

SB

171

<TARGET><BILL>SB 171</BILL><SUBJECT>SB
171</SUBJECT><COMM>SSTA29</COMM></TARGET>

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 2/5/16

FURTHER: Finance
APR 07 2016
DATE TURNED
IN TO OFFICE: _

Date of 5-Day Notice: 2/11/2016
(in accordance with Uniform Rule 23)

State Affairs Committee considered SENATE BILL NO. 171

SB 171 DOA PAYMENTS; REPEAL OTHER DOA DUTIES

"An Act relating to the duties of the Department of Administration; relating to payment of judgment against the state; relating to pre-audit of claims; relating to travel costs and travel outside the state; repealing authorization and administration of the Department of Administration to make advances to the University of Alaska; and repealing the United States savings bond purchase plan."

and recommends:

- be replaced with CS SB 171 (STA) [] 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 #
ADM	✓			2
Fiscal Info Forthcoming				

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
	COGHILL			✓	
	HUGGINS	✓			
	MCGUIRE	✓			
	WIELECHOWSKI	✓			
CHAIR:	STOLTZE	✓			

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Governor Bill Walker
STATE OF ALASKA

February 4, 2016

The Honorable Kevin Meyer
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the duties of the Department of Administration (DOA).

The bill would update certain statutes and repeal other statutes in order to better reflect the practices and duties of the DOA.

The bill would amend AS 09.50.270 to reflect the current practice regarding payment of judgments issued against the State. It would amend AS 37.05.190 to acknowledge a change in technology and clarify decentralization of certain financial functions. It would amend AS 39.20.140 regarding travel to reflect current industry language and to comply with an audit recommendation from the legislative audit division. The bill would repeal AS 37.10.088 to acknowledge that advances are no longer provided by the DOA to the University of Alaska. The bill would also repeal AS 39.40.010 and AS 39.40.020 due to changes in how United States savings bonds are purchased.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink that reads "Bill Walker".

Bill Walker
Governor

Enclosure



SB 171 – STATUTORY CHANGES

Sectional Analysis by the Department of Administration

Section 1. AS 09.50.270 is amended to have judgments rendered against the state routed directly to Department of Law for processing. This change in processing judgments improves efficiencies by removing the Department of Administration as an intermediary.

Section 2. AS 37.05.190 is repealed and reenacted to reflect functionality now available in the financial administrative system. Documents are routed electronically through workflow and user account security controls actions that are authorized. In addition, system budget controls restrict spending to within legal authority.

Section 3 and 4. AS 39.20.140(b)(c) is repealed and enacted to have the obsolete industry term 'tourist class' removed and replaced with 'lowest fare' and reinforce that purchasing the lowest fare is the standard. Exceptions to purchases other than the lowest fare must be documented with an explanation and approval in the travel authorization for the itinerary.

Section 5. AS 37.10.088 is repealed as Department of Administration has not provided advances to the University of Alaska to assist in cash flow for this institution in over a decade. This statute was established in the late 1970's to assist the University of Alaska during a time of cash shortfall and is no longer necessary.

AS 39.40.010 and AS 39.40.020 is repealed to reflect that the federal government has moved to electronic issuance of United States series EE and I savings bonds through the use of the TreasuryDirect program. The state no longer processes payroll deductions to purchase paper savings bonds for employees.

Section 6. Establishes an effective date of July 1, 2016.

29-GS2811\H
Wallace
3/22/16

CS FOR SENATE BILL NO. 171(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the duties of the Department of Administration; relating to payment
 2 of judgments against the state; relating to use of the Department of Administration's
 3 managed travel program; relating to pre-audit of claims; relating to the establishment
 4 and maintenance of an Internet website providing public finance information and
 5 identifying the information to be available on the Internet website; relating to travel
 6 costs and travel outside the state; repealing the authority of the Department of
 7 Administration to make advances to the University of Alaska; repealing the United
 8 States savings bond purchase plan; and providing for an effective date."

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

10 * **Section 1.** AS 09.50.270 is amended to read:

11 **Sec. 09.50.270. Payment of judgment against the state.** An attachment or
 12 execution may not issue against the state. When a final judgment is rendered against

1 the state in an action, the clerk of the court shall immediately transmit a certified copy
2 of the judgment to the Department of Law, [ADMINISTRATION] which shall either
3 seek approval for [APPROVE] payment of the judgment against the state if a
4 sufficient appropriation exists for payment, or audit the amount and transmit a copy to
5 the legislature with the recommendation that an appropriation be made for its
6 payment.

7 * **Sec. 2.** AS 14.40 is amended by adding a new section to read:

8 **Sec. 14.40.335. Use of managed travel program.** The University of Alaska
9 shall use the Department of Administration's managed travel program to make
10 arrangements for a person traveling on official business. In this section, "managed
11 travel program" includes the online booking system used for researching, approving,
12 purchasing, and reimbursing travel accommodations and the use of travel management
13 contractors.

14 * **Sec. 3.** AS 22.20 is amended by adding a new section to article 1 to read:

15 **Sec. 22.20.038. Use of managed travel program.** The Alaska Court System
16 shall use the Department of Administration's managed travel program to make
17 arrangements for a person traveling on official business. In this section, "managed
18 travel program" has the meaning given in AS 14.40.335.

19 * **Sec. 4.** AS 37.05.190 is repealed and reenacted to read:

20 **Sec. 37.05.190. Pre-audit of claims.** The Department of Administration shall
21 establish a financial system. The system must provide segregation of duties for
22 certification of user input and authorization of financial transactions and sufficient
23 budgetary controls to avoid spending beyond the approved legal authority. To access
24 the system, a user shall certify an agreement that clearly identifies the user's
25 responsibility to ensure the claim is in accordance with law.

26 * **Sec. 5.** AS 37.05.210(a) is amended to read:

27 (a) The Department of Administration shall

28 (1) file with the governor and with the legislative auditor before
29 December 16 a report of the financial transactions of the preceding fiscal year and of
30 the financial condition of the state as of the end of that year, prepared in accordance
31 with generally accepted accounting principles and audited by the legislative auditor in

1 accordance with generally accepted audit standards, with comments and
2 supplementary data that the Department of Administration considers necessary; this
3 report shall be printed for the information of the legislature and the public **and shall**
4 **be available electronically for use in the public finance Internet website under**
5 **AS 37.05.215;**

6 (2) compile statistics necessary for the budget and other statistics
7 required by the governor;

8 (3) file a travel and compensation report with the legislature by
9 January 31 of each year containing detailed information for the previous calendar year
10 of the salaries, per diem, travel expenses, relocation expenses, and any additional
11 allowances for

12 (A) the governor, the lieutenant governor, and the chiefs of
13 staff of the governor and lieutenant governor;

14 (B) the president and vice-president of the University of Alaska
15 and the chancellors of the individual campuses of the university;

16 (C) the commissioners or other executive heads of the principal
17 departments in the executive branch of state government, and the deputy
18 commissioners and division directors in those departments; and

19 (D) the executive heads of public corporations created by law,
20 including the Alaska Railroad Corporation.

21 * **Sec. 6.** AS 37.05 is amended by adding a new section to article 2 to read:

22 **Sec. 37.05.215. Public finance Internet website.** (a) The Department of
23 Administration shall develop, operate, and maintain a searchable Internet website that
24 is accessible to the public at no cost and that provides financial information available
25 from the central accounting system or the annual financial report prepared and filed
26 under AS 37.05.210(a)(1) describing

27 (1) state revenue for the preceding month, including

28 (A) a receipt or deposit by a state agency into a fund or account
29 established within the state treasury;

30 (B) proceeds from taxes received, including a compulsory
31 contribution imposed by the state for the purpose of financing services;

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(C) agency earnings, including amounts collected for sales or services, licenses or permits issued, or otherwise received by an agency under the agency's regulations;

(D) revenue received for the use of state money or property, including interest and lease payments;

(E) gifts, donations, and federal receipts; and

(F) other revenue;

(2) expenditures for the preceding month, including

(A) the name and location of any person to whom payment was made;

(B) the amount of the expenditure disbursed;

(C) the appropriation and allocation that is the source of funding for the expenditure;

(D) the type of transaction, by account code, including the purpose of the expenditure;

(E) other information specified by the department;

(3) state revenue and expenditures, summarized for the preceding fiscal year, as follows:

(A) general fund revenue sources;

(B) general fund expenditures categorized by function;

(C) general fund expenditures categorized by department;

(D) general fund expenditures categorized by account; and

(E) total general fund revenue versus expenditures;

(4) total assets versus liabilities at the end of the fiscal year;

(5) the fiscal year-end balance for each state fund; and

(6) for the preceding 10 years, by fiscal year, the following:

(A) the number of full-time employees employed by the state;

(B) the total long-term debt owed by the state;

(C) total general fund expenditures; and

(D) total general fund payroll.

(b) The Department of Administration shall update the information described

1 in (a)(1) and (2) of this section on the Internet website on a monthly basis and the
2 information described in (a)(3) - (6) of this section on an annual basis.

3 (c) The Department of Revenue and other state agencies that use the central
4 accounting system shall provide information to the Department of Administration that
5 is necessary to comply with the requirements of this section.

6 (d) Nothing in this section requires disclosure of information that is
7 confidential under state or federal law. However, the Department of Administration
8 shall provide aggregated or summarized information describing confidential revenue
9 and expenditures if the aggregated or summarized information continues to protect
10 confidentiality.

11 (e) In this section,

12 (1) "expenditure" means a payment from the state treasury that is made
13 as a grant, subgrant, contract, subcontract, loan, lease, cooperative agreement,
14 purchase order, task order, delivery order, or other form of financial transaction;
15 however, "expenditure" does not include the transfer of money between state agencies,
16 individual payments to state employees or retirees, or payment of state or federal
17 assistance to an individual;

18 (2) "searchable Internet website" means an Internet website that allows
19 searching, extracting, compiling, and aggregating information from the data available
20 on the website.

21 * **Sec. 7.** AS 39.20.140(b) is amended to read:

22 (b) The Department of Administration may not reimburse an official or
23 employee or pay for more than the lowest [TOURIST CLASS] fare for the most direct
24 route **to accomplish the business purpose of the travel** unless

25 [(1) TOURIST CLASS ACCOMMODATION IS NOT AVAILABLE;

26 (2) WAITING FOR TOURIST CLASS ACCOMMODATION
27 WOULD OCCASION A DELAY HARMFUL TO THE STATE; OR

28 (3)] the Department of Administration finds that travel **at the lowest**
29 **fare** [BY TOURIST CLASS ACCOMMODATION] is not in the best interest of the
30 state, and authorizes other accommodation.

31 * **Sec. 8.** AS 39.20.140(c) is repealed and reenacted to read:

1 (c) When the Department of Administration authorizes a fare other than the
2 lowest fare under (b) of this section, the department shall file the approval with the
3 travel authorization.

4 * **Sec. 9.** AS 37.10.088; AS 39.40.010 and 39.40.020 are repealed.

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

7 DELAYED AVAILABILITY. The Internet website established under AS 37.05.215,
8 added by sec. 6 of this Act, shall be available to the public on or before October 1, 2016.

9 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 TRANSITIONAL PROVISIONS. The Internet website established under
12 AS 37.05.215, added by sec. 6 of this Act, must, notwithstanding the requirements of
13 AS 37.05.215(a), list information from the previous fiscal year. Beginning on October 1,
14 2017, the list shall be updated monthly or annually, as specified.

15 * **Sec. 12.** This Act takes effect July 1, 2016.

AMENDMENT #1

OFFERED IN THE SENATE

By: Senator Stoltze

TO: CSSB 171(STA), Draft Version "H"

- 1 Page 2, lines 11 - 12:
- 2 Delete ", approving, purchasing, and reimbursing"
- 3 Insert "and purchasing"
- 4
- 5 Page 6, line 8:
- 6 Delete "October 1, 2016"
- 7 Insert "January 1, 2017"
- 8
- 9 Page 6, lines 13 - 14:
- 10 Delete "October 1, 2017"
- 11 Insert "January 1, 2018"

AMENDMENT #2

OFFERED IN THE SENATE

TO: CSSB 171(STA), Draft Version "H"

By: Senator Stoltz

- 1 Page 2, lines 14 - 18:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 6, line 8:
- 7 Delete "sec. 6"
- 8 Insert "sec. 5"
- 9
- 10 Page 6, line 12:
- 11 Delete "sec. 6"
- 12 Insert "sec. 5"

AMENDMENT #3

OFFERED IN THE SENATE

By: Senator Stoltze

TO: CSSB 171(STA), Draft Version "H"

1 Page 2, lines 11 - 12:

2 Delete ", approving, purchasing, and reimbursing"

3 Insert "and purchasing"

4

5 Page 6, line 8:

6 Delete "October 1, 2016"

7 Insert "January 1, 2017"

8

9 Page 6, line 12:

10 Delete "must,"

11

12 Page 6, lines 13 - 14:

13 Delete "list information from the previous fiscal year. Beginning on October 1, 2017,
14 the list shall be updated monthly or annually, as specified"

15 Insert "must implement and expand a public data portal as follows:

16 (1) software for expenditure transactions, by July 1, 2017;

17 (2) employee payroll transactions, by January 1, 2019;

18 (3) revenue transactions, by January 1, 2020"

AMENDMENT #4

OFFERED IN THE SENATE

TO: CSSB 171(STA), Draft Version "H"

By: Senator Stoltze

1 Page 1, lines 2 - 3:

2 Delete "the Department of Administration's managed travel program"

3 Insert "negotiated state contracts to make arrangements for persons traveling on
4 official business"

5

6 Page 2, lines 8 - 18:

7 Delete all material and insert:

8 "Sec. 14.40.335. Use of negotiated state contracts. The University of Alaska
9 shall use state contracts negotiated by the Department of Administration to make
10 arrangements for a person traveling on official business."

11

12 Renumber the following bill sections accordingly.

13

14 Page 6, line 8:

15 Delete "sec. 6"

16 Insert "sec. 5"

17

18 Page 6, line 12:

19 Delete "sec. 6"

20 Insert "sec. 5"

Editor's notes. — Section 3, ch. 94, SLA 2004, provides that this section "applies to a cause of action that arose on or after June 26, 2004."

Legislative history reports. — For governor's transmittal letter for ch. 94, SLA 2004 (SB 338),

authorizing substitution of the state for a state employee named as a defendant in a civil action when the employee is sued for an act that occurred in the course and scope of employment, see 2004 Senate Journal 2181 - 2182.

NOTES TO DECISIONS

Certification by attorney general held reviewable. — Where an action against state employees was certified by the attorney general as an action against the state because the employees were acting within the scope of their employment, that certification was reviewable. *State v. Heisey*, 271 P.3d 1082 (Alaska 2012).

Applicability to § 1981 claim. — There was no reason to continue the litigation of whether dismissal

of a plaintiff's 42 U.S.C.S. § 1981 claim violated the Supremacy Clause or the plaintiff's constitutional right to a jury trial because state law was inapplicable to claims brought under § 1981, the attorney general made it absolutely clear that it would not certify individual state employee defendants on § 1981 claims, the disputed issue would not be repeated and would not evade future review. *Slade v. State*, — P.3d — (Alaska Sept. 26, 2014).

Sec. 09.50.260. Undertaking. [Repealed, § 2 ch 19 SLA 1975.]

Sec. 09.50.270. Payment of judgment against the state. An attachment or execution may not issue against the state. When a final judgment is rendered against the state in an action, the clerk of the court shall immediately transmit a certified copy of the judgment to the Department of Administration which shall either approve payment of the judgment against the state if a sufficient appropriation exists for payment, or audit the amount and transmit a copy to the legislature with the recommendation that an appropriation be made for its payment. (§ 26.03 ch 101 SLA 1962)

Revisor's notes. — In 1994, "An attachment or execution may not" was substituted for "No attach-

ment or execution shall" in order to conform the section to the current style of the Alaska Statutes.

NOTES TO DECISIONS

Statutory benefit. — This statute gives a plaintiff a specific, albeit uncertain, remedy: the chance to

have his claim presented to the legislature. *Zerbetz v. Alaska Energy Ctr.*, 708 P.2d 1270 (Alaska 1985).

Sec. 09.50.280. Judgment for plaintiff; punitive damages. If judgment is rendered for the plaintiff, it shall be for the legal amount found due from the state with interest as provided under AS 09.30.070 and without punitive damages. (§ 26.04 ch 101 SLA 1962; am § 2 ch 30 SLA 1965; am § 20 ch 26 SLA 1997)

Cross references. — For interest on judgments, see AS 09.30.070; for legal rate of interest, see AS 45.45.010. For a statement of legislative intent relating to the provisions of ch. 26, SLA 1997, see § 1, ch. 26, SLA 1997 in the 1997 Temporary and Special Acts. For severability of the provisions of ch. 26, SLA 1997,

see § 56, ch. 26, SLA 1997 in the 1997 Temporary and Special Acts.

Editor's notes. — Section 55, ch. 26, SLA 1997 provides that the provisions of ch. 26, SLA 1997 apply "to all causes of action accruing on or after August 7, 1997."

NOTES TO DECISIONS

Prejudgment interest to be more liberally awarded. — The legislature's 1965 amendment to this section evinces an intent that prejudgment interest be awarded more liberally than prior judicial interpretations of AS 45.45.010 would have called for. *State v. Phillips*, 470 P.2d 266 (Alaska 1970); *National Bank v. J.B.L. & K. of Alaska, Inc.*, 546 P.2d 579 (Alaska 1976).

Prejudgment interest is in the nature of compensation damages. *National Bank v. J.B.L. & K. of Alaska, Inc.*, 546 P.2d 579 (Alaska 1976).

Prejudgment interest. — Medical service provider's administrative claims under AS 47.07.070 were not covered by the waiver of sovereign immunity in AS

9.50.260; therefore, the state was not liable for prejudgment interest under this section for additional payments made to the provider after it brought successful administrative claims to increase the Medicaid reimbursement rates. *Samiasa Anchorage, Inc. v. Dep't of Health & Soc. Servs.*, 57 P.3d 676 (Alaska 2002).

Contractor was precluded from an award of prejudgment interest in his public contract dispute because (1) the state procurement code, AS 36.30, did not specifically authorize prejudgment interest on awards under AS 36.30.620 and 36.30.625; (2) the new provision in the procurement code, AS 36.30.623, allowing prejudgment interest on awards against the

NOTES TO DECISIONS

Quoted in *Zerbetz v. Alaska Energy Ctr.*, 708 P.2d 1270 (Alaska 1985).

Sec. 37.05.180. Limitation on payment of warrants. A warrant upon the state treasury may not be paid unless presented at the office of the commissioner of revenue within six months of the date of its issuance. A warrant not presented within that time is presumed abandoned, except where the warrant is for the payment of a permanent fund dividend or a benefit payment or refund under AS 14.25, AS 22.25, AS 26.05, AS 39.30, AS 39.35, former AS 39.37, or AS 39.45. Money held for an abandoned warrant shall be delivered to the custody of the Department of Revenue to be administered as unclaimed property under AS 34.45. (§ 3 ch 130 SLA 1951; am § 1 ch 128 SLA 1960; am § 1 ch 7 SLA 1961; am § 3 ch 4 SLA 1992; am § 26 ch 59 SLA 2002; am § 1 ch 98 SLA 2003; am § 21 ch 99 SLA 2004)

Sec. 37.05.190. Pre-audit of claims. (a) The Department of Administration shall examine and audit every receipt, account, bill, claim, refund, and demand on the funds in the state treasury arising from activities carried on by state agencies. It shall determine whether or not the obligation is incurred in accordance with laws and regulations adopted under authority of law, and that the amount is correct and is unpaid.

(b) The department may not approve for payment an account, bill, claim, refund, or demand on funds in the state treasury unless the claim is ordered by act of the legislature or is contracted against the state by an authorized officer or agent of the state. (§ 6 art III ch 82 SLA 1955; am § 5 ch 186 SLA 1957)

Sec. 37.05.200. Pre-audit of receipts. The Department of Revenue shall transmit to the Department of Administration copies of receipt documents showing all receipts received by the Department of Revenue. The receipt documents shall be audited, examined, and the amounts entered in the proper accounts in the records of the Department of Administration. The Department of Administration may adopt regulations to establish the system for providing current receipt documents. (§ 7 art III ch 82 SLA 1955; am § 5 ch 186 SLA 1957)

Sec. 37.05.210. Fiscal reporting and statistics. (a) The Department of Administration shall

(1) file with the governor and with the legislative auditor before December 16 a report of the financial transactions of the preceding fiscal year and of the financial condition of the state as of the end of that year, prepared in accordance with generally accepted accounting principles and audited by the legislative auditor in accordance with generally accepted audit standards, with comments and supplementary data that the Department of Administration considers necessary; this report shall be printed for the information of the legislature and the public;

(2) compile statistics necessary for the budget and other statistics required by the governor;

(3) file a travel and compensation report with the legislature by January 31 of each year containing detailed information for the previous calendar year of the salaries, per diem, travel expenses, relocation expenses, and any additional allowances for

(A) the governor, the lieutenant governor, and the chiefs of staff of the governor and lieutenant governor;

(B) the president and vice-president of the University of Alaska and the chancellors of the individual campuses of the university;

(C) the commissioners or other executive heads of the principal departments in the executive branch of state government, and the deputy commissioners and division directors in those departments; and

paid an amount, instead of actual expenses of transportation, not to exceed a mileage allowance set by the commissioner of administration for the use of privately-owned automobiles or airplanes, when engaged in official travel inside or outside their designated posts of duty or places of service. In addition to the mileage allowance, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls. When two or more officials or employees are traveling in the same direction, and it is possible to share a privately-owned automobile or airplane, the mileage permitted shall be allowed only once. (§ 6 ch 60 SLA 1957; am § 11 ch 47 SLA 1974)

Sec. 39.20.140. Travel costs and travel outside the state. (a) The Department of Administration may not pay an official or employee for per diem or transportation costs unless the travel is clearly necessary to benefit the state.

(b) The Department of Administration may not reimburse an official or employee or pay for more than the lowest tourist class fare for the most direct route unless

(1) tourist class accommodation is not available;

(2) waiting for tourist class accommodation would occasion a delay harmful to the state; or

(3) the Department of Administration finds that travel by tourist class accommodation is not in the best interest of the state, and authorizes other accommodation.

(c) When the Department of Administration authorizes more expensive travel under (b)(3) of this section, it shall file a justification for that authorization with the travel voucher. When fares other than tourist class are authorized under (b) of this section, the Department of Administration may not reimburse the official or employee or pay for more than the lowest first class fare available.

(d) Officials and employees are authorized to travel only the least number of days necessary to transact the business involved, to secure return passage, and to return.

(e) Every official and employee shall, unless otherwise authorized by law to travel outside the state, obtain prior approval for travel outside the state from the head of the official's or employee's department or from an immediate supervisor, or from the Department of Administration if the official or employee is not within a department or is not under the direct supervision of an official or supervisor. If an employee deviates materially from the travel authorized under this section, the employee must obtain approval for the deviation from the person who approved the travel before the Department of Administration may reimburse the employee for the travel. (§ 7 ch 60 SLA 1957; am § 1 ch 83 SLA 1962)

Sec. 39.20.150. Advances and recovery. (a) An agency may advance, through proper disbursing methods, to a person entitled to per diem or mileage allowance under AS 39.20.110 — 39.20.170 the sums considered advisable considering the character and probable duration of the travel to be performed.

(b) Sums advanced and not used for allowable travel expense are recoverable by setoff against salary due, or otherwise, from the person to whom advanced, or the person's estate, by deduction from any amount due from the state, or by other legal methods of recovery that may be necessary. (§ 8 ch 60 SLA 1957)

Sec. 39.20.160. Regulations. The fixing and payment under AS 39.20.110 — 39.20.170 of travel and per diem allowances and of advances and recovery and reimbursement of travel expenses shall be in accordance with regulations adopted by the commissioner of administration. The regulations shall be uniform for all officials and employees, and all agencies and departments. The regulations shall also govern the use of public transportation facilities by officials and employees. The regulations relate to the internal management of state agencies and their adoption is not subject to AS 44.62 (Administrative Procedure Act). (§ 9 ch 60 SLA 1957; am § 2 ch 13 SLA 1963)

(e) The commissioner of administration shall notify the Legislative Budget and Audit Committee in writing of a transfer of money from the general fund under (a) of this section. (§ 1 ch 126 SLA 1972; am §§ 1 — 3 ch 90 SLA 2014)

Effect of amendments. — The 2014 amendment, effective July 17, 2014 in (a), in the first sentence, deleted “, and with the approval of the legislative budget and audit committee,” following “state bond committee”, added the second and third sentences; in (d), deleted “immediately” following “shall be” and substituted “within 15 months after the transfer” for “as soon as sufficient money has been received in the bond construction fund or account to which the transfer was made” at the end; added (e), and made related changes.

Sec. 37.10.088. Department of Administration authorized to make advances to the University. (a) During any fiscal year the Department of Administration may make advances to the University of Alaska against verified receivables from appropriations for grants and contracts from federal or private sources of the university and upon condition that the university reimburse the fund for these advances from funds received by the university from federal or private sources. The advances may not exceed 80 percent of the verified receivables from grants and contracts appropriated from federal or private sources.

(b) The total of advances in a fiscal year may not exceed 10 percent of the total of grants and contracts from federal and private sources appropriated to the university for that fiscal year. The amounts advanced in a fiscal year shall be repaid in full to the department within 120 days following the close of that fiscal year. If the repayment is not made on a timely basis, the department may withhold amounts due from state fund appropriations for the university.

(c) The commissioner of administration shall submit a quarterly report of all advances and reimbursements under this section to the Legislative Budget and Audit Committee.

(d) The department shall establish the procedure for making advances to the university and for securing reimbursement from the university. (§ 8 ch 46 SLA 1977; am § 1 ch 79 SLA 1978; am § 63 ch 14 SLA 1987)

Legislative history reports. — For letter of intent on ch. 46, SLA 1977 (HCSSB 261), see 1977 House Journal, p. 1019.

Sec. 37.10.089. Loans to the education loan fund; bond purchase agreements and letters of credit. (a) If the education loan fund (AS 14.42.210) is unable to fully finance loan demand in a fiscal year, the commissioner may invest in the education loan fund for the purpose of financing education loans under AS 14.43.161 — 14.43.175, 14.43.600 — 14.43.750, and AS 14.44.040. The commissioner shall require the corporation to secure the investment of state money.

(b) The commissioner may make investments under (a) of this section only when the commissioner determines that market conditions relating to tax-exempt private activity revenue bonds make the issuance of the bonds by the corporation impracticable or uneconomical for the purpose of financing education loans under AS 14.43.161 — 14.43.175, 14.43.600 — 14.43.750, and AS 14.44.040.

(c) The corporation shall repay money invested under (a) of this section under terms established by the commissioner and agreed to by the corporation. Except as provided in this section, the terms must be consistent with the duties of a fiduciary set out in AS 37.10.071(c).

(d) Notwithstanding any other provision of this section, the commissioner is authorized to enter into an agreement with the corporation to provide a bond purchase agreement and a letter of credit when market conditions relating to those credit enhancement mechanisms are uneconomical. The commissioner may require the corporation to pay the costs associated with providing credit enhancement and may charge the corporation a fee for this service.

deceased member or survivor under this section shall be included.

"(e) An increase in benefit payments under this section is effective July 1 of each calendar year and is based on the percentage increase in the consumer price index for urban wage earners and clerical work-

ers for Anchorage, Alaska, during the previous calendar year, as determined by the United States Department of Labor, Bureau of Labor Statistics.

"(f) In this section, 'system' means the elected public officers retirement system under former AS 39.37."

NOTES TO DECISIONS

"Employee retirement system". — The Elected Public Officers Retirement System is an "employee retirement system" within the meaning of Alaska Const., art. XII, § 7, which provides that membership in state employee retirement systems shall constitute a contractual relationship. State ex rel. Hammond v. Allen, 625 P.2d 844 (Alaska 1981).

There is no valid basis upon which to distinguish the rights of elected officials in the Elected Public Officers Retirement System from their rights in the public employees' retirement system in the context of Alaska Const., art. XII, § 7. State ex rel. Hammond v. Allen, 625 P.2d 844 (Alaska 1981).

Contractual relationship. — The Elected Public Officers Retirement System constitutes a contractual relationship between participants in that program and the state of Alaska, which must be honored by the state. Therefore, all elected officials who were participating in the Elected Public Officers Retirement System at the time its repeal became effective (October 14, 1976) will be entitled to the benefits provided by that system upon retirement. State ex rel. Hammond v. Allen, 625 P.2d 844 (Alaska 1981).

Effective period of ch. 205, SLA 1975. — *Walters v. Cease*, 388 P.2d 263 (Alaska 1964), which held that the effectiveness of an act passed by the legislature is not suspended during the period between its effective

date and its rejection by referendum, clearly establishes that the legislation enacting this chapter, ch. 205, SLA 1975, whatever its import, was in full force from January 1, 1976, its effective date, until October 14, 1976, the date of repeal by referendum. State ex rel. Hammond v. Allen, 625 P.2d 844 (Alaska 1981).

Rights not subject to implied condition subsequent of repeal. — Even though a referendum petition was duly filed over three months before the effective date of this chapter (Jan. 1, 1976), the rights accrued under the Elected Public Officers Retirement System were not subject to any implied condition subsequent of repeal by the electorate, and those rights remain fully enforceable. State ex rel. Hammond v. Allen, 625 P.2d 844 (Alaska 1981).

Even assuming the extreme likelihood of the subsequent repeal of a legislative enactment, Alaska Const., art. XII, § 7, and AS 01.10.100(a) preclude the finding of an implicit condition subsequent in the contracts between participants in the Elected Public Officers Retirement System and the state of Alaska, since AS 01.10.100(a) provides that "[t]he repeal . . . of any law does not release or extinguish any . . . liability incurred or right accruing or accrued under such law" and finding a condition subsequent to be implicit in the contract under consideration would undermine Alaska Const., art. XII, § 7. State ex rel. Hammond v. Allen, 625 P.2d 844 (Alaska 1981).

Secs. 39.37.010 — 39.37.150. Elected public officers retirement system. [Rejected at Referendum.]

Chapter 40. United States Savings Bonds Purchase Plan.

Section

- 10. Authorization
- 20. Administration

Sec. 39.40.010. Authorization. An employee of the state may give written authorization to permit an employer to deduct a sum of money each month from the employee's wages for the purchase of United States savings bonds. The United States savings bonds purchased shall be made payable to the person specified by the employee. (§ 1 ch 46 SLA 1963)

Sec. 39.40.020. Administration. (a) The wage deductions withheld under AS 39.40.010 shall be held in trust until a United States savings bond is purchased by the Department of Administration. After the purchase of the bond, it shall be turned over to the employee.

(b) The Department of Administration shall adopt regulations to carry out this chapter. (§ 1 ch 46 SLA 1963)

Daniel George

From: Stacy Schubert <sshubert@ahfc.us>
Sent: Wednesday, March 23, 2016 1:23 PM
To: Daniel George
Subject: Travel analysis -- AHFC

Follow Up Flag: Follow up
Flag Status: Completed

Hi Daniel:

See below for the information we discussed this morning. It came from our procurement director and went to the legis auditor, Dawn Borjesson. If you have any follow-up questions, please let me know.

-Stacy

Good morning Dawn:

Alaska Housing Finance Corporation (AHFC) administrative staff have completed an FY15 cost comparison using AHFC's current system for acquiring travel (airlines and lodging) versus using the State Travel Office (STO) system for the period of FY15. For this exercise staff used the following information provided by the State Travel Office to complete the comparison:

Assumptions:

1. Discounted airfare costs were based on a stated 6% savings off the published rate received and provided by the STO for FY15.
2. Discounted hotel costs were based on a stated 14% savings off the published rate received and provided by the STO for FY15.
3. Rental car rates for both AHFC and STO were identical.
4. Airfare and hotels costs for AHFC were based on actual expenses incurred in FY15.
5. AHFC overhead costs were based on training/monitoring/maintenance of moving to the STO system.
6. The current travel agency contract expires in November of 2016.
7. AHFC's corporate travel will decrease given current travel restrictions.

Results:

1. Direct costs associated with the purchase of airline tickets were \$1,777 less for AHFC than they would have been using the STO during FY15.
2. Direct costs associated with the purchase of lodging were \$2,856 less for AHFC than they would have been using the STO during FY15 even using the 14% reduction in published rates that the STO receives.
3. Direct costs associated with rental cars indicated no significant difference between using the two systems.
4. Estimated costs regarding first year staff training and system implementation/maintenance to move from our current system to the STO system are \$14,359.
5. Total costs associated with having AHFC use the STO system are estimated to be \$18,992.

6. If training and system implementation costs were \$0 AHFC would still see a slight cost increase.
7. While not included in the analysis AHFC's receives a rebate on the total spend using the AHFC Pcard. (unable to confirm rebate amount with the STO at the time of this email)

Conclusions:

As documented in our analysis the current system used by AHFC provides our staff with the opportunity to obtain the best value in all areas related to travel. AHFC's current system (fully electronic/automated from Travel Authorization to M&EI reimbursement); coupled with our travel guide contains several checks and balances requiring the traveler to fly the most direct and cost efficient route. The Travel Authorization requires the traveler to substantiate all associated costs prior to travel and obtain management approval before incurring any associated expenses. This review ensures that the most reasonable cost is always obtained by AHFC staff when traveling. As our total "air travel spend" of \$257,468 for FY15 represents only 1.4% of the State of Alaska's (SOA) FY15 total air travel related expense of \$19,515,981 it does not seem a financially viable idea for AHFC to incur an additional 7.4% in associated costs to move from our current system to the STO.

Should you require any further information or additional clarification please feel free to contact me directly.

Respectfully submitted,

Greg Rochon

The information transmitted in this email and any attachments is intended only for the personal and confidential use of the intended recipients. This message may be or may contain privileged and confidential communications. If you as the reader are not the intended recipient, you are hereby notified that you have received this communication in error and that any retention, review, use, dissemination, distribution or copying of this communication or the information contained is strictly prohibited. The sender does not accept any responsibility for any loss, disruption or damage to your data or computer system that may occur while using data contained in, or transmitted with, this e-mail. If you have received this communication in error, please notify the sender immediately and delete the original message from your system.

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

SCR SENATE CONCURRENT RESOLUTION NO. 52 by all members of the Senate:

Honoring the memory of Victor V. Gill.

was read the first time and referred to the Rules Committee for placement on the calendar.

REPORTS OF STANDING COMMITTEES

SCR 12 The Community and Regional Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 12 (Annulling regulations adopted by the Department of Community and Regional Affairs pertaining to supplying income tax forms when applying for the farm and agricultural land use assessment and tax deferral program) under consideration and a majority of the members recommends it do pass. Concurring: Rudd (Chairman), Lethin, Ose, Smith and Miles. Not concurring: Phillips has no recommendation.

SCR 12 was referred to the Rules Committee for placement on the calendar.

The Community and Regional Affairs Committee Chairman's letter of intent is identical to that of the Senate Community and Regional Affairs Committee Chairman's and appears on page 607 of the Senate journal.

CS SSSB 37 am The Community and Regional Affairs Committee has had COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37 amended (sale, repurchase and disposition of the proceeds of the sale of tax-foreclosed real property) under consideration and a majority of the members reports it back with individual recommendations. Rudd (Chairman) recommends do not pass unless amended; Lethin and Ose have no recommendation; Anderson and Phillips recommend do pass; Smith recommends do not pass.

CS SSSB 37 am was referred to the Rules Committee for placement on the calendar.

SB 123 The Finance Committee has had SENATE BILL NO. 123 (art work in public buildings and facilities) under consideration and a majority of the members recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 123 (Finance) (same title) and that it do pass. Concurring: Freeman (Vice Chairman), Meekins, Duncan, Rhode, Buchholdt and Swanson.

SB 123 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had SENATE BILL NO. 261 (University of Alaska; effective date) under consideration and a majority of the members recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 261 (same title) and that it do pass. Concurring: Freeman (Vice Chairman), Rhode, Duncan, Buchholdt, Meekins and Swanson. SB 261

SB 261 was referred to the Rules Committee for placement on the calendar.

The Finance Committee Chairman's letter of intent on SB 261 appears as follows:

"LETTER OF INTENT

for

House Finance Committee Substitute for SB 261

In placing the University of Alaska under the provisions of AS 37.05, the fiscal procedures act, and AS 37.07, the executive budget act, it is the declared intent of the Legislature that the University budgeting, accounting, and fiscal management systems shall conform to record keeping, reporting, and budgeting requirements for other state agencies and to explicit criteria and guidelines established by the Commissioner of Administration and the Director, Division of Budget and Management, respectively. These criteria and guidelines shall be developed and made subject to review and comment by the Board of Regents and then submitted to Legislative Budget and Audit for concurrence prior to final adoption.

It is recognized that experience in operation under these established criteria and guidelines during the next fiscal year may develop the need for some modifications or exclusions, some of which may be handled by administrative agreement and some of which may require legislation. Quarterly reports of operating experience shall be prepared by state officials and by University of Alaska officials and submitted to Legislative Budget and Audit.

This legislation reflects the concern of the Legislature that implementation of sound budgeting, accounting, and fiscal management systems are essential to the University in carrying out its fundamental missions of teaching, research, and public service.

However, it is the express intent of the Legislature that the establishment of policies and directives for the actual conduct of teaching, research, and public service functions of the University within the limitations of legislative appropriations and pertinent statutes are clearly the responsibility of the Board of Regents and not that of the Executive or Legislative branch.

This intent shall be kept clearly in mind in the development of criteria and guidelines for the University to follow in budgeting, accounting, and fiscal management.


Steve Cowper, Chairman
House Finance Committee"

Chapter 45

lated by blood or marriage, or legal adoption, to the owner, operator or manager of the business are lodged.

* Sec. 3. AS 47.35.050 is amended to read:

Sec. 47.35.050. DURATION OF LICENSE OR PERMIT. The license or permit remains in effect for a period of one year from the date of issuance unless revoked for cause. The department shall give written notice of revocation 30 days before the effective date of a revocation, except in a case when the health or well-being of children or dependent adults is in jeopardy.

* Sec. 4. AS 47.35.060 is amended to read:

Sec. 47.35.060. RECORDS REQUIRED. Each licensee or permit holder shall keep records regarding each child or adult in its control and care, or placed by it, which the department prescribes, and shall report to the department the facts which the department requires with reference to the children or adults. All records regarding individuals placed for care in an institution or home under this chapter are confidential and shall be safeguarded from improper disclosure by the agency or department.

* Sec. 5. AS 47.35 is amended by adding a new section to read:

Sec. 47.35.075. LICENSURE OF PROVIDERS OF CARE FOR DEPENDENT ADULTS BY MUNICIPALITIES. A first or second class borough or a first or second class city outside a first or second class borough may license and supervise institutions caring for dependent adults. If a borough or city chooses not to license care providers for dependent adults, the department shall be the licensing authority; if a borough or city chooses to license care providers for dependent adults, the borough or city may exercise any power or responsibility granted to the department under this chapter and shall enforce standards and regulations adopted by the department under sec. 30 of this chapter.



LAWS OF ALASKA

1977

Source

HCSSB 261 am H

Chapter No.

46

AN ACT

Relating to the University of Alaska; and providing for an effective date.

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

* Section 1. AS 14.40.170(a)(4) is amended to read:

(4) have the care, control and management of all the real and personal property of the university;

* Sec. 2. AS 14.40.170(a)(6) is amended to read:

(6) under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed.

* Sec. 3. AS 14.40.300 is amended to read:

Sec. 14.40.300. CREATION AND APPOINTMENT OF COMPTROLLER. The Board of Regents shall create the office of comptroller of the university, fix the salary and determine the duties of the office. The Board of Regents shall fill the office. The comptroller shall report directly to the Board of Regents.

* Sec. 4. AS 24.20.271 is amended by adding a new paragraph to read:

(9) have direct access to any information related to the management of the University of Alaska and have the same right of access as exists with respect to every other state agency.

* Sec. 5. AS 37.05 is amended by adding a new section to

read:

Sec. 37.05.305. APPLICABILITY TO UNIVERSITY OF ALASKA. The commissioner of administration may delegate the performance of the functions under this chapter as they relate to the university to the Board of Regents of the University of Alaska and set out the criteria and guidelines which shall be followed. The commissioner shall direct necessary stipulations and exercise monitoring responsibility for conformance through the Board of Regents of the University of Alaska.

* Sec. 6. AS 37.05.320(2) is amended to read:

(2) "state agency," "agency," "department," or similar term means a department, officer, institution, board, commission, bureau, division, or other administrative unit forming the state government, and includes the Alaska Pioneers' Home and the University of Alaska.

* Sec. 7. AS 37.07.120(1) is amended to read:

(1) "agency" means a department, officer, institution, board, commission, bureau, division, or other administrative unit forming the state government and includes the Alaska Pioneers' Home and the University of Alaska, but does not include the legislature or the judiciary.

* Sec. 8. AS 37.10 is amended by adding a new section to read:

Sec. 37.10.088. DEPARTMENT OF ADMINISTRATION AUTHORIZED TO MAKE ADVANCES TO THE UNIVERSITY. (a) During any fiscal year the Department of Administration may make advances to the University of Alaska against verified receivables from nonstate sources of the university and upon condition that the university reimburse the fund for these advances from nonstate funds received by the university. The advances may not exceed 80 per cent of the verified nonstate receivables.

(b) The total of advances in any fiscal year may not exceed 10 per cent of the total of nonstate funds appropriated to the university for that fiscal year. The amounts advanced in any fiscal year shall be repaid in full to the department within 90 days following the close of that fiscal year. If the repayment is not made on a timely basis, the department may withhold amounts due from state fund appropriations for the university.

(c) The commissioner of administration shall submit a quarterly report of all advances and reimbursements under this section to the Legislative Budget and Audit Committee.

(d) The department shall establish the procedure for making advances to the university and for securing reimbursement from the university.

* Sec. 9. AS 44.62.330(a) is amended by adding a new paragraph to read:

(45) University of Alaska, except to the extent that its inclusion is inconsistent with the provisions of AS 14.40.

* Sec. 10 AS 14.40.290(b), 14.40.295, 14.40.320, and 14.40.370 are repealed.

* Sec. 11. This Act takes effect immediately in accordance with AS 01.10.070(c).

SB 259 AN ACT RELATING TO MUNICIPAL UTILITIES**PRIME SPONSORS:** CERA

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
03/17/77	01	0598	FIRST READING -- COMMITTEE REPORTS
** 04/11/77	02	0798	CRA -- CS02, NR03 RULES RULES

SB 260 AN ACT APPROPRIATING \$750,000 FOR SURFACING AIRPORTS AT KIPNUK, KWIGILLINGOK, CHEFORNAK, KONGIGNAK, TUNTUTULIAK AND EEKI AND PROVIDING FOR AN EFFECTIVE DATE**PRIME SPONSORS:** HOFFMAN

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
** 03/17/77	01	0598	FIRST READING -- COMMITTEE REPORTS STATE AFF. FINANCE RULES

SB 261 AN ACT RELATING TO THE UNIVERSITY OF ALASKA; AND PROVIDING FOR AN EFFECTIVE DATE**AMENDED TITLE:** HCS * AM H**PRIME SPONSORS:** RULES**BY REQUEST OF:** LB&A

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
03/17/77	01	0598	FIRST READING -- COMMITTEE REPORTS	04/22/77	18	0965	FIRST READING -- COMMITTEE REPORTS
03/24/77	02	0656	HESS -- DPO5	04/26/77	19	1019	FIN -- CS06
04/11/77	03	0798	JUD -- DPO3	04/27/77	21	1063	SECOND READING
04/12/77	04	0807	RLS -- OTHER03	04/27/77	22	1063	FIN CS ADOPTED BY UNAN CONSENT
04/13/77	05	0829	SECOND READING	04/27/77	23	1064	AM01 NOT ADOPTED BY DIV 14-24-02
04/13/77	06	0829	ADVANCED TO 3RD READING BY UNAN CONSENT	04/27/77	24	1064	AM02 NOT ADOPTED BY DIV 08-30-02
04/20/77	11	0905	READ AGAIN SECOND TIME	04/27/77	25	1065	ADVANCED TO 3RD READING BY UNAN CONSENT
04/20/77	12	0906	AM01 WITHDRAWN	05/02/77	36	1150	AM03 ADOPTED BY DIV 22-15-03
04/20/77	13	0906	ADVANCED TO 3RD READING BY UNAN CONSENT	05/02/77	37	1150	ADVANCED TO 3RD READING BY UNAN CONSENT
04/13/77	07	0829	THIRD READING	04/27/77	26	1065	THIRD READING
04/15/77	08	0829	POSTPONED UNTIL 04/14/77 BY UNAN CONSENT	04/27/77	27	1065	PASSED BY DIV 38-00-02
04/16/77	09	0849	POSTPONED UNTIL 04/20/77 BY UNAN CONSENT	04/27/77	28	1065	EFFECTIVE DATE VOTE SAME AS PASSAGE
04/20/77	10	0905	RETURNED TO 2ND READING BY UNAN CONSENT	04/27/77	29	1065	NOTICE OF RECONSIDERATION GIVEN
04/20/77	14	0906	READ AGAIN THIRD TIME	04/28/77	30	1096	POSTPONED UNTIL 04/29/77 BY UNAN CONSENT
04/20/77	15	0906	POSTPONED UNTIL 04/21/77 BY UNAN CONSENT	04/28/77	31	1118	READ AGAIN THIRD TIME
04/21/77	16	0920	PASSED BY DIV 17-02-01	04/29/77	32	1118	POSTPONED UNTIL 05/02/77 BY UNAN CONSENT
04/21/77	17	0920	EFFECTIVE DATE VOTE SAME AS PASSAGE	05/02/77	34	1149	READ AGAIN THIRD TIME
05/07/77	42	1152	CONCURRED IN HOUSE AMS BY DIV 15-03-02	05/02/77	35	1150	FAILED TO RETN 2ND READING BY DIV 18-19-03
05/11/77	43	1214	TRANSMITTED TO GOVERNOR	05/02/77	38	1150	ACTION NO. 034 RESCINDED BY DIV 21-16-03
** 05/20/77	44	1334	SIGNED BY GOVERNOR-CHC046, EFF 05/21/77	05/02/77	39	1151	READ AGAIN THIRD TIME
				05/02/77	40	1151	FAILED TO RETN 2ND READING BY DIV 06-31-03
				05/02/77	41	1152	PASSED ON RECONSIDERATION BY DIV 22-15-03
				05/02/77	41	1152	EFFECTIVE DATE PASSED BY DIV 35-02-03
				04/26/77	20	1019	LETTER OF INTENT HSE FIN

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	SB 171
Fiscal Note Number:	1
(S) Publish Date:	2/5/2016

Identifier: DOA-DOF-02-01-16
 Title: DOA PAYMENTS; REPEAL OTHER DOA DUTIES
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

Department: Department of Administration
 Appropriation: Centralized Administrative Services
 Allocation: Finance
 OMB Component Number: 59

Expenditures/Revenues

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

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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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: Scot Arehart
 Division: Finance
 Approved By: Sheldon Fisher, Commissioner
 Agency: Administration

Phone: (907)465-3435
 Date: 01/29/2016 12:00 AM
 Date: 02/01/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

This is a zero fiscal note. This bill is an administrative clean-up of the statutory language to mirror current practices and deletes sections that are no longer applicable due to the change in processes or advanced technology.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 171
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB171CS(STA)-ACS-TRC-3-30-16
Title: DOA PAYMENTS; REPEAL OTHER DOA DUTIES
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate State Affairs Committee
Department: Judiciary
Appropriation: Alaska Court System
Allocation: Trial Courts
OMB Component Number: 768

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	43.9		43.9	43.9	43.9	43.9	43.9	43.9
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	43.9	0.0	43.9	43.9	43.9	43.9	43.9	43.9

Fund Source (Operating Only)

1004 Gen Fund	43.9		43.9	43.9	43.9	43.9	43.9	43.9
Total	43.9	0.0	43.9	43.9	43.9	43.9	43.9	43.9

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:

Initial version.

Prepared By: Nancy Meade, General Counsel
Division: Alaska Court System
Approved By: Nancy Meade for Christine Johnson, Administrative Director
Agency: Alaska Court System
Phone: (907)463-4736
Date: 03/30/2016 12:00 PM
Date: 03/30/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 171

Analysis

The Senate State Affairs Committee Substitute for Senate Bill 171 would require the Alaska Court System to use the state's "managed travel program," which is administered by the Department of Administration and serves the travel needs of executive branch employees. If the court system used the DOA program rather than the system it currently uses for booking airline tickets and other travel, the court system's travel costs would **increase** by a minimum of **\$43,900**. The way the court system currently handles its travel costs is more cost-effective for its business purposes than the DOA program would be.

(1) We do not pay a per-ticket fee for airline tickets. The state's travel program charges \$4.00 per airline ticket booked without an agent, and \$17.68 for those booked with an agent. The court estimates that it books 1,900 tickets per year for travel. (This estimate excludes tickets purchased for jurors that are booked on small regional carriers that are *outside* the state's program; the process for booking and the charges for these tickets would be unaffected by SB 171.) Of those, 1,300 are booked through major carriers such as Alaska Airlines, and 600 are booked through smaller regional carriers for which travel could be booked through the state's "managed travel program," primarily Ravn Air. Assuming half were booked with no agent and half were booked with an agent, the court's increased costs for booking tickets, solely attributable to the booking fee, would be **\$20,600**.

(2) The DOA plan charges a fee of \$10.58, in addition to any fees charged by the airline, to change a reservation. Most of our more frequent travelers are justices and judges who travel to cover court hearings outside their home court locations. Predicting the length of many trials and other hearings is difficult, and the judges may change their reservations to return to their home court as soon as practicable. Of the 1,900 tickets booked per year, the court estimates that approximately 200 are changed each year. Multiplying 200 tickets by the \$10.58 change fee charged by the vendors in the DOA program yields an added cost to the court of at least **\$2,116**.

(3) We book all Alaska Airlines tickets through EasyBiz, the Alaska Airlines' online system that awards the court with one mileage plan mile for dollar spent. We also purchase all tickets with a court-system Alaska Airlines Visa card that awards the court with three miles for every dollar spent. The mileage generated by these two programs is used to purchase free mileage tickets for any airline ticket that would cost more than \$800 (often the case for Unalaska and Lower-48 cities). Over the past ten years, the court system estimates that it saved an average of \$40,000 per year by using mileage tickets. This would be lost if we participated in the DOA program. Using actual FY15 travel data, the court would see an increase in costs of approximately **\$42,400**.

(4) We are able to book nearly all out-of-state travel, and much in-state travel for meetings and conferences in the lowest class of service, because the dates are known in advance. The exact discount terms of the Alaska Airlines contract negotiated by the DOA program are confidential and some "bargain fares" such as PFD tickets and web specials are exempt from the discounted contracted fares. Based on the court system's FY15 Alaska Airlines' purchases and assuming a 5% discount, the court system's discount would be \$21,200 (this savings would be entirely offset by the charge assessed through the "managed travel program" as described in (1) above).

(5) The court system would not be able to eliminate any positions. The court system employs just one individual who processes all travel claims, assists with bookings, and handles the mileage program. The DOA would not prepare or process the court's travel claims if we used that program. At least 1/3rd of our travel would be outside

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 171

Analysis Continued

the DOA plan, since it is for rural travel and the DOA program does not have arrangements with many of the small airlines (used for much of the juror travel). Therefore, this employee's position would still be needed.

(6) The DOA program charges a fee for requesting a fare quote. This would likely add additional costs, but it is **indeterminate**, because we are unable to estimate how many fare quotes we would require. In addition, under the DOA program, an employee is able to book a ticket outside of Alaska Airlines (to a market that AA serves) only if the price is cheaper by \$35 for a one-way or by \$70 for a roundtrip, and the rationale must be documented. The court's policy is that the cheapest fare is authorized, even if it is not on Alaska Airlines. This change would also lead to an **indeterminate** increase in cost.

(7) The court system already receives the same discounted hotel fares as the DOA program participants receive. The court's rental car costs are minimal, because special permission from the Administrative Director is required for any rental car; in FY 15 the total was \$3,714, and for FY16 to date it is \$2,148. For this, we already use the state's Budget contracted charges, where available, and therefore we anticipate no savings by participating in the DOA program for rental cars or hotels.

SUMMARY: The court system had actual costs for airline travel in FY 15 of \$932,500. The court anticipates an increase to this amount of \$43,900, which is the net difference between the discounted rates, fees assessed, and the value of the accrued mileage under section 3 of the State Affairs Committee Substitute for SB 171.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 171
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB171CS(STA)-DOA-DOF-03-29-16
Title: DOA PAYMENTS; REPEAL OTHER DOA DUTIES
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Finance
OMB Component Number: 59

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	382.2		382.2	127.4	127.4	127.4	127.4	127.4
Travel								
Services	81.0		81.0	81.0	81.0	81.0	81.0	81.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	463.2	0.0	463.2	208.4	208.4	208.4	208.4	208.4

Fund Source (Operating Only)

1004 Gen Fund	463.2		463.2	208.4	208.4	208.4	208.4
Total	463.2	0.0	463.2	208.4	208.4	208.4	208.4

Positions

Full-time	3.0		3.0	1.0	1.0	1.0	1.0
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:

Updated for committee substitute.

Prepared By: Scot Arehart, Director
Division: Finance
Approved By: Sheldon Fisher, Commissioner
Agency: Department of Administration

Phone: (907)465-3435
Date: 03/29/2016 04:47 PM
Date: 03/29/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 171

Analysis

The CS mandates in statute that the Department of Administration maintain a public finance internet website that is searchable and updated on a monthly/annual basis. It expands the scope and level of detail of required data and reports beyond current financial website capabilities and available staff resources.

The implementation of the new statutory requirements will require software, programming and accounting personnel:

- Analyst Programmer IV, range 20, step F, \$127,400
- Accountant IV, range 20, step F, \$127,400
- Accountant IV, range 20, step F, \$127,400

These three positions will be needed for two fiscal years in order to implement the requirements in this bill. Once fully implemented, the Department anticipates being able to maintain the reporting requirements with just one position starting in FY19.

In addition, this bill would mandate that the Alaska Court System (ACS) and the University of Alaska (UA) use the Department of Administration managed travel program for all business travel. UA is not part of the state's financial and payroll administrative system which therefore requires that UA leverage the travel related contracts through a separate data interchange with the managed travel contractor. An estimate of the cost for initial setup of data interchange would need to be provided by UA. ACS uses the state's financial and payroll administrative system which has existing data interchange with the managed travel contractor, therefore a conversion and setup could be performed with existing DOF staff.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 171
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB171CS(STA)-DOA-DOF-04-06-16
Title: DOA PAYMENTS; REPEAL OTHER DOA DUTIES
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor
Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Finance
OMB Component Number: 59

Expenditures/Revenues

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

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017					
Personal Services							
Travel							
Services			27.0	54.0	81.0	81.0	81.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	27.0	54.0	81.0	81.0	81.0

Fund Source (Operating Only)

1004 Gen Fund			27.0	54.0	81.0	81.0	81.0
Total	0.0	0.0	27.0	54.0	81.0	81.0	81.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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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:

Updated to reflect amended timeline for implementation, which will result in lower fiscal impact.

Prepared By: Scot Arehart, Director
Division: Finance
Approved By: Sheldon Fisher, Commissioner
Agency: Department of Administration
Phone: (907)465-3435
Date: 04/06/2016 09:30 AM
Date: 04/06/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 171

Analysis

The CS establishes in statute that the Department of Administration maintain a public finance internet website that is searchable and updated on a monthly/annual basis depending upon data source. It expands the scope and level of detail of required data , reports, and presentation beyond current Checkbook Online website capabilities.

The public finance internet website will require software and accounting personel to implement. However, if given additional time to implement, the division believes the requirements of the bill could be performed by existing division staff, leaving only cost of the software itself .

This approach would allow the public finance internet website to be updated with data sources on the following schedule:

- Phase 1: Implement public data portal with software for Expenditure transactions by 7/1/2017.
- Phase 2: Expand public data portal with Employee Payroll transactions by 1/1/2019.
- Phase 3: Expand public data portal with Revenue transactions by 1/1/2020.

Alaska Dispatch News

Published on *Alaska Dispatch News* (<http://www.adn.com>)

[Home](#) > Legislature to pay \$2.4M in settlements, judgments against the state

[Jerzy Shedlock](#) ^[1]

February 17, 2016

Main Image:

[Court Judge Caseloads 01.jpg](#) ^[2]

The Alaska Department of Law will give out about \$2.4 million next year for civil cases resolved against the state in 2015, millions less than the previous appropriation.

Portioning out payments for settlements and judgments against the state is a routine practice carried out during Alaska's legislative session. Lawmakers appropriate money from the general fund to pay for the cases.

This year, legislators are being asked to earmark the money for four cases, three of which will take the bulk of the funds. The three cases involve Alaska Native voting rights, gay marriage and the proposed Pebble mine.

A total of \$1.89 million pays for attorney fees between the state and Alaska Native plaintiffs who sued in federal court over the translation of voting materials. The parties [reached a settlement](#) ^[3] in September that called for the Division of Elections in the Alaska lieutenant governor's office to hire a full-time employee to administer language assistance.

The money allocated for the three major cases are attorney fees the state has to pay to plaintiffs, said Law Department spokesperson Cori Mills.

The second largest payment involved a group called Nunamta Aulukestai, which is fighting the proposed Pebble mine. The department owes the group \$350,000, according to the state Office of Management and Budget.

The group consisted of 10 Bristol Bay tribes, their sister village corporations and four individuals including former first lady Bella Hammond and state constitutional convention delegate Vic Fischer. The [Alaska Supreme Court ruled in the group's favor](#) ^[4] in May on two cases. The plaintiffs argued in the underlying case that the state Department of Natural Resources violated the Alaska Constitution by failing to give public notice; the second case centered on recovering fees and court costs.

In the same-sex marriage case, a federal judge ordered the state in April to reimburse court costs ^[5] to the plaintiffs after the state lost the case when U.S. District Court Judge Timothy Burgess overturned Alaska's constitutional amendment banning same-sex marriage.

According to the budget office, the state will pay \$164,139. That's less than the \$258,000 plaintiffs requested.

Another \$7,950 is going toward a case involving the Department of Health and Social Services.

Last year, the Legislature appropriated \$8.4 million ^[6] to pay settlements and judgments.

Source URL: <http://www.adn.com/article/20160217/legislature-pay-24m-settlements-judgments-against-state>

Links:

[1] <http://www.adn.com/author/jerzy-shedlock>

[2] <http://www.adn.com/image/court-judge-caseloads-01jpg>

[3] <http://www.adn.com/article/20150910/settlement-reached-alaska-native-voting-rights-case>

[4] <http://www.adn.com/sites/default/files/Nunamta%20Aulukestai%20v%20State%20of%20Alaska.pdf>

[5] <http://www.adn.com/article/20150415/judge-awards-plaintiffs-attorney-fees-alaska-same-sex-marriage-lawsuit>

[6] <http://www.adn.com/article/20150404/legislature-allocates-84m-pay-settlements-judgments-against-state>

Rec. 7:15 pm

James R. Johnsen, Ed.D.
President

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Phone: (907) 450-8000; Fax: (907) 450-8012
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www.alaska.edu



March 30, 2016

The Honorable Bill Stoltze
State Capitol, Room 125
Juneau, AK 99801

Re: SB 171

Dear Senator Stoltze:

We have a lot of work to do at the university, and I share your desire to maximize our declining state revenues by finding efficiencies wherever we can. We both agree that travel is an important area for review, and fortunately Legislative Audit is currently conducting audits of state and university travel. I've been told that the fieldwork is substantially complete and that both audit reports will be issued in April 2016. These reports will be useful for decision making about travel for both the state and UA.

We agree with the intent of SB 171, which is to reduce travel expenses. My predecessor, Pat Gamble, had a good deal of success reducing the university's unrestricted travel budget. Between FY12 and FY15, unrestricted travel spending was reduced by \$2.6 million, or 21%. In FY16, the trend is continuing and travel spending is down another \$1 million, or 18%. As I see it, however, the dollar reductions that result from decreasing travel are not enough; we need the additional efficiencies that a more sophisticated travel system could provide. Accordingly, in January we began a comprehensive effort to replace our existing travel and expense management tools. A working group is charged with evaluating travel booking tool options, including the possible use of the state's travel system. The working group's initial report is expected in April, coinciding with the release of the audit.


Much has changed since the Department of Administration issued a proposal to UA regarding the state travel system three years ago, such as the substantial reduction in our travel expenses outlined above. That proposal was somewhat different than SB 171, in that DOA didn't want UA to actually use the state system. Instead, DOA suggested that UA develop a parallel system using the travel contracts that the state had already negotiated. DOA thought that would best maximize efficiency, while avoiding the unknown costs and challenges to integrate UA into the existing state system.

The Honorable Bill Stoltze
March 30, 2016
Page 2

The state and the university have some substantial differences in their use of travel appropriations. For example, roughly one-half of university travel is for federally-funded research grants, and a good deal of state travel is Medicaid-related. Because of this, the state and UA may need travel systems that focus on different strategies for savings. As discussed, we would appreciate the opportunity to evaluate and decide the best option and value based on the university's needs and objectives. Using the state's existing travel contracts might turn out to be the best way. However, it may be the case that UA finds better value in an alternative to the state travel system, such as higher discounts, more robust operation, better service, more user-friendly, or more up-to-date technology functions.

We have an absolute commitment to continue reducing the university's travel costs, and we believe that adopting a travel system that reflects the audit report and our working group's study is the best way forward, one that will get a truly up to date system that maximizes savings without compromising efficiency. Thank you for your consideration.

Sincerely,



James R. Johnsen
President, University of Alaska

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 201(STA)
 (S) Publish Date: 2/13/08

Identifier (file name): SB201-DOA-DOF-1-28-08 Dept. Affected: Administration
 Title: "An act relating to establishment and maintenance of an Internet website providing public finance information..." RDU: Centralized Admin Services
 Sponsor: Senators Wielechowski and Ellis Component: Finance
 Requester: _____ Component Number: 59

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

The Division of Finance is currently building such a website at the direction of Governor Palin. The source of the financial information will be the State's new Alaska Data Enterprise Reporting System (ALDER), which is currently in field testing by State departments.

This project has been incorporated into the Division of Finance ongoing workload. Therefore, no additional funding needs are anticipated.

Prepared by: Kim Garner, Director Phone 465-3435
 Division: Finance Date/Time 1/28/08 10:00 AM
 Approved by: Kevin Brooks, Deputy Commissioner Date 1/28/2008
Department of Administration

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 171
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB171CS(STA)-DOA-DOF-03-29-16
Title: DOA PAYMENTS; REPEAL OTHER DOA DUTIES
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Finance
OMB Component Number: 59

Expenditures/Revenues

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

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	382.2		382.2	127.4	127.4	127.4	127.4
Travel							
Services	81.0		81.0	81.0	81.0	81.0	81.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	463.2	0.0	463.2	208.4	208.4	208.4	208.4

Fund Source (Operating Only)

1004 Gen Fund	463.2		463.2	208.4	208.4	208.4	208.4
Total	463.2	0.0	463.2	208.4	208.4	208.4	208.4

Positions

Full-time	3.0		3.0	1.0	1.0	1.0	1.0
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:

Updated for committee substitute.

Prepared By: Scot Arehart, Director
Division: Finance
Approved By: Sheldon Fisher, Commissioner
Agency: Department of Administration

Phone: (907)465-3435
Date: 03/29/2016 04:47 PM
Date: 03/29/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 171

Analysis

The CS mandates in statute that the Department of Administration maintain a public finance internet website that is searchable and updated on a monthly/annual basis. It expands the scope and level of detail of required data and reports beyond current financial website capabilities and available staff resources.

The implementation of the new statutory requirements will require software, programming and accounting personnel:

- Analyst Programmer IV, range 20, step F, \$127,400
- Accountant IV, range 20, step F, \$127,400
- Accountant IV, range 20, step F, \$127,400

These three positions will be needed for two fiscal years in order to implement the requirements in this bill. Once fully implemented, the Department anticipates being able to maintain the reporting requirements with just one position starting in FY19.

In addition, this bill would mandate that the Alaska Court System (ACS) and the University of Alaska (UA) use the Department of Administration managed travel program for all business travel. UA is not part of the state's financial and payroll administrative system which therefore requires that UA leverage the travel related contracts through a separate data interchange with the managed travel contractor. An estimate of the cost for initial setup of data interchange would need to be provided by UA. ACS uses the state's financial and payroll administrative system which has existing data interchange with the managed travel contractor, therefore a conversion and setup could be performed with existing DOF staff.

29th Legislature(2015-2016)

Journal Text for HB256 in the 29th LegislatureFull Journal**03-10-2016****House Journal****1803**

Excused: Hawker, Nageak

And so, Amendment No. 30 was not adopted.

Amendment No. 31 was offered by Representatives Reinbold, Gara, Tuck, and Kawasaki:

Page 2, following line 24:

Insert new material to read:

"It is the intent of the legislature that the division of finance add additional information to the Alaska Checkbook Online to include the appropriation and allocation that is the source of funding for each entry."

Representative Reinbold moved and asked unanimous consent that Amendment No. 31 be adopted.

Representative Neuman objected.

The question being: "Shall Amendment No. 31 be adopted?" The roll was taken with the following result:

CSHB 256(FIN)
Second Reading
Amendment No. 31

YEAS: 14 NAYS: 24 EXCUSED: 2 ABSENT: 0

Yeas: Drummond, Gara, Guttenberg, Josephson, Kawasaki, Kito, Kreiss-Tomkins, Ortiz, Reinbold, Spohnholz, Tarr, Tuck, Vazquez, Wool

Nays: Chenault, Claman, Colver, Edgmon, Foster, Gattis, Herron, Hughes, Johnson, Keller, LeDoux, Lynn, Millett, Munoz, Neuman, Olson, Pruitt, Saddler, Seaton, Stutes, Talerico, Thompson, Tilton, Wilson

Excused: Hawker, Nageak

And so, Amendment No. 31 was not adopted.

The Speaker ruled Amendment No. 14 (which was not moved) out of order citing Section 111-3 of Mason's Manual.

03-10-2016**House Journal****1804**

Representative Claman appealed the ruling of the Chair.

The question being: "Shall the House sustain the ruling of the Chair?"
The roll was taken with the following result:

CSHB 256(FIN)
Second Reading

FY18 OPERATING BUDGET AMENDMENT

OFFERED IN: House of Representatives

TO: HB 256 / HB 257

OFFERED BY:

Page 2, Line 24

DEPARTMENT: Administration
APPROPRIATION: Centralized Administrative Services
ALLOCATION: Finance

ADD INTENT: It is the intent of the Legislature that the Division of Finance add additional information to the On-Line Checkbook to include the Appropriation and Allocation of each entry.

EXPLANATION: The On-Line Checkbook is a new state-wide system that combines payments from every agency into one database. Since it is the responsibility of every department and agency to know what funds form their budgets, and from which Appropriation and Allocation they are spending money, it would be minimal effort to include this data when they request funding be apportioned. This very prudent change to the process in a time when personnel are still developing and learning the system, would assist the departments, agencies and the Legislature to readily find unnecessary spending. Most importantly, it will benefit the citizens of Alaska understand exactly where their tax money is being spent.