

BILLS 1981 - 1982

HB 603 - CSHB 608

1535

1535

COMMITTEE REPORT

HOUSE

FURTHER:

6/4/81

(11)

Date: 6/19/81

Mr. Speaker: (State Affairs referral waived 6/4)

The Committee on FINANCE has had HB 603

"An Act relating to relocation of the state capital: repealing and reenacting the law enacted by the initiative popularly known as the 'FRANK Initiative' to provide for the determination of the costs of capital relocation."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 603 (FIN) same title
 - new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Montgomery
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
CHAIRMAN

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS. FOR HOUSE BILL NO. 603 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to relocation of the state capital:
7 repealing and reenacting the law enacted by the ini-
8 tiative popularly known as the 'FRANK Initiative' to
9 provide for the determination of the costs of capital
10 relocation, amending laws relating to the New Capital
11 Site Planning Commission, and conditionally repealing
12 laws relating to relocation of the state capital."

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

14 * Section 1. AS 44.06.196 is repealed and reenacted to read:

15 Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) Except for
16 money used for planning, design, studies, and field investigations in
17 accordance with the provisions of AS 44.06.200 - 44.06.299, state money
18 may be spent to relocate the state capital from its present location to
19 the new capital site at Willow only after a majority of those voting on
20 the proposition at the 1982 general election have approved a ballot
21 proposition that includes the total cost to the state of providing for
22 completion of relocation of a functional state capital at the new
23 capital site at Willow as provided in this section.

24 (b) The ballot proposition prepared and submitted to the voters
25 under this section shall also show:

26 (1) the amount of the total cost that it is estimated may be
27 defrayed by the net proceeds from disposal of land in the new capital
28 site at Willow;

29 (2) the estimated cost, through the relocation completion

1 date, of providing for new or expanded facilities in Juneau and else-
2 where to accommodate estimated growth in state government if the capital
3 is not relocated;

4 (3) an estimate of the number of central state employees who
5 are reasonably expected to be relocated from Juneau and from other
6 existing, named locations to the new capital site at Willow; the esti-
7 mate prepared under this paragraph shall be prepared in a manner con-
8 sistent with the methodology used by the commission in determining the
9 estimate in its 1978 report of the number of central state employees
10 who are reasonably expected to be relocated to the new capital site at
11 Willow, and the estimate shall be supported by information obtained
12 from each of the branches of government;

13 (4) an estimate of the population reasonably expected to
14 reside at the new capital site at Willow on the relocation completion
15 date; the estimate prepared under this paragraph shall be based on the
16 number of central state employees who are reasonably expected to be
17 relocated to the new capital site at Willow estimated under (3) of this
18 subsection; and

19 (5) the estimated costs, through the relocation completion
20 date, of

- 21 (A) capital improvements;
22 (B) relocation of personnel and equipment; and
23 (C) indemnification under AS 44.08.

24 (c) The sum of the following costs, as estimated by the commis-
25 sion, shall be the total cost to the state that shall be included in
26 the ballot proposition submitted to the voters under this section:

27 (1) the cost to the state as of the relocation completion
28 date of the land development, capital improvements, equipment, and
29 furnishings necessary to provide a functional state capital;

1 (2) the cost to the state as of the relocation completion
2 date of relocating the central state employees and their dependents and
3 household goods to the new capital site at Willow;

4 (3) the cost to the state as of the relocation completion
5 date of moving offices, office equipment, and office contents suffi-
6 cient to accommodate the central state employees at the new capital
7 site at Willow;

8 (4) the cost to the state as of the relocation completion
9 date of the indemnification requirements of AS 44.08;

10 (5) the cost to the state of the plans, designs, studies,
11 and field tests for relocation of the capital through the relocation
12 completion date;

13 (6) the cost to the state of the elements set out in the
14 basic development plan described in (d) of this section, including
15 payments deferred beyond the relocation completion date, to the extent
16 those costs are related to relocation and are not otherwise provided
17 for in items (1) - (5) of this subsection; and

18 (7) the cost to the state of financing the costs specified
19 in this subsection.

20 (d) To estimate the costs under (c) of this section, the commis-
21 sion shall prepare a basic development plan. The commission shall
22 prepare the basic development plan by revising the detailed development
23 plan and cost estimates prepared by the commission in its report of
24 March 15, 1978, in accordance with the provisions of AS 44.06.235 and
25 this section. In making its revision, the commission shall revise
26 those assumptions in the detailed development plan, if any, that are
27 shown by substantial evidence to be erroneous and shall use the average
28 rate of growth for central state positions and the average annual rate
29 of inflation for construction costs and for other costs for the preced-

1 ing 10 years, taking into account any unusual growth or decline in
2 growth caused by special circumstances. However, in estimating costs
3 under (c) of this section, if public money is used for the development
4 of facilities that will be conveyed to persons for private use and the
5 public money will be recovered over a period of years, the estimated
6 cost of the facility, for purposes of providing a cost estimate under
7 (c) of this section, is the estimate of the difference between the
8 amount expected to be recovered and the amount that would have been
9 recovered if the public money had been invested over the same period of
10 years at the average rate of return for investments made under AS 37.-
11 10.070.

12 (e) The commission shall prepare an estimate of the net proceeds
13 reasonably expected to be received from the disposal of land at the new
14 capital site at Willow through the relocation completion date. For
15 purposes of this estimate, "net proceeds" means the increased value of
16 lands expected to be disposed of if relocation occurs less the current
17 value of those lands to the state in the absence of relocation of the
18 state capital, taking into account the likelihood of disposal of those
19 lands and of their producing revenue to the state.

20 (f) In estimating costs through the relocation completion date of
21 providing for new or expanded facilities in Juneau and elsewhere in the
22 absence of relocation, the commission shall

23 (1) exclude from its estimates the costs of facilities that
24 would be required in Juneau and elsewhere even if relocation of the
25 state capital were to proceed;

26 (2) use the same projections for growth in state government
27 that it uses in preparing the basic development plan under (d) of this
28 section and the cost estimates for the new capital site at Willow; and

29 (3) base its estimate of total space to accommodate its

1 estimate of the growth of state government on the state's past and
2 current practice of providing public facilities at Juneau and else-
3 where.

4 (g) In making its estimates, the commission shall neither over-
5 state nor understate the costs, but rather shall make the most realis-
6 tic estimates possible with the evidence available to it.

7 (h) The commission shall, on August 16, 1982, provide the legis-
8 lature, the governor, the lieutenant governor, the director of elec-
9 tions, and the public with its basic development plan and a report
10 setting out the cost estimates required by this section and the number
11 of central state employees to be relocated from existing, named loca-
12 tions to the new capital site at Willow.

13 (i) After receipt of the report of the commission, the director
14 of elections shall prepare a ballot proposition in accordance with this
15 section and place it on the ballot at the 1982 general election.

16 (j) If the ballot proposition provided for in this section is
17 approved by a majority of the votes cast on the question, an amount
18 equal to the estimate of total costs may be expended to complete re-
19 location of the capital. If the ballot proposition is rejected by a
20 majority of those voting on the proposition, the Capital Relocation
21 Initiative (AS 44.06.100 - 44.06.190), the "FRANK Initiative" as
22 amended (AS 44.06.195, 44.06.196), the laws establishing the New
23 Capital Site Planning Commission (AS 44.06.200 - 44.06.299), and the
24 Relocation Indemnification Act (AS 44.08) are repealed.

25 (k) In this section

26 (1) "central state employees" means employees principally
27 involved in matters that concern statewide activities of the state
28 government rather than regional or local activities of the state
29 government;

1 (2) "functional state capital" means a city that has the
2 public buildings, public utilities, access roads, streets, and other
3 facilities necessary to meet the operational needs of state government
4 and to accommodate the numbers and classifications of central state em-
5 ployees estimated in (b) of this section, the population estimated in
6 (b) of this section, and the general public;

7 (3) "relocation completion date" means the date that the
8 commission, based on substantial evidence, estimates is the earliest
9 practical date by which a functional state capital can be established
10 in the new capital site at Willow.

11 * Sec. 2. AS 44.06.210(c) is amended to read:

12 (c) The members are entitled to receive \$200 [\$100] per day for
13 their service on the commission and per diem and travel expenses as
14 authorized by law.

15 * Sec. 3. AS 44.06 is amended by adding a new section to read:

16 Sec. 44.06.235. PLANS. (a) The purpose of the commission is to
17 prepare detailed plans for development of the capital site within the
18 guidelines enumerated in this chapter.

19 (b) A basic development plan shall be completed in time to meet
20 the requirements of AS 44.06.196 and shall be subject to public comment
21 during its formulation. Following completion of the basic development
22 plan, the commission shall make public presentations of it throughout
23 the state.

24 (c) The basic development plan shall

25 (1) include, but need not be limited to, the following
26 elements: government facilities, community facilities, transportation,
27 public utilities, communication facilities, commercial and industrial
28 development, residential development, resources, and environmental
29 aspects; however, the plan shall assume that the development of com-

1 merchial, industrial, and residential facilities shall be provided by
2 the private sector to the maximum extent feasible;

3 (2) include provisions addressing each element described in
4 (1) of this subsection in terms of its social and economic impact;

5 (3) address governmental jurisdictions, including statements
6 as to the appropriate planning and development authority and recommenda-
7 tions as to the forms and powers of the local government; and

8 (4) develop a planning and implementation work program.

9 (d) The commission shall perform physical and geotechnical site-
10 specific analysis and related mapping.

11 (e) The commission shall conduct an analysis of the opportunity
12 for the reorganizing and regionalization of state government, and
13 develop a list of executive agencies that are expected to be located in
14 the capital. This list shall include the offices to be moved, the
15 number of personnel to be employed in those offices, and the anticipated
16 required office space for that number of persons. This list shall be
17 used for capital site planning purposes only, and is not binding as to
18 which executive agencies may be located in the capital. The commission
19 shall then develop a relocation phasing plan.

20 (f) The commission shall recommend to the legislature the type of
21 development entity that would be responsible for capital city develop-
22 ment as well as the powers and authority that should be vested in this
23 development entity.

24 (g) The commission shall conduct a cost analysis that includes
25 proposed construction schedules and related cost studies including but
26 not limited to construction costs and escalation and energy-efficient
27 construction costing. The commission shall also prepare financing
28 analysis including the investigation of funding alternatives and sub-
29 mission of a recommended financial plan to the legislature.

1 (h) The commission shall determine the environmental and use
2 permits necessary for the construction of the capital and shall recom-
3 mend to the legislature any possible methods to expedite this process
4 while protecting the environmental quality of the area.

5 (i) The commission may undertake other activities as are appropri-
6 ate to carry out its functions, including but not limited to investi-
7 gating the most economical and expeditious means of procurement, con-
8 struction methods, construction alternatives, and labor costs.

9 (j) The commission shall provide a comprehensive assessment of
10 the social, economic and environmental impact on the Matanuska-Susitna
11 Borough and the City and Borough of Juneau in accordance with generally
12 accepted standards for these procedures. The assessment shall emphasize
13 the effect of governmental relocation on all items listed in this
14 section.

15 * Sec. 4. AS 44.06 is amended by adding new sections to read:

16 Sec. 44.06.270. GENERAL DEVELOPMENT PLAN. (a) Simultaneously
17 with the preparation of the basic development plan under AS 44.06.196(d)
18 and 44.06.235(b), the commission shall begin preparation of a general
19 development plan for the new capital site at Willow. To the extent
20 that they are not adequately covered by the basic development plan
21 prepared by the commission, the general development plan shall include,
22 but is not limited to,

23 (1) an estimate of the proposed uses of land throughout the
24 entirety of the new capital site at Willow, with a general allocation
25 of the amounts and proportions of land to be devoted to governmental,
26 residential, commercial, industrial, institutional, and public uses,
27 and indicating the anticipated population and building densities for
28 the new capital site at Willow based on the proposed uses of the land;

29 (2) an estimate of the cost, number, nature, and general lo-

1 cations of governmental and institutional facilities relating to use of
2 the site as the new capital of the state, public transportation and ma-
3 jor arterial street systems, parks and recreational facilities, water,
4 sewer and drainage systems, electric, telephone and other energy or
5 communications systems or utilities, and health, educational and com-
6 munity facilities;

7 (3) the approximate time schedule for the stages of develop-
8 ment of the new capital site at Willow with reference to both the vari-
9 ous parts of the new capital site and to the various types or categories
10 of land uses proposed;

11 (4) the means of financing the facilities described in (2)
12 of this subsection, the anticipated sources of money for completion of
13 the facilities, and the means by which borrowed money required to com-
14 plete the facilities is to be repaid; and

15 (5) any additional statements or documentation that the
16 commission considers necessary or appropriate.

17 (b) The commission shall include in the general development plan
18 an estimate of

19 (1) the minimum acreage of land to be allocated for the lo-
20 cation and construction of state offices and related state facilities;
21 and

22 (2) the minimum acreage of land to be set aside and allo-
23 cated for parks, lakes, recreation and open space use, that, when de-
24 veloped, is available for the use and enjoyment of the general public.

25 (c) The commission shall hold at least one hearing in each judi-
26 cial district of the state to receive comments from interested parties
27 on the general development plan proposed by the commission. Each hear-
28 ing shall be held in a community of the state selected by the commis-
29 sion. Public notice of a hearing under this subsection shall be given

1 by the commission by publication in a newspaper of general circulation
2 in the community.

3 (d) Following the completion of public hearings, the commission
4 shall approve the general development plan. The plan may be approved
5 with or without amendment. To be adopted, the general development plan
6 requires approval by at least two-thirds vote of the full membership of
7 the commission upon a finding that the plan is in accordance with and
8 furthers the purposes of this chapter. The commission shall submit the
9 general development plan to the assembly of the Matanuska-Susitna Bor-
10 ough and becomes effective only after review and comment by the assem-
11 bly. The assembly shall submit its comments on the general development
12 plan to the commission not later than 60 days after submission of the
13 plan to the assembly.

14 (e) Major amendments to the general development plan may be made
15 in accordance with the same procedure set out in this section for ap-
16 proval of the plan. Minor amendments of limited application may be
17 made without following the procedure of this section. However, when
18 adopting a minor amendment, the commission shall publish notice of the
19 proposed amendment that it considers appropriate and shall invite
20 written comments on the proposed amendment before its adoption.

21 (f) An amendment to the general development plan takes effect on
22 the date set by the commission. However, a major amendment may not
23 take effect unless it is reviewed by the Matanuska-Susitna Borough in
24 accordance with (d) of this section.

25 Sec. 44.06.280. SPECIFIC DEVELOPMENT PLANS. (a) Simultaneously
26 with the preparation of the basic development plan under AS 44.06.196(d)
27 and 44.06.235(b), the commission shall also begin preparation of one or
28 more specific development plans for the new capital site at Willow. A
29 specific development plan includes, but is not limited to,

1 (1) a description of the area to be developed;

2 (2) a detailed and specific statement of the proposed uses
3 in the area to be developed, including proposed locations of all build-
4 ings and structures;

5 (3) a general description of the land-use restrictions or
6 covenants proposed for the area to be developed;

7 (4) a map of the existing and proposed transportation and
8 utility systems in the area to be developed;

9 (5) a statement of the methods by which the property in the
10 area to be developed may be disposed of;

11 (6) a statement of the relationship between the specific de-
12 velopment plan and the general development plan; and

13 (7) any additional statements or documentation that the
14 commission considers necessary or appropriate.

15 (b) A specific development plan shall be approved by the commis-
16 sion only after the general development plan has been adopted by the
17 commission. A specific development plan becomes effective only after
18 review and comment by the assembly of the Matanuska-Susitna Borough.
19 The assembly shall submit its comments within 60 days of submission of
20 the plan to the assembly.

21 (c) Amendments to a specific development plan may be made accord-
22 ing to the procedure established in this section for approval of a spe-
23 cific development plan.

24 (d) The commission shall record a specific development plan and
25 any amendments in the appropriate recording district.

26 (e) A specific development plan constitutes the controlling docu-
27 ment and land use plan for the area to be developed.

28 (f) Approval of a specific development plan is an amendment to
29 the relevant portion of the general development plan. A specific de-

1 velopment plan which constitutes a substantial change from the general
2 development plan is subject to the provisions applicable to amendments
3 to the general development plan under AS 44.06.270(d) and (e).

4 Sec. 44.06.290. LAND. Land within the new capital site reserved
5 by the commissioner of natural resources under AS 44.06.130 as "reserved
6 use land" may not be classified and made available for homesites under
7 AS 38.08.

8 Sec. 44.06.299. DEFINITION. In AS 44.06.195 - 44.06.299, "com-
9 mission" means the New Capital Site Planning Commission.

10 * Sec. 5. AS 44.06.230 is repealed.

11 * Sec. 6. FILLING VACANCIES IN COMMISSION MEMBERSHIP; MEETING. Within
12 15 days after the effective date of this Act, the governor shall fill any
13 vacancies in the membership of the New Capital Site Planning Commission and
14 shall call the first meeting of the commission.

15 * Sec. 7. REPORTS. The New Capital Site Planning Commission shall
16 provide reports of its work under AS 44.06.196, 44.06.235, and 44.06.270 -
17 44.06.299 by April 15, 1982, and August 16, 1982. These reports shall be
18 distributed to the governor, presiding officers of the legislature, chief
19 justice of the supreme court, and the general public.

6/19/81
- not accepted -

A M E N D M E N T

Cotten

Offered in the HOUSE

By Finance Committee

To: CS HOUSE BILL NO. 603 (fin)
SENATE BILL NO.

AMENDMENT: Page _____ Line _____

Page 1, line 12, after "capital" add "; and providing for an effective date."

Page 12, line 20. Add new Sec. 8.:

"Sec. 8. This Act takes effect immediately in accordance with AS 01.10.070 (c)."

0
5
2
5

JAY S. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 602
HB 603 X

June 3, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills on capital relocation. The bills are options. Either will suffice. One or the other should be enacted.

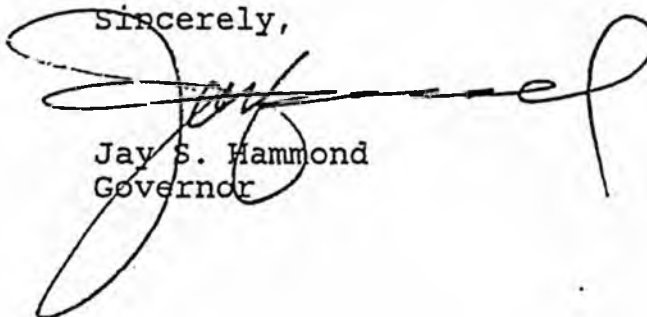
The first bill does not amend the FRANK Initiative. It provides rather for an impartial, nonpartisan update of the cost data developed by the New Capital Site Planning Commission by a panel of certified public accountants. The panel is required to correct any assumptions in the plan or in the statutes which substantial evidence shows are erroneous. It also requires the panel not to overstate or understate costs, but rather to make the most realistic estimates possible with the evidence available. The panel is to report its results in August 1982, and the director of elections will place the costs on the ballot for voter approval or disapproval at the November 1982 general election.

The second bill amends the FRANK Initiative rather than merely updating it. It provides for a revitalized New Capital Site Planning Commission to revise its previous work and to go forward with its planning in much the same manner as provided by the latest version of Senate Bill 86. As with the panel of certified public accountants, the commission is under a duty to correct the false assumptions, if any, which are shown to exist in its previous plan or in the statutes, and it is also under a duty not to overstate or understate costs.

Because this option amends the FRANK Initiative, the ballot question will include additional information on the cost of the relocation. But the basic question on costs remains the same under either option: all of the costs. That is what the voters want to vote on.

I urge prompt passage of one of these measures.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Jay S. Hammond', is written over the typed name and title.

Jay S. Hammond
Governor

Introduced: 6/3/81
Referred: State Affairs and
Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 603

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

For an Act entitled: "An Act relating to relocation of the state capital:
repealing and reenacting the law enacted by the ini-
tiative popularly known as the 'FRANK Initiative' to
provide for the determination of the costs of capital
relocation."

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

* Section 1. AS 44.06.196 is repealed and reenacted to read:

Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) Except for
money used for planning, design, studies, and field investigations in
accordance with the provisions of AS 44.06.200 -- 44.06.290, state
money may be spent to relocate the state capital from its present
location to the new capital site at Willow only after a majority of
those voting on the proposition at the 1982 general election have
approved a ballot proposition which includes the total cost to the
state of providing for completion of relocation of a functional state
capital at the new capital site at Willow as provided in this section.

(b) The ballot must contain an estimate from each of the branches
of government of the number of central state employees reasonably ex-
pected to be relocated by it from Juneau and other existing, named lo-
cations to the new capital site at Willow and a breakdown of costs es-
timated by the commission for capital improvements, relocation of per-
sonnel and equipment, and indemnification under AS 44.08. The sum of
the following, as estimated by the New Capital Site Planning Commis-
sion, shall be the costs submitted to the voters on the ballot proposi-

1 tion:

2 (1) the cost to the state as of the relocation completion
3 date of the land development, capital improvements, and furnishings ne-
4 cessary to provide a functional state capital;

5 (2) the cost to the state as of the relocation completion
6 date of relocating the central state employees and their dependents and
7 household goods to Willow;

8 (3) the cost to the state as of the relocation completion
9 date of moving offices, office equipment, and office contents suffi-
10 cient to accommodate the central state employees at Willow;

11 (4) the cost to the state as of the relocation completion
12 date of the indemnification requirements of AS 44.08;

13 (5) the cost to the state of the plans, designs, studies,
14 and field tests for relocation of the capital through the relocation
15 completion date;

16 (6) the cost to the state of the elements set out in the de-
17 tailed development plan described in AS 44.06.230, including payments
18 deferred beyond the relocation completion date, to the extent those
19 costs are not otherwise provided for in items (1) - (5) of this subsec-
20 tion; and

21 (7) the cost to the state of financing the costs specified
22 in this section.

23 (c) The New Capital Site Planning Commission shall make the cost
24 estimates provided in (b) of this section by updating its detailed de-
25 velopment plan and cost estimates of March 15, 1978, to reflect the
26 passage of time. In making its update, the commission shall revise
27 those assumptions in the plan, if any, which are shown by substantial
28 evidence to be erroneous and shall use the average rate of growth for
29 central state positions and the average annual rate of inflation for

1 construction costs and for other costs for the preceding 10 years, tak-
2 ing into account any unusual growth or decline in growth caused by spe-
3 cial circumstances.

4 (d) The commission shall update its estimate of the net proceeds
5 (increased value less current value) reasonably expected to be received
6 from the disposal of land at the capital site through the relocation
7 completion date. The commission shall also estimate the costs for con-
8 struction of new or enlarged public facilities or new or expanded
9 leases at Juneau through the relocation completion date, based on the
10 state's past and current practice of providing public facilities at
11 Juneau, which may reasonably be expected not to be incurred by the
12 state, if the capital is relocated by the relocation completion date.
13 These costs and the net proceeds from land disposal, together with the
14 total costs of relocation, as estimated under (b) of this section,
15 shall be included in the explanation in the Official Election Pamphlet
16 (AS 15.58) of the proposition prepared under (a) of this section.

17 (e) In making its estimates, the commission shall neither over-
18 state nor understate the costs, but rather shall make the most realis-
19 tic estimates possible with the evidence available to it.

20 (f) The commission shall, on August 16, 1982, provide the legis-
21 lature, the governor, the lieutenant governor, the director of elec-
22 tions, and the public with its updated plan and a report setting out
23 the cost estimate required by this section and the number of central
24 government employees to be relocated from existing, named locations to
25 the new capital.

26 (g) After receipt of the report of the commission, the director
27 of elections shall prepare a ballot proposition in accordance with (a)
28 of this section and place it on the ballot at the 1982 general election.

29 (h) In this section

1 (1) "functional state capital" means a city which has the
2 public buildings, public utilities, access roads, streets, and other
3 facilities necessary to meet the operational needs of state government
4 and to accommodate the numbers and classifications of central state em-
5 ployees estimated in (b), the population estimated in (b), and the gen-
6 eral public;

7 (2) "central state employees" means employees principally
8 involved in matters which concern statewide activities of the state
9 government rather than regional or local activities of the state gov-
10 ernment; and

11 (3) "relocation completion date" means the date which the
12 commission, based on substantial evidence, estimates is the earliest
13 practical date by which a functional state capital can be established
14 in Willow.

15 * Sec. 2. AS 44.06 is amended by adding new sections to read:

16 Sec. 44.06.270. GENERAL DEVELOPMENT PLAN. (a) Simultaneously
17 with the update of the basic development plan, the commission shall be-
18 gin preparation of a general development plan and preparation of a spe-
19 cific development plan for the new capital site at Willow. To the ex-
20 tent that they are not adequately covered by the 1978 basic development
21 plan prepared by the commission, the general development plan shall in-
22 clude, but is not limited to,

23 (1) an estimate of the proposed uses of land throughout the
24 entirety of the new capital site at Willow, with a general allocation
25 of the amounts and proportions of land to be devoted to governmental,
26 residential, commercial, industrial, institutional, and public uses,
27 and indicating the anticipated population and building densities for
28 the new capital site at Willow based on the proposed uses of the land;

29 (2) an estimate of the cost, number, nature, and general lo-

1 cations of governmental and institutional facilities relating to use of
2 the site as the new capital of the state, public transportation and ma-
3 jor arterial street systems, parks and recreational facilities, water,
4 sewer and drainage systems, electric, telephone and other energy or
5 communications systems or utilities, and health, educational and com-
6 munity facilities;

7 (3) the approximate time schedule for the stages of develop-
8 ment of the new capital site at Willow with reference to both the vari-
9 ous parts of the new capital site and to the various types or categories
10 of land uses proposed;

11 (4) the means of financing the facilities described in (2)
12 of this subsection, the anticipated sources of money for completion of
13 the facilities, and the means by which borrowed money required to com-
14 plete the facilities is to be repaid; and

15 (5) any additional statements or documentation the corpora-
16 tion considers necessary or appropriate.

17 (b) The commission shall include in the general development plan
18 an estimate of

19 (1) the minimum acreage of land to be allocated for the lo-
20 cation and construction of state offices and related state facilities;
21 and

22 (2) the minimum acreage of land to be set aside and allo-
23 cated for parks, lakes, recreation and open space use, which, when de-
24 veloped, is available for the use and enjoyment of the general public.

25 (c) The commission shall hold at least one hearing in each judi-
26 cial district of the state to receive comments from interested parties
27 on the general development plan proposed by the commission. Each hear-
28 ing shall be held in a community of the state selected by the commis-
29 sion. Public notice of a hearing under this subsection shall be given

1 by the commission by publication in a newspaper of general circulation
2 in the community.

3 (d) Following the completion of public hearings, the commission
4 shall approve the general development plan. The plan may be approved
5 with or without amendment. To be adopted, the general development plan
6 requires approval by at least two-thirds vote of the full membership of
7 the commission upon a finding that the plan is in accordance with and
8 furthers the purposes of this chapter. The commission shall submit the
9 general development plan to the assembly of the Matanuska-Susitna Bor-
10 ough and becomes effective only after review and comment by the assem-
11 bly. The assembly shall submit its comments on the general development
12 plan to the commission not later than 60 days after submission of the
13 plan to the assembly.

14 (e) Major amendments to the general development plan may be made
15 in accordance with the same procedure set out in this section for ap-
16 proval of the plan. Minor amendments of limited application may be
17 made without following the procedure of this section. However, when
18 adopting a minor amendment, the commission shall publish notice of the
19 proposed amendment which it considers appropriate and shall invite
20 written comments on the proposed amendment before its adoption. An
21 amendment to the general development plan takes effect on the date set
22 by the commission. However, a major amendment may not take effect un-
23 less it is reviewed by the Matanuska-Susitna Borough in accordance with
24 (d) of this section.

25 Sec. 44.06.280. SPECIFIC DEVELOPMENT PLANS. (a) After adoption
26 of the general development plan, the commission shall also prepare one
27 or more specific development plans for the new capital site at Willow.
28 A specific development plan includes, but is not limited to,

29 (1) a description of the area to be developed;

1 (2) a detailed and specific statement of the proposed uses
2 in the area to be developed, including proposed locations of all build-
3 ings and structures;

4 (3) a general description of the land-use restrictions or
5 covenants proposed for the area to be developed;

6 (4) a map of the existing and proposed transportation and
7 utility systems in the area to be developed;

8 (5) a statement of the methods by which the property in the
9 area to be developed may be disposed of;

10 (6) a statement of the relationship between the specific de-
11 velopment plan and the general development plan; and

12 (7) any additional statements or documentation which the
13 commission considers necessary or appropriate.

14 (b) A specific development plan shall be approved by the commis-
15 sion. A specific development plan becomes effective only after review
16 and comment by the assembly of the Matanuska-Susitna Borough. The as-
17 sembly shall submit its comments within 60 days of submission of the
18 plan to the assembly.

19 (c) Amendments to a specific development plan may be made accord-
20 ing to the procedure established in this section for approval of a spe-
21 cific development plan.

22 (d) The commission shall record a specific development plan and
23 any amendments in the appropriate recording district.

24 (e) A specific development plan constitutes the controlling docu-
25 ment and land use plan for the area to be developed.

26 (f) Approval of a specific development plan is an amendment to
27 the relevant portion of the general development plan. A specific de-
28 velopment plan which constitutes a substantial change from the general
29 development plan is subject to the provisions applicable to amendments

1 to the general development plan under AS 44.06.270(d) and (e).

2 Sec. 44.06.290. As used in AS 44.06.195 - 44.06.290, the word
3 "commission" means the New Capital Site Planning Commission.

4 * Sec. 3. FILLING VACANCIES IN COMMISSION MEMBERSHIP; MEETING. Within 15
5 days after the effective date of this Act, the governor shall fill any
6 vacancies in the membership of the commission and shall call the first
7 meeting of the commission.

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 6/8/81
Referred: Finance

1 IN THE HOUSE

BY MEEKINS AND BUCHHOLDT

2 HOUSE BILL NO. 607

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act limiting expenditures which may be proposed by
7 the governor."

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

9 * Section 1. AS 37.07.020 is amended by adding new subsections to read:

10 (e) Proposed expenditures during a fiscal year may not exceed the
11 amount appropriated in the preceding fiscal year by more than the
12 increase in the federal consumer price index for the state for the
13 calendar year preceding the governor's submission of the budget plus a
14 percentage equal to the average yearly growth in the state's population
15 as shown by the last two federal censuses or reenumerations. Expendi-
16 tures proposed under an exception prescribed by (f) of this section may
17 not be included in the base for determining the allowable increase from
18 year to year.

19 (f) The limitations on increases in proposed expenditures in
20 AS 37.07.020(e) do not apply to money

- 21 (1) to be deposited in the permanent fund;
- 22 (2) requested to pay permanent fund dividends;
- 23 (3) requested to capitalize loan funds, but the money to
24 subsidize low-interest loans must be requested separately and is sub-
25 ject to the limitations;
- 26 (4) requested to construct capital improvements, from bond
27 proceeds;
- 28 (5) requested for escrow accounts or otherwise requested to
29 repay general obligation bonds;

1 (6) requested as a reserve for disasters of natural or human
2 origin or other emergencies;

3 (7) requested to coincide with increases in user fees;

4 (8) requested to meet increases in costs to the state
5 resulting from court orders or from a transfer of authority or responsi-
6 bility to the state from the federal government;

7 (9) derived from one-quarter of the income from those
8 contributions made to the permanent fund which exceed the minimum
9 required by art. 14, sec. 15 of the Constitution of the State of
10 Alaska; or

11 (10) requested to meet disasters of natural or human origin
12 which are declared by the governor.

13 * Sec. 2. AS 37.07.100 is amended to read:

14 Sec. 37.07.100. PROPOSED SUPPLEMENTAL OR DEFICIENCY APPROPRIA-
15 TIONS. The governor from time to time may transmit to the legislature
16 proposed supplemental or deficiency appropriations which in his judg-
17 ment are necessary on account of laws enacted after the transmission of
18 the budget, or are otherwise in the public interest. He shall accompany
19 each proposal with a statement of the reasons for it, including the
20 reasons for its omission from the budget. The total amount of all
21 appropriations proposed by the governor may not exceed the limitations
22 of AS 37.07.020(e).
23
24
25
26
27
28
29

COMMITTEE REPORT

HOUSE

6/8/81

FURTHER:

(11)

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 607

"An Act limiting expenditures which may be proposed by the governor."

under consideration and reports it back as follows:

do pass do not pass

do pass with attached amendments(s)

replace with CS for _____ same title
 new title
and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Berni
12-1485

Introduced: 6/8/81
Referred: Finance

1 IN THE HOUSE

BY MEEKINS AND BUGHOLDT

2 HOUSE BILL NO. 607

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act limiting expenditures which may be proposed by
7 the governor."

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

9 * Section 1. AS 37.07.020 is amended by adding new subsections to read:

10 (e) Proposed expenditures during a fiscal year may not exceed the
11 amount appropriated in the preceding fiscal year by more than the
12 increase in the federal consumer price index for the state for the
13 calendar year preceding the governor's submission of the budget plus a
14 percentage equal to the average yearly growth in the state's population
15 as shown by the last two federal censuses or enumerations. Expendi-
16 tures proposed under an exception prescribed by (f) of this section may
17 not be included in the base for determining the allowable increase from
18 year to year.

19 (f) The limitations on increases in proposed expenditures in
20 AS 37.07.020(e) do not apply to money

21 (1) to be deposited in the permanent fund;

22 (2) requested to pay permanent fund dividends;

23 (3) requested to capitalize loan funds, but the money to
24 subsidize low-interest loans must be requested separately and is sub-
25 ject to the limitations;

26 (4) requested to construct capital improvements, from bond
27 proceeds;

28 (5) requested for escrow accounts or otherwise requested to
29 repay general obligation bonds;

1 (6) requested as a reserve for disasters of natural or human
2 origin or other emergencies;

3 (7) requested to coincide with increases in user fees;

4 (8) requested to meet increases in costs to the state
5 resulting from court orders or from a transfer of authority or responsi-
6 bility to the state from the federal government;

7 (9) derived from one-quarter of the income from those
8 contributions made to the permanent fund which exceed the minimum
9 required by art. 14, sec. 15 of the Constitution of the State of
10 Alaska; or

11 (10) requested to meet disasters of natural or human origin
12 which are declared by the governor.

13 * Sec. 2. AS 37.07.100 is amended to read:

14 Sec. 37.07.100. PROPOSED SUPPLEMENTAL OR DEFICIENCY APPROPRIA-
15 TIONS. The governor from time to time may transmit to the legislature
16 proposed supplemental or deficiency appropriations which in his judg-
17 ment are necessary on account of laws enacted after the transmission of
18 the budget, or are otherwise in the public interest. He shall accompany
19 each proposal with a statement of the reasons for it, including the
20 reasons for its omission from the budget. The total amount of all
21 appropriations proposed by the governor may not exceed the limitations
22 of AS 37.07.020(e).
23
24
25
26
27
28
29

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

HOUSE BILL NO. 607

By MEEKINS AND BUCHHOLDT

"An Act limiting expenditures which may be proposed by the Governor."

limit expend./proposed by the Governor

Introduced in the House 6/8, 1981

HISTORY IN THE HOUSE

19 81

June 8

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused
Reported correctly engrossed	
Signed by Speaker	
Sent to Senate	

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused
Reported correctly engrossed	
Signed by President	
Returned to House	

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Rec'd 3/3/82
After bill r/s HFC

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHR 608 (State Affairs)
 Title Establishing uniform administrative procedures for grants/ non-profit org.
 Requested by State Affairs Committee Date 2/24

II. FISCAL DETAIL

Agency Affected Department of Public Safety
 Program Category Affected Administration of Justice
 BRU, Program, Or Subprogram(s) Affected Council on Domestic Violence
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 3/5/82 PREPARED BY Betsev W. McGuire/Exec. Dir. *BWMC*
 AGENCY Dept. of Public Safety

Original: Legislative Finance PHONE 465-4356
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

2/24/82

Date: Mar. 9, 1982

Mr. Speaker:

The Committee on FINANCE has had HB 608

"An Act establishing uniform administrative procedures for grants to and contracts with nonprofit organizations; and providing for an effective date."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 608 (FIN) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
[Signature]

[Signature]
CHAIRMAN

Original sponsors: Meekins and Beirne

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions; and providing for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit organi-
13 zations that receive grant or contract money from the state, for programs to
14 benefit the residents of the state, should have sound administrative struc-
15 tures.

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

17 Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
18 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-
19 tion, after consultation with representative nonprofit organizations in
20 the state, shall

21 (1) develop uniform procedures for grants to and contracts
22 with nonprofit organizations, including

- 23 (A) uniform proposal application procedures;
24 (B) uniform application review requirements;
25 (C) a consistent application of cost principles for
26 nonprofit organizations;
27 (D) provisions for a consistent acceptance and payment
28 of negotiated indirect cost rates using the federal cost rate if
29 applicable or, if the federal rate is not applicable, a cost rate

1 negotiated by the state with provisions for payment of individual
2 costs based on final determination of the indirect cost properly
3 incurred as shown by a fully certified audit by an independent
4 audit firm;

5 (E) provisions for advances of grant or contract money;

6 (F) provisions for a single annual audit;

7 (G) requirements of annual certification of administra-
8 tive systems of the organization;

9 (H) identification and segregation of indirect costs
10 relating to each grant;

11 (2) annually examine the administrative system of any non-
12 profit organization on request of the organization and if the system is
13 determined to be adequate for the purpose of state grants or contracts
14 and if the nonprofit organization is currently certified by the Depart-
15 ment of Commerce and Economic Development to be in good standing as a
16 nonprofit corporation certify that the organization is eligible to
17 receive state contracts or grants;

18 (3) require that each contract with or grant to a nonprofit
19 organization from a state agency provide for payment of indirect costs
20 of administration of the contract or grant at the rate established in
21 the contract.

22 (b) The requirements of this section do not apply to a state agency
23 that makes grants if the agency has developed procedures consistent with
24 the requirements of this section, and the Department of Administration
25 has reviewed those procedures and has exempted the agency from the re-
26 quirements. An exemption under this subsection must be renewed annually
27 based on an annual evaluation of the procedures of the state agency.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

Original sponsors: Meekins and Beirne

Offered: 2/24/82
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 608 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions; and providing for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit organi-
13 zations that receive grant or contract money from the state, for programs to
14 benefit the residents of the state, should have sound administrative struc-
15 tures, including (1) a governing board, (2) a personnel system, (3) an account-
16 ing system, and (4) appropriate administrative personnel. These administra-
17 tive costs should be allowed as indirect cost rates that may be unique and
18 individual for each nonprofit organization that receives grant or contract
19 money from the state. The indirect cost rates should be determined indivi-
20 dually for each organization based on independent final audit of the indirect
21 costs for each grant or contract.

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

23 Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
24 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-
25 tion shall *meekins am*

26 (1) develop uniform procedures for grants to and contracts
27 with nonprofit organizations, including

- 28 (A) uniform proposal application procedures;
29 (B) uniform application review requirements;

1 (C) a consistent application of cost principles for
2 nonprofit organizations;

3 (D) provisions for a consistent acceptance and payment
4 of negotiated indirect cost rates using the federal cost rate if
5 applicable or, if the federal rate is not applicable, a cost rate
6 negotiated by the state with provisions for payment of individual
7 costs based on final determination of the indirect cost properly
8 incurred as shown by a fully certified audit by an independent
9 audit firm;

10 (E) provisions for advances of grant or contract money;

11 (F) provisions for a single annual audit;

12 (G) requirements of annual certification of administra-
13 tive systems of the organization;

14 (H) identification and segregation of indirect costs
15 relating to each grant;

16 (2) annually examine the administrative system of any non-
17 profit organization on request of the organization and if the system is
18 determined to be adequate for the purpose of state grants or contracts
19 and if the nonprofit organization is currently certified by the Depart-
20 ment of Commerce and Economic Development to be in good standing as a
21 nonprofit corporation certify that the organization is eligible to
22 receive state contracts or grants;

23 (3) require that each contract with or grant to a nonprofit
24 organization from a state agency provide for payment of indirect costs
25 of administration of the contract or grant at the rate established in
26 the contract.

27 (b) The requirements of this section do not apply to a state
28 agency that makes grants if the agency has developed procedures consis-
29 tent with the requirements of this section, and the Department of Admin-

1 istration has reviewed those procedures and has exempted the agency from
2 the requirements. An exemption under this subsection must be renewed
3 annually based on an annual evaluation of the procedures of the state
4 agency.

5 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
6 070(c).

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Adams

To: CS HOUSE BILL No. 608 (SA)

SENATE BILL No. _____

PAGE: 1

LINE: 25

Following Administration, insert ", after consultation with representative nonprofit organizations in the state,"

Original sponsors: Meekins and Beirne

Offered: 2/24/82
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 608 (State Affairs)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions; and providing for an effective date."

9

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

10

* Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit organi-
13 zations that receive grant or contract money from the state, for programs to
14 benefit the residents of the state, should have sound administrative struc-
15 tures. ~~Including (1) a governing board, (2) a personnel system, (3) an account-~~
16 ~~ing system, and (4) appropriate administrative personnel. These administra-~~
17 ~~tive costs should be allowed as indirect cost rates that may be unique and~~
18 ~~individual for each nonprofit organization that receives grant or contract~~
19 ~~money from the state.) The indirect cost rates should be determined indivi-~~
20 ~~dually for each organization based on independent final audit of the indirect~~
21 ~~costs for each grant or contract.]~~

22

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

23

Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-

24

TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-
25 tion shall ~~after consultation with representative nonprofit~~
26 ~~organizations in the state,~~

26

27

(1) develop uniform procedures for grants to and contracts
with nonprofit organizations, including

28

(A) uniform proposal application procedures;

29

(B) uniform application review requirements;

Original sponsors: Meekins and Beirne

Offered: 2/24/82
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 608 (State Affairs)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions; and providing for an effective date."

9

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

10

* Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit organi-
13 zations that receive grant or contract money from the state, for programs to
14 benefit the residents of the state, should have sound administrative struc-
15 tures including (1) a governing board, (2) a personnel system, (3) an account-
16 ing system, and (4) appropriate administrative personnel. These administra-
17 tive costs should be allowed as indirect cost rates that may be unique and
18 individual for each nonprofit organization that receives grant or contract
19 money from the state. The indirect cost rates should be determined indivi-
20 dually for each organization based on independent final audit of the indirect
21 costs for each grant or contract.

22

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

23

Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
24 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-
25 tion shall

26

(1) develop uniform procedures for grants to and contracts
27 with nonprofit organizations, including

28

(A) uniform proposal application procedures;

29

(B) uniform application review requirements;

1 (C) a consistent application of cost principles for
2 nonprofit organizations;

3 (D) provisions for a consistent acceptance and payment
4 of negotiated indirect cost rates using the federal cost rate if
5 applicable or, if the federal rate is not applicable, a cost rate
6 negotiated by the state with provisions for payment of individual
7 costs based on final determination of the indirect cost properly
8 incurred as shown by a fully certified audit by an independent
9 audit firm;

10 (E) provisions for advances of grant or contract money;

11 (F) provisions for a single annual audit;

12 (G) requirements of annual certification of administra-
13 tive systems of the organization;

14 (H) identification and segregation of indirect costs
15 relating to each grant;

16 (2) annually examine the administrative system of any non-
17 profit organization on request of the organization and if the system is
18 determined to be adequate for the purpose of state grants or contracts
19 and if the nonprofit organization is currently certified by the Depart-
20 ment of Commerce and Economic Development to be in good standing as a
21 nonprofit corporation certify that the organization is eligible to
22 receive state contracts or grants;

23 (3) require that each contract with or grant to a nonprofit
24 organization from a state agency provide for payment of indirect costs
25 of administration of the contract or grant at the rate established in
26 the contract.

27 (b) The requirements of this section do not apply to a state
28 agency that makes grants if the agency has developed procedures consis-
29 tent with the requirements of this section, and the Department of Admin-

1 istration has reviewed those procedures and has exempted the agency from
2 the requirements. An exemption under this subsection must be renewed
3 annually based on an annual evaluation of the procedures of the state
4 agency.

5 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
6 070(c).

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Position Paper

Committee Substitute for House Bill No. 608

"An Act establishing uniform administrative procedures for grants to and contracts with non profit organizations; and providing for an effective date."

Committee Substitute for House Bill No. 608 requires the Department of Administration to develop and implement uniform grant and contract administration procedures for use by state agencies when granting to or contracting with nonprofit organizations. The procedures are to include determination and payment of indirect cost rates for administration of the grant or contract.

The Department of Health and Social Services has promulgated regulations covering the administration of departmental grants to nonprofit organizations, state agencies, and political subdivisions of the State of Alaska. These regulations, 7 AAC 78.010-320, became effective on April 11, 1981. They were designed to provide consistency in the administration of the many departmental grant programs. Complete uniformity is not always possible, as the statutory and regulatory provisions of specific granting programs may conflict. The department recognizes that consistency in grant and contract administration is helpful for both the grantee or contractor and the department.

The major fiscal impact of this bill would be the resources needed to determine a state-negotiated indirect cost rate. If the independent audits used as the basis for determination of an indirect cost rate were paid from grant or contract funds, either state appropriations for grants and contracts would have to increase to absorb the added cost, or funds used for direct services under the grants or contracts would decrease.

DEPARTMENT POSITION

The Department of Health and Social Services supports Committee Substitute for House Bill No. 608 and recommends extending its coverage to grants and contracts made to political subdivisions of the state.

Recommended by: Marsha Hubbard
Marsha Hubbard, Director
Div. of Management & Budget

Date: March 4, 1982

Approved By: Helen D. Beirne
Helen D. Beirne
Commissioner

Date: 3-9-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS HB No. 608
 Title "An Act establishing uniform administrative procedures....."
 Requested by State Affairs Committee Date 2/24/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

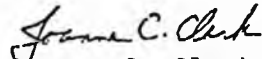
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 3/4/82


 PREPARED BY Joanne C. Clark
 AGENCY Div. of Management and Budget
 PHONE 465-3331

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Introduced: 6/9/81
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY MEEKINS AND BEIRNE

2 HOUSE BILL NO. 608

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions; and providing for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit
13 organizations that receive grant or contract money from the state, for
14 programs to benefit the residents of the state, should have sound adminis-
15 trative structures including (1) a governing board, (2) a personnel system,
16 (3) an accounting system, and (4) appropriate administrative personnel.
17 These administrative costs should be allowed as indirect cost rates that may
18 be unique and individual for each nonprofit organization that receives grant
19 or contract money from the state. The indirect cost rates should be deter-
20 mined individually for each organization based on independent final audit of
21 the indirect costs for each grant or contract.

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

23 Sec. 37.05.317. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND
24 CONTRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administra-
25 tion shall

26 (1) develop uniform procedures for grants to and contracts
27 with nonprofit organizations, including

28 (A) uniform proposal application procedures;

29 (B) uniform application review requirements;

1 (C) a consistent application of cost principles for
2 nonprofit organizations;

3 (D) provisions for a consistent acceptance and payment
4 of negotiated indirect cost rates using the federal cost rate if
5 applicable or, if the federal rate is not applicable, a cost rate
6 negotiated by the state with provisions for payment of individual
7 costs based on final determination of the indirect cost properly
8 incurred as shown by a fully certified audit by an independent
9 audit firm;

10 (E) provisions for advances of grant or contract money;

11 (F) provisions for annual audits;

12 (G) requirements of annual certification of administra-
13 tive systems of the organization;

14 (H) identification and segregation of indirect costs
15 relating to each grant;

16 (2) annually examine the administrative system of nonprofit
17 organizations on request of the organization and if the system is
18 determined to be adequate for the purpose of state grants or contracts
19 certify that the organization is eligible to receive state contracts or
20 grants;

21 (3) require that each contract with or grant to a nonprofit
22 organization from a state agency provide for payment of indirect costs
23 of administration of the contract or grant at the rate established in
24 the contract.

25 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

HB 608

I. REQUEST
 Bill/Resolution No. HB608
 Title Establish Uniform Administrative Procedures for Non-Profit Organizations
 Requested by House HESS Date _____

II. FISCAL DETAIL
 Agency Affected Department of Administration, Division of Finance
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Accounting
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		83.1	89.7	96.9	104.7	113.1
200 TRAVEL		25.0	27.0	29.2	31.5	34.0
300 CONTRACTUAL		7.0	7.5	8.1	8.7	9.4
400 COMMODITIES		2.0	2.2	2.3	2.5	2.7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		117.1	126.4	136.5	147.4	159.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		117.1	126.4	136.5	147.4	159.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The services of an Internal Auditor II and III will be required to carry out the provisions of HB608. The auditors will be responsible for negotiating indirect cost votes for application to state grants and contracts for approximately 200 non profit organizations and will conduct annual examinations of internal accounting and administrative controls for 40-50 organizations. These will be the ongoing activities required in HB608.

The auditors will also be initially responsible for developing and implementing uniform procedures for grants to contracts with non profit organizations.

IV. DATE 1/27/82 PREPARED BY Robert L. Rehfeld
 AGENCY Administration
 PHONE 465-2277
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Meekins and Beirne
 33-001 (Rev. 12/81)
 4/1007507 01/28/82

1	POSITION TITLE Internal Auditor III			RANGE/STEP 19A	BARG. UNIT. Supervisory	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: The Internal Auditor III working under control of the Director, Division of Finance will be responsible for the following activities: 1) develop and effect implementation of uniform procedures for grants to and contracts with non profit organizations 2) conduct annual examinations of non profit organizations to insure the adequacy of internal accounting and administrative controls for the purpose being eligible to receive and expend State funds 3) negotiate indirect cost rates with non profit organizations for application to State grants and contracts.			
	1	2	3						
4	PERSONAL SERVICES: SALARY 2837 x 12		34,044						
5	BENEFITS @30.9%		10,520						
6	SBS								
7	FIXED BENEFITS								
8	TOTAL PERSONAL SERVICES		01 44,564	44.5					
9	TRAVEL		02	12.5					
10	CONTRACTUAL		03	3.5					
11	COMMODITIES		04	1.0					
12	EQUIPMENT		05						
13	OTHER								
14	TOTAL COST			61.5					
	RECEIPT CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		61.5					
18		I-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER							
21	CONTINUATION		FOR B&M USE ONLY						
22	ADDITION								
4A KEY NUMBER		COLUMN NO.							

AGENCY Administration, Finance PROGRAM Centralized Admin. Services

BRU Accounting

COMPONENT Accounting Services

13 REQUEST FOR NEW POSITION.

FY 83

Page 1 of 2 REVISED DATE _____

1	POSITION TITLE Internal Auditor II				RANGE/STEP 17A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: The Internal Auditor II working under supervision of the Internal Auditor III will perform the following activity: 1) conduct annual examinations of non profit organizations to insure the adequacy of internal accounting and administrative controls for the purpose of being eligible to receive and expend State funds.				
	1	2	3							
4	PERSONAL SERVICES: SALARY 2,455 x 12		29,460							
5	BENEFITS @30.9%		9,103							
6	SBS									
7	FIXED BENEFITS									
8	TOTAL PERSONAL SERVICES 01		38,563	38.6						
9	TRAVEL 02			12.5						
10	CONTRACTUAL 03			3.5						
11	COMMODITIES 04			1.0						
12	EQUIPMENT 05									
13	OTHER									
14	TOTAL COST			55.6						
	RECEIPT CODE	FUNDING SOURCE								
15		FED RCPTS. 1002								
16		GF MATCH. 1003								
17		GEN. FUND 1004		55.6						
18		I-A RCPTS. 1005								
19		PGM RCPTS 1028								
20		OTHER								
21	CONTINUATION		FOR B&M USE ONLY							
22	ADDITION									
4A KEY NUMBER _____ COLUMN NO. _____										

AGENCY Administration, Finance PROGRAM Centralized Admin. Services

BRU Accounting

COMPONENT Accounting Services

13 REQUEST FOR NEW POSITION.

Page 2 of 2 REVISED DATE _____

FY 83

from Jim Baldwin 5/14/82
AG's Office

DRAFT #1
Law

5/14/82

Grant K procedure
Legis - B.

1
2
3
4
5
6 For an Act entitled: "An Act establishing procedures for state grants to and
7 contracts with nonprofit organizations, municipalities,
8 unincorporated communities, and named recipients; and
9 providing for an effective date."

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

11 * Section 1. AS 37.05 is amended by adding a new section to read:

12 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
13 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
14 tract for which more than \$100,000 of the grant funds would be obli-
15 gated, the contract shall be awarded through a competitive bid proce-
16 dure.

17 * Sec. 2. AS 37.05.316 is amended to read:

18 Sec. 37.05.316. GRANTS FOR SPECIFIC PURPOSES [TO NAMED RECIPI-
19 ENTS]. (a) When an amount is appropriated or allocated to a department
20 as a grant for a purpose set out in the appropriations Act [FOR A NAMED
21 RECIPIENT WHICH IS NOT A MUNICIPALITY], the department to which the ap-
22 propriation or allocation is made shall [PROMPTLY NOTIFY THE NAMED RE-
23 CIPIENT OF THE AVAILABILITY OF THE GRANT AND REQUEST THE NAMED RECIPIENT
24 TO SUBMIT A PROPOSAL TO PROVIDE THE GOODS OR SERVICES SPECIFIED IN THE
25 APPROPRIATIONS ACT, OR BOTH, FOR WHICH THE APPROPRIATION OR ALLOCATION
26 IS MADE. AT THE SAME TIME, THE DEPARTMENT MAY] issue a request for pro-
27 posals from [OTHER] qualified persons to provide the [SAME] goods or
28 services, or both, to satisfy the purpose of the grant. [IN THE SAME
29 AREA. THE DEPARTMENT SHALL CONTRACT WITH THE NAMED RECIPIENT UNLESS THE

1 OFFICE OF THE GOVERNOR, WITH DUE REGARD FOR ANY LOCAL EXPERTISE OR EX-
2 PERIENCE AMONG THOSE MAKING PROPOSALS, DETERMINES THAT AN AWARD OF THE
3 CONTRACT TO A DIFFERENT PARTY WOULD BETTER SERVE THE PUBLIC INTEREST.
4 IF THE CONTRACT IS AWARDED TO ANOTHER PARTY THAN THAT NAMED BY THE LEG-
5 ISLATURE, THE BASIS OF THAT ACTION SHALL BE STATED IN WRITING AT THE
6 TIME THE GRANT IS ISSUED AND A COPY OF THE WRITTEN STATEMENT SHALL BE
7 SENT TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE.] A contract shall
8 be executed within 60 days after the effective date of the appropriation
9 or allocation. The purchase of the goods or services, or both, shall be
10 in accordance with AS 37.05.230(1)(C).

11 (b) The Department of Administration shall

12 (1) develop uniform procedures to guide state agencies and
13 departments that administer grants to and contracts with nonprofit orga-
14 nizations, including

15 (A) uniform proposal application procedures;

16 (B) uniform application review requirements;

17 (C) a consistent application of cost principles for non-
18 profit organizations;

19 (D) provisions for payment schedules;

20 (E) provisions for a single annual independent audit;

21 however, this requirement may not preclude or restrict audits by
22 the executive or legislative branch of state government;

23 (2) provide for acceptance of administrative cost rates nego-
24 tiated by the Department of Administration;

25 (3) establish an administrative cost rate that the department
26 feels is reasonable given the nature of the grant or contract; and

27 (4) require that each application by a nonprofit organization
28 for a contract with or grant from the state list all contracts with or
29 grants from a federal, state, or local government or agency that the

1 nonprofit organization has applied for or received within one year pre-
2 ceding the date of the application.

3 * Sec. 3. AS 47.05 is amended by adding a new section to read:

4 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
5 a person or government for the delivery of services to be provided by
6 the department under AS 44.29.020 and AS 47.05.010.

7 (b) Services that may be provided by contract under this section
8 include accepting applications for assistance, conducting interviews,
9 making eligibility determinations, and issuing benefits, but do not in-
10 clude adoption of program standards or other matters involving the exer-
11 cise of agency discretion.

12 (c) A contract authorized under this section is exempt from the
13 competitive bid requirements of AS 37.05.230. In awarding a contract
14 under this section to a person or local government, the department shall
15 publish a request for proposals in accordance with regulations of the
16 department.

17 * Sec. 4. AS 37.05.318 is repealed.

18 * Sec. 5. This Act takes effect July 1, 1982.
19
20
21
22
23
24
25
26
27
28
29

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

- 20 (A) uniform proposal application procedures;
21 (B) uniform application review requirements;
22 (C) a consistent application of cost principles for
23 nonprofit organizations;
24 (D) provisions for payment schedules;
25 (E) provisions for a single annual independent audit;
26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance , conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28
29
X

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

- 20 (A) uniform proposal application procedures;
21 (B) uniform application review requirements;
22 (C) a consistent application of cost principles for
23 nonprofit organizations;
24 (D) provisions for payment schedules;
25 (E) provisions for a single annual independent audit;
26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance , conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28
29
X

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

20 (A) uniform proposal application procedures;

21 (B) uniform application review requirements;

22 (C) a consistent application of cost principles for
23 nonprofit organizations;

24 (D) provisions for payment schedules;

25 (E) provisions for a single annual independent audit;
26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance , conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

20 (A) uniform proposal application procedures;

21 (B) uniform application review requirements;

22 (C) a consistent application of cost principles for
23 nonprofit organizations;

24 (D) provisions for payment schedules;

25 (E) provisions for a single annual independent audit;

26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

X

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance, conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28
29
X

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

20 (A) uniform proposal application procedures;
21 (B) uniform application review requirements;
22 (C) a consistent application of cost principles for
23 nonprofit organizations;
24 (D) provisions for payment schedules;
25 (E) provisions for a single annual independent audit;
26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance, conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28
29

5/14/82

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

- 20 (A) uniform proposal application procedures;
- 21 (B) uniform application review requirements;
- 22 (C) a consistent application of cost principles for
23 nonprofit organizations;

- 24 (D) provisions for payment schedules;
 - 25 (E) provisions for a single annual independent audit;
- 26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

X

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance , conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28
29
X

5/14/82

1 IN THE HOUSE BY THE FINANCE COMMITTEE
 2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
 4 TWELFTH LEGISLATURE - SECOND SESSION
 5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
 7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
 11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
 12 tract for which more than \$100,000 of the grant funds would be obli-
 13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
 15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
 16 shall

17 (1) develop uniform procedures to guide state agencies and
 18 departments that administer grants to and contracts with nonprofit
 19 organizations, including

- 20 (A) uniform proposal application procedures;
- 21 (B) uniform application review requirements;
- 22 (C) a consistent application of cost principles for
- 23 nonprofit organizations;
- 24 (D) provisions for payment schedules;
- 25 (E) provisions for a single annual independent audit;
- 26 however, this requirement may not preclude or restrict audits by the
- 27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
 29 negotiated by the Department of Administration;

X

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance , conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28
29
X

5/14/82

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and
7 contracts; and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
12 tract for which more than \$100,000 of the grant funds would be obli-
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
16 shall

17 (1) develop uniform procedures to guide state agencies and
18 departments that administer grants to and contracts with nonprofit
19 organizations, including

20 (A) uniform proposal application procedures;

21 (B) uniform application review requirements;

22 (C) a consistent application of cost principles for
23 nonprofit organizations;

24 (D) provisions for payment schedules;

25 (E) provisions for a single annual independent audit;
26 however, this requirement may not preclude or restrict audits by the
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a
2 nonprofit organization other than a named recipient under AS 37.05.316
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization
9 for a contract with or grant from the state list all contracts with or
10 grants from a federal, state, or local government or agency that the
11 nonprofit organization has applied for or received within one year
12 preceding the date of the application.

13 * Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with
15 a person or government for the delivery of services to be provided by
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section
18 include accepting applications for assistance, conducting interviews,
19 making eligibility determinations, and issuing benefits, but do not
20 include adoption of program standards or other matters involving the
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the
23 competitive bid requirements of AS 37.05.230. In awarding a contract
24 under this section to a person or local government the department shall
25 publish a request for proposals in accordance with regulations of the
26 department.

27 * Sec. 3. This Act takes effect July 1, 1982.
28

COMMITTEE REPORT
SENATE

3/29/82

FURTHER: Finance

Date: 4/20/82

Mr. President:
The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 608(Fin) am establishing uniform administrative procedures for grants to and contracts with nonprofit organizations

under consideration and (a majority of the committee) (~~the committee~~) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with S for CS for HB 608 (C4RA) same title new title
- and recommends as follows my do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Vedra Stupulovich

1 Colletta

1 [Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

23 [Signature] - No Rec

1 Don Helman (DO PASS)

CHAIRMAN

Original sponsors: Meekins and Beirne

Offered: 4/23/82
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants to and
7 contracts with nonprofit organizations, municipalities,
8 unincorporated communities, and named recipients; and
9 providing for an effective date."

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

11 * Section 1. AS 37.05 is amended by adding new sections to read:

12 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under
13 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-
14 tract for which more than \$100,000 of the grant funds would be obli-
15 gated, the contract shall be awarded through a competitive bid procedure.

16 Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
17 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration
18 shall

19 (1) develop uniform procedures to guide state agencies and
20 departments that administer grants to and contracts with nonprofit
21 organizations, including

22 (A) uniform proposal application procedures;

23 (B) uniform application review requirements;

24 (C) a consistent application of cost principles for
25 nonprofit organizations;

26 (D) provisions for payment schedules;

27 (E) provisions for a single annual independent audit;
28 however, this requirement may not preclude or restrict audits by
29 the executive or legislative branch of state government;

1 (2) provide for acceptance of administrative cost rates
2 negotiated by the Department of Administration;

3 (3) establish standards for a contract with or a grant to a
4 nonprofit organization other than a named recipient under AS 37.05.316
5 including

6 (A) an adequate administrative system;

7 (B) adequate fiscal procedures;

8 (C) an administrative cost rate that the department
9 feels is reasonable given the nature of the grant or contract;

10 (4) require that each application by a nonprofit organization
11 for a contract with or grant from the state list all contracts with or
12 grants from a federal, state, or local government or agency that the
13 nonprofit organization has applied for or received within one year
14 preceding the date of the application.

15 * Sec. 2. This Act takes effect July 1, 1982.
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Original sponsors: Meekins and Beirne

Offered: 3/10/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 608 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions."

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

10 * Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit
13 organizations that receive grant or contract money from the state, for
14 programs to benefit the residents of the state, should have sound adminis-
15 trative structures and accountable fiscal procedures. The legislature
16 further finds that nonprofit corporations which receive public funds have a
17 public trust responsibility to manage those funds in accordance with the
18 highest standards of accountability.

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

20 Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
21 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-
22 tion, after consultation with representative nonprofit organizations in
23 the state, shall

24 (1) develop uniform procedures for grants to and contracts
25 with nonprofit organizations, including

26 (A) uniform proposal application procedures;

27 (B) uniform application review requirements;

28 (C) a consistent application of cost principles for

29 nonprofit organizations;

1 (D) provisions for a consistent cost rate negotiated by
2 the state with provisions for payment of individual costs based on
3 final determination of the indirect cost properly incurred as shown
4 by a fully certified audit by an independent audit firm;

5 (E) provisions for advances of grant or contract money;

6 (F) provisions for a single annual independent audit;

7 (G) requirements of annual certification of administra-
8 tive systems of the organization;

9 (H) identification and segregation of indirect costs
10 relating to each grant;

11 (2) annually examine the administrative system and fiscal
12 procedures of any nonprofit organization on request of the organization
13 and if the system and procedures are determined to be adequate for the
14 purpose of state grants or contracts and if the nonprofit organization
15 is currently certified by the Department of Commerce and Economic
16 Development to be in good standing as a nonprofit corporation certify
17 that the organization is eligible to receive state contracts or grants;

18 (3) require that each contract with or grant to a nonprofit
19 organization from a state agency provide for payment of indirect costs
20 of administration of the contract or grant at the rate established in
21 the contract;

22 (4) require that each application for a contract with or
23 grant to a nonprofit organization list all contracts with or grants from
24 a federal, state, or local government or agency that the nonprofit
25 organization has applied for or received within one year preceding the
26 date of the application.

27 (b) The requirements of this section do not apply to a state
28 agency that makes grants if the agency has developed procedures
29 consistent with the requirements of this section, and the Department of

1 Administration has reviewed those procedures and has exempted the agency
2 from the requirements. An exemption under this subsection must be
3 renewed annually based on an annual evaluation of the procedures of the
4 state agency.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

ALASKA STATE LEGISLATURE

SECOND

TWELFTH Legislature FIRST Session

HOUSE BILL NO. 608

By MEEKINS AND BEIRNE

"An Act establishing uniform administrative procedures for grants to and contracts with nonprofit organizations; and providing for an effective date."

Estab. uniform admin. procedures grants to and contracts nonprofit organizations

Introduced in the House 6/9, 1981

HISTORY IN THE HOUSE

1981	June 9	Read first time and referred to Committee on State Affairs and Finance
1982	Feb 24	Reported back with recommendation that State Affairs - CS(SA) 3rd pass, 17th rec to Finance
	Mar 10	Finance - CS(Fin) 8d passed 270 rec. to Rules
	Mar 17	Read second time and CS HB 608 (Fin) adopted & amended. Failed to advance to 3rd.
	Mar 26	On 2d for 2d am. amended & adv
	Mar 19	Read third time and
	Mar 22	Reconsideration held 3/24
	Mar 24	Reconsideration held 3/26
	Mar 26	Returned to 2d for 2d am. (over) (Reconsideration taken up)
	Mar 19	PASS ed Effective Date Yeas 22 Nays 10 Absent 1 Excused 7
	Mar 19	Reconsideration Failed
	Mar 26	PASS ed Effective Date Yeas 29 Nays 4 Absent 4 Excused 3
	Mar 26	Reported correctly engrossed
	Mar 26	Signed by Speaker
	Mar 26	Sent to Senate
		<i>Emmylou Lloyd</i> CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

1982	3/29	Read first time and referred to Committee on
	4/23	Reported back with C & RA recommendation that replace w/SCS, 4d passed, 1 no rec to Fin.
		Read second time and
		Read third time and
		PASS Effective Date Yeas Nays Absent Excused
		Reconsideration
		PASS Effective Date Yeas Nays Absent Excused
		Reported correctly engrossed
		Signed by President
		Returned to House
		SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 608 (State Affairs)
Title Establishing uniform administrative procedures for grants/ non-profit org.
Requested by State Affairs Committee Date 2/24

II. FISCAL DETAIL

Agency Affected Department of Public Safety
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Council on Domestic Violence
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 3/5/82 PREPARED BY Betsey W. McGuire/Exec. Dir. *BWMC*
AGENCY Dept. of Public Safety
Original: Legislative Finance PHONE 465-4356
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

Position Paper

Committee Substitute for House Bill No. 608

"An Act establishing uniform administrative procedures for grants to and contracts with non profit organizations; and providing for an effective date."

Committee Substitute for House Bill No. 608 requires the Department of Administration to develop and implement uniform grant and contract administration procedures for use by state agencies when granting to or contracting with nonprofit organizations. The procedures are to include determination and payment of indirect cost rates for administration of the grant or contract.

The Department of Health and Social Services has promulgated regulations covering the administration of departmental grants to nonprofit organizations, state agencies, and political subdivisions of the State of Alaska. These regulations, 7 AAC 78.010-320, became effective on April 11, 1981. They were designed to provide consistency in the administration of the many departmental grant programs. Complete uniformity is not always possible, as the statutory and regulatory provisions of specific granting programs may conflict. The department recognizes that consistency in grant and contract administration is helpful for both the grantee or contractor and the department.

The major fiscal impact of this bill would be the resources needed to determine a state-negotiated indirect cost rate. If the independent audits used as the basis for determination of an indirect cost rate were paid from grant or contract funds, either state appropriations for grants and contracts would have to increase to absorb the added cost, or funds used for direct services under the grants or contracts would decrease.

DEPARTMENT POSITION

The Department of Health and Social Services supports Committee Substitute for House Bill No. 608 and recommends extending its coverage to grants and contracts made to political subdivisions of the state.

Recommended by: Marsha Hubbard
Marsha Hubbard, Director
Div. of Management & Budget

Date: March 4, 1982

Approved By: Helen D. Beirne
Helen D. Beirne
Commissioner

Date: 3-9-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS HB No. 608
 Title "An Act establishing uniform administrative procedures....."
 Requested by State Affairs Committee Date 2/24/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 3/4/82

PREPARED BY Joanne C. Clark
 AGENCY Div. of Management and Budget
 PHONE 465-3331

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

TRANSCRIPT
SENATE FINANCE COMMITTEE MEETING
MARCH 31, 1980
RELATING TO CSHB 578 am

SENATOR JOHN SACKETT - Without objection, we'll bring up before the committee House Bill 578 amended, for discussion. What the House has done is to add a special section calling it a municipal grant, and what they've done in House Bill 60 is to appropriate funds into that grant account, primarily because the attorney general has stated there may be problems. Garrey, can you explain to the committee in more detail what the problems were last year.

GARREY PESKA - Mr. Chairman, at the end of last session, the attorney general's office drafted a set of regulations that they sent to the operating departments telling them, among other things, that they couldn't make direct grants to non-profit organizations, and they alluded to the possibility of also having problems with municipalities in cases where there were other organizations in the area that might, by competitive bidding, be able to provide the services that the direct grant was intended for. The operating departments came to the Budget and Audit Committee during the interim and said "We have this problem. We want to make the direct grant payments, but the Department of Law is telling us that we need more accountability; we need to have some regulations to follow." So the minimum

regulations that were set last year, with the approval of the Budget and Audit Committee, was that the grant recipient had to agree to spend the money for the purpose for which the appropriation is made. They had to agree to make their books available for audit if the state chose to do such audits. And they had to agree to provide an accounting to the state at the end of the project's completion. After that, most of the grants, at least last year's, were paid. I understand there are still a few grants in certain Senator's districts that are having problems. However, the state internal auditor has prepared about a 40 page set of regulations, including such determinations as what are direct costs, what are indirect costs that are going to be allocated to the projects for which the grants are being made. There will be on-site inspections made by the operating departments to determine if the project is in accordance with various public purposes. And it's anticipated that money for administration of those grants, of course, would come off the top of the appropriation. So, the House has taken this action, creating the municipal grant account, and the language is written in such a way to direct the operating departments to just simply make the payment period. The House's approach does not address the non-profit corporations. There is a draft committee substitute in the committee members' files for your consideration if you would like to include the non-profit corporations.

SENATOR JALMAR KERTTULA - Mr. Chairman, I have one question.

SENATOR JOHN SACKETT - Senator Kerttula.

SENATOR JALMAR KERTTULA - I had some small problem, it was a big problem for me, on the flow-through grants from the municipality to the people intended--a bunch of small fire districts and so on throughout our district, road districts and so on. And there can be a tinkering at the municipal level with these grants unless there's an (inaudible) at that. And the legislature has a specific grant for flow-through--that's exactly what. . . it's just a bookkeeping flow-through. Are we protected in this in any way on that. You understand I want good bookkeeping, accounting, all those things. No misuse.

GARREY PESKA - In the case of the House Bill there is no accounting requirement. The House Bill simply says "make the payment to the municipality." The committee substitute includes some language for some minimum accountability requirements.

SENATOR BILL SUMNER - Mr. Chairman.

SENATOR JOHN SACKETT - Senator Sumner.

SENATOR BILL SUMNER - Have we checked to see that this is a legal, constitutional way or vehicle. Do we have this option?

GARREY PESKA - Mr. Chairman, yes we do. Billy Berrier and I prepared the proposed committee substitute draft.

SENATOR BILL SUMNER - Okay. We could require in this that they maintain audit capabilities, audit trails, or . . . that would be equally as responsible as from a municipality, let's say, as it would be from the state. Okay, thank you.

SENATOR BILL RAY - Mr. Chairman.

SENATOR JOHN SACKETT - Senator Ray.

SENATOR BILL RAY - That's the only part that I . . . on Line 18,

Subsection (2) allow on request (inaudible) I can understand that, but a lot of times by the . . . when they get around to looking at something, you'll find that the people who are connected with the grant have long since left the state. Perhaps this is an idea . . . we might put in language in there that upon completion of the grant or something that they ought to be made immediately so that we can make a determination whether they've spent the money properly or not.

SENATOR BILL SUMNER - The municipality would be . . . if it's from a municipality, they'd be held responsible.

SENATOR BILL RAY - Yah, we're putting in non-profit corporations up here also. That was the kicker.

SENATOR JOHN SACKETT - Okay, what was it again, Bill?

SENATOR BILL RAY - Line 18, Sub. (2).

SENATOR JOHN SACKETT - What were the words.

SENATOR BILL RAY - This just allows on request an audit by the state of the use they made of the grant. That's fine, but a lot of times when they find out, the people have already used the money and left the state and gone some other place. I think upon completion of the project or nearly the time when it's getting ready to whatever it is, maybe the audit should be made at that time. To see that they've spent the money properly and find out exactly what's happened. In your past experience you probably understand what I'm saying.

GARREY PESKA - Mr. Chairman, yes, I think I do. Senator Ray you are suggesting that you would require an audit before the final payout on all grants.

SENATOR BILL RAY - Right.

SENATOR BILL SUMNER - Mr. Chairman.

SENATOR JOHN SACKETT - Senator Sumner.

SENATOR BILL SUMNER - Can we limit that to non-profit organizations? Otherwise they still hold up the damn money in the municipalities.

SENATOR BILL RAY - Yes.

SENATOR JALMAR KERTTULA - Mr. Chairman.

SENATOR JOHN SACKETT - Senator Kerttula.

SENATOR JALMAR KERTTULA - I wonder if maybe this isn't, maybe we don't have the time either, but I wonder if we shouldn't have a quick capsule of why the Administration devised a 40-page group of regulations. Maybe there are some tremendous problems that three or four lines of law would solve . . . there are 40 beyond this (inaudible) but maybe there's some good reason for devised . . . anticipating some problems that we were trying to overcome and in their bureaucratic way wrote 40 pages of whatever it is. I'd sure like to hear from them why they had to because I bet there are some horror stories out there on some of these private non-profits and so on.

SENATOR JOHN SACKETT - Do you know? Jay do you want to testify on this?

JAY HOGAN - Do you have a committee substitute?

Mr. Chairman, Jay Hogan, Director of Legislative Finance. The bill as it came here, relating only to municipalities, grew out of essentially last year's problem. If you have these capital budget books, on May 5, the Governor wrote yourself

and Representative Meekins a letter stating that the budget was essentially veto-proof, if passed within his constraints-- overall dollar constraints. Then, after the legislature adjourned on June 1, when the Governor signed the General Appropriations Act, there were seven . . . well, ten pages of exceptions taken item by item through the budget. Many of these appropriations were never paid . . . haven't been paid to date. A lot of them were in the category of grants going through to municipalities and other purposes. So, in effect, although the budget last year was veto-proof, some of the appropriations simply were never spent. The original concept behind this bill . . . when the bill was originally introduced, it dealt with municipalities and non-profit corporations. Then in the committee substitute that was finally approved by the House, it was trimmed to deal only with municipalities to avoid the problem of trying to appropriate to non-profit corporations since they're not entities of the state and since they're really separate organizations. That's basically the thought behind the splitting into two parts.

SENATOR JOHN SACKETT - And what's your feeling about the committee substitute, Senate.

JAY HOGAN - Mr. Chairman, I think that, if you go on a scale of the most likely to the least likely, I would think that the legislature could pass, and have work, one that dealt with municipalities. I think the one that makes it more difficult is the bringing in of non-profit corporations. The reason I think that is that you have the . . . I'm not implying anything here . . . but you have the problem of creating something that

appears to be special legislation when you go and appropriate to a non-profit corporation. The reason for that is that under the various statutes that set up bidding requirements in the state, if you designate . . . if the legislature designates a specific non-profit corporation, it appears to override that general statute and select a vender, if you will. This is the problem the attorney general had with many of the grants last year to specific non-profit corporations. It had the effect of excluding other corporations--other bidders. And so they held that this was (1) special legislation and (2) that it was contrary to the general bidding requirements of the state.

Originally, when the act was drafted, as I said, it originally dealt with both. If you're interested perhaps you might want to separate the two--in other words, make a special one for municipalities . . . a grant program for municipalities and also one for non-profit corporations, and then the two could stand alone--two separate sections if there were a legal challenge. Right now, for instance, the way the committee substitute is written, everything is in one section, and if there were a legal problem with that section, it might nullify the entire section, whereas if they were split into two--one dealing with grants to municipalities and another dealing with grants to non-profit corporations--then the two sections could be argued . . . stood independently, and each one could be subject to its own tests and requirements.

SENATOR JOHN SACKETT - Senator Ray.

SENATOR BILL RAY - Are you implying, if I'm reading you right, that the attorney general says that appropriations to non-profit

corporations or special legislation such as appropriations to Alaska Crippled Children's Association . . .

SENATOR JALMAR KERTTULA - Alcoholism programs?

SENATOR BILL RAY - Alcoholism programs and all that . . . that these are unconstitutional? Is that the inference I'm gathering here?

JAY HOGAN - Mr. Chairman, what the attorney general has done in a nutshell . . . I think he gave the . . . gave his feelings away rather clearly when he testified on this bill on the House side. They did not stop these appropriations in prior years because there weren't very many of them. And he openly stated in the . . . before the committee that their concern was now, for instance last year's budget, that there were a large number of these types of appropriations. And so they started to throw the net out over them. They . . . the letter defines the problems that they found with each and every appropriation. And on the grants to non-profit corporations, from last year's budget bill, they continued to refer to the fact that it had the effect of excluding other bidders. This is the same thing as a piece of special legislation. It is an appropriation geared to a particular corporate entity that's not a municipality-- that's not a part of the state. So it does have some of that problem. They did not specify that in so many words, but I suspect it might be their next step. (Inaudible)

SENATOR JOHN SACKETT - Senator Ray.

SENATOR BILL RAY - Well, if you follow his logic, then grants