (Operating Only)**

None							
<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>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**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  
 Division: Alaska Gasline Development Corporation  
 Approved By: Catherine Reardon, Director  
 Agency: Division of Administrative Services

Phone: (907)330-6360  
 Date: 01/29/2016 12:00 PM  
 Date: 01/29/16

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION**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.