

BILLS 1981 - 1982

HB 649 - CSHB 651

Lea Finance

1553

1553

COMMITTEE REPORT

HOUSE

FURTHER:

(11)

3/12/82

Date: 3-31-82

Mr. Speaker:

The Committee on FINANCE has had HB 649

"An Act relating to regions in the Department of Transportation and Public Facilities; prescribing the duties of regional transportation and public facilities directors; 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 no same title
 new title
- and recommends no
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 9720.0
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsor: The Transportation Committee

Offered: 3/12/82
Referred: Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 649 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to regions in the Department of Trans-
7 portation and Public Facilities; prescribing the duties
8 of regional transportation and public facilities direc-
9 tors; and providing for an effective date."

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

11 Section 1. AS 44.42.040 is amended to read:

12 Sec. 44.42.040. REGIONAL [DEPARTMENTAL] ORGANIZATION OF DEPARTMENT.

13 (a) The commissioner shall establish five regions within the state
14 in accordance with (b) of this section. The functions of the department
15 within each region shall be performed, to the maximum extent feasible,
16 through a regional office. Each regional office shall be directed by a
17 regional transportation and public facilities director appointed by the
18 commissioner. Each regional transportation and public facilities direc-
19 tor shall have at least six years experience in transportation construc-
20 tion or engineering.

21 * Sec. 2. AS 44.42.040 is amended by adding a new subsection to read:

22 (b) The five regions are:

23 (1) Region one begins in Bristol Bay on latitude 58°00'N and
24 travels east along that line to longitude line 158°00'W; then north
25 along longitude line 158°00'W to the mouth of Kvichak Bay; then travels
26 northeasterly along the southern bank of the Kvichak River to Iliamna
27 Lake; then northeasterly along the southern shore of Iliamna Lake to
28 longitude line 154°00'W, and travels north along longitude line 154°00'W
29 to latitude 63°00'N; then east along latitude line 63°00'N to a point

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

Original sponsor: The Transportation Committee

Offered: 3/12/82
Referred: Finance

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE
2 CS FOR HOUSE BILL NO. 649 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to regions in the Department of Trans-
7 portation and Public Facilities; prescribing the duties
8 of regional transportation and public facilities direc-
9 tors; and providing for an effective date."

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

11 * Section 1. AS 44.42.040 is amended to read:

12 Sec. 44.42.040. REGIONAL [DEPARTMENTAL] ORGANIZATION OF DEPARTMENT.

13 (a) The commissioner shall establish five regions within the state
14 in accordance with (b) of this section. The functions of the department
15 within each region shall be performed, to the maximum extent feasible,
16 through a regional office. Each regional office shall be directed by a
17 regional transportation and public facilities director appointed by the
18 commissioner. Each regional transportation and public facilities direc-
19 tor shall have at least six years experience in transportation construc-
20 tion or engineering.

21 * Sec. 2. AS 44.42.040 is amended by adding a new subsection to read:

22 (b) The five regions are:

23 (1) Region one begins in Bristol Bay on latitude 58°00'N and
24 travels east along that line to longitude line 158°00'W; then north
25 along longitude line 158°00'W to the mouth of Kvichak Bay; then travels
26 northeasterly along the southern bank of the Kvichak River to Iliamna
27 Lake; then northeasterly along the southern shore of Iliamna Lake to
28 longitude line 154°00'W, and travels north along longitude line 154°00'W
29 to latitude 63°00'N; then east along latitude line 63°00'N to a point

1 common with the boundaries of regional districts two and five; southerly
2 of the Denali Highway at Corkscrew Creek (Milepost 59.1); then south-
3 westerly to the junction of the Glenn Highway and the Fishhook-Willow
4 Road (approximately one mile northeast of Palmer); then southeasterly to
5 Prince William Sound at Fairmount Point 60°53'45"N, 147°27'W and in-
6 clusive of Kodiak, Afognak, Barren, Trinity, Chirikof, and Pribilof
7 Islands.

8 (2) Region two begins at and includes the point at which the
9 Alaska Highway intersects the Alaska-Yukon border; travels northwesterly
10 to the west abutment of the Little Tok River Bridge on Tok Cutoff Highway
11 (Milepost 91.2); then west to the northerly abutment of the McCallum
12 Creek Bridge on the Richardson Highway (Milestone 202.4); then west to a
13 point directly north of the Denali Highway at Corkscrew Creek (Milepost
14 59.1); and continuing along that line to latitude 63°00'N; then west
15 along latitude 63°00'N to longitude 154°00'W; thence north along longi-
16 tude 154°00'W; to the Arctic Ocean.

17 (3) Region three begins in the Gulf of Alaska on longitude
18 line 141°00'W; then north along longitude 141°00'W to Boundary Point
19 187; then southeasterly along the Canadian-United States border bounding
20 Southeastern Alaska in its entirety.

21 (4) Region four begins in the Arctic Ocean at Smith Bay
22 70°54'N, 154°19'W; on longitude line 154°00'W; travels south along
23 longitude 154°00'W to a point where longitude line 154°00'W crosses the
24 southern shore of Iliamna Lake; then southwesterly along the southern
25 shore of Iliamna Lake to the Kvichak River; then southwesterly along the
26 southern bank of the Kvichak River to Kvichak Bay; then south along
27 longitude line 158°00'W to latitude line 58°00'N, then west along that
28 line into Bristol Bay, and inclusive of St. Matthew, St. Lawrence, and
29 Nunivak Islands.

1 (5) Region five begins at the Gulf of Alaska on longitude
2 line 141°00'W and travels northerly along that line to the point (but
3 not including the point) at which the Alaska Highway intersects the
4 Alaska-Yukon border; then northwesterly to the west abutment of the
5 Little Tok River Bridge on the Tok Cutoff Highway (Milepost 91.2); then
6 west to the northerly abutment of McCallum Creek Bridge on the Richardson
7 Highway (Milepost 202.4); then west to the point directly north of
8 Denali Highway at Corkscrew Creek (Milepost 59.1); then southwesterly to
9 the junction of the Glenn Highway and the Fishhook-Willow Road (approxi-
10 mately one mile northeast of Palmer); then southeasterly to Prince
11 William Sound at Fairmount Point 60°53'45"N, 147°27'W.

12 * Sec. 3. AS 44.42 is amended by adding a new section to read:

13 Sec. 44.42.045. DUTIES OF REGIONAL TRANSPORTATION AND PUBLIC
14 FACILITIES DIRECTORS. (a) Each regional transportation and public
15 facilities director is responsible for planning, design, and construc-
16 tion within his region consistent with the state transportation plan
17 established under AS 44.42.050 and the state public facilities plan
18 established under AS 44.42.055.

19 (b) Each regional transportation and public facilities director
20 shall submit to the commissioner proposed program plans, program budget
21 requests, and reports of program performance at a time directed by the
22 director of the division of budget and management, Office of the Gover-
23 nor. The commissioner may comment on the program and financial plans
24 submitted by a regional transportation and public facilities director
25 under AS 37.07 but shall forward the program and financial plans sub-
26 mitted by a regional transportation and public facilities director to
27 the division of budget and management without change.

28 (c) Each regional transportation and public facilities director
29 shall submit to the commissioner a plan implementing the state transpor-

1 tation plan and the state public facilities plan 90 days before the end
2 of a fiscal year for implementation in the succeeding fiscal year. A
3 revision of the plan implementing either the state transportation plan
4 or the state public facilities plan may be submitted at any time. A
5 regional implementation plan or a revision of a regional implementation
6 plan is final unless disapproved by the commissioner within 30 days of
7 its receipt by the commissioner.

8 * Sec. 4. This Act takes effect July 1, 1982.

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 649 Relating to regions in DOTPF and prescribing
Title duties of directors
Requested by House Transportation Committee Date March 26, 1982

II. FISCAL DETAIL
Agency Affected _____
Program Category Affected _____
ERJ, 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	up to 9720.0					

FUNDING (Thousands of Dollars)

	UD to	9720.0				
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
The operating costs to duplicate the regional organizations for the Design and Construction Unit and the Planning and Programming Unit in two additional regions would approximate \$9.7 million in general funds. This estimate does not attempt to cover any costs which would be required for space and other capital costs.

The actual costs would vary greatly based upon the level of autonomy desired in the regions and the refinement of possible reduction in the existing regions. Reductions for duplication of effort would be minimal compared to the total cost.

Reductions to the existing regions have been limited to those now used for the Nome and Valdez Residencies and the three existing director positions which would be deleted.

IV. DATE March 30, 1982 PREPARED BY Ronald Lind
AGENCY DOT/PF
Original: Legislative Finance PHONE 465-3900
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

The cost estimates are based upon the assumptions that only the Design and Construction and Planning and Programming Units could be expanded into the two additional regions. No specific estimates have been made for costs of increased administrative services required in the regions.

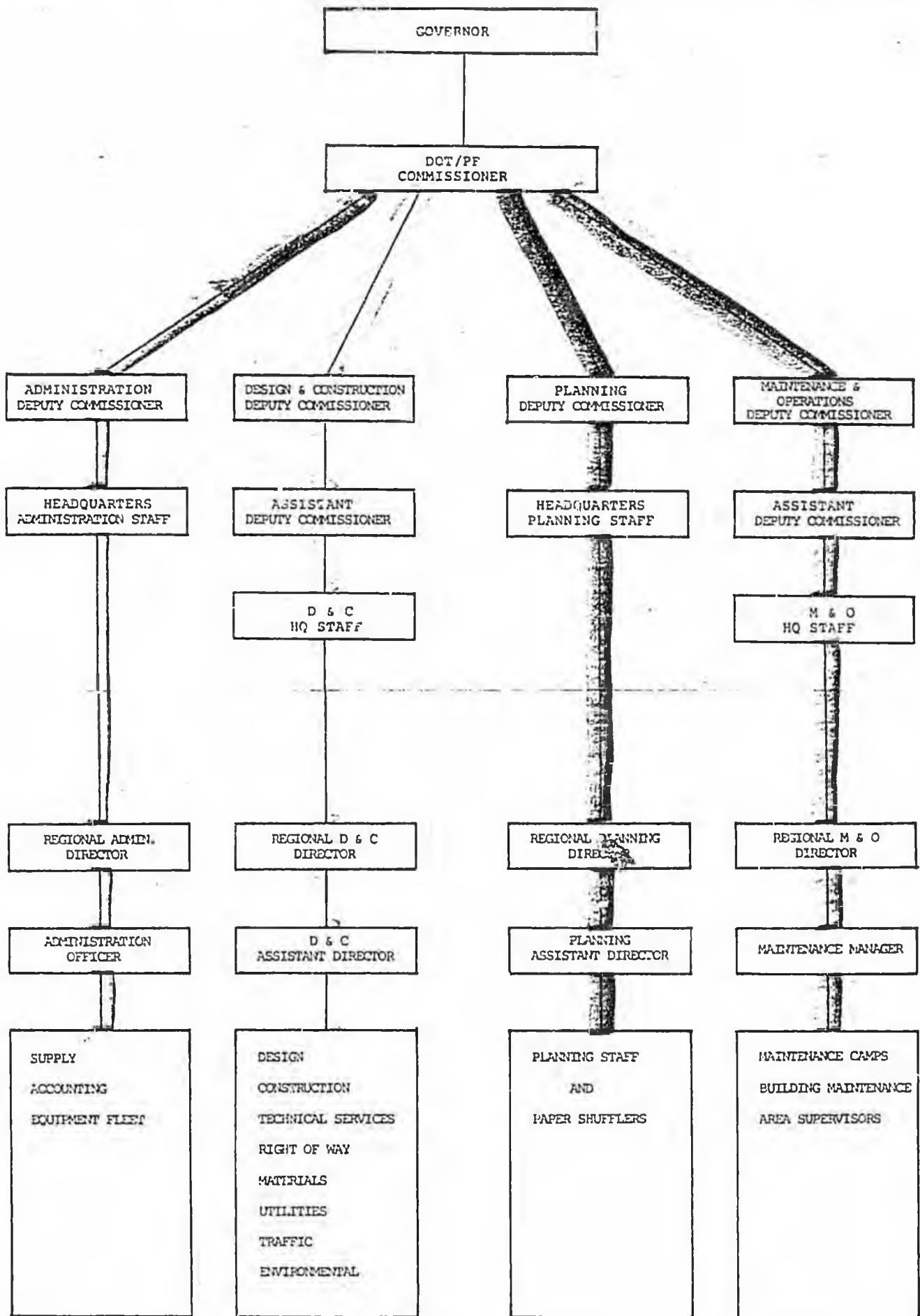
The costs were calculated as follows:

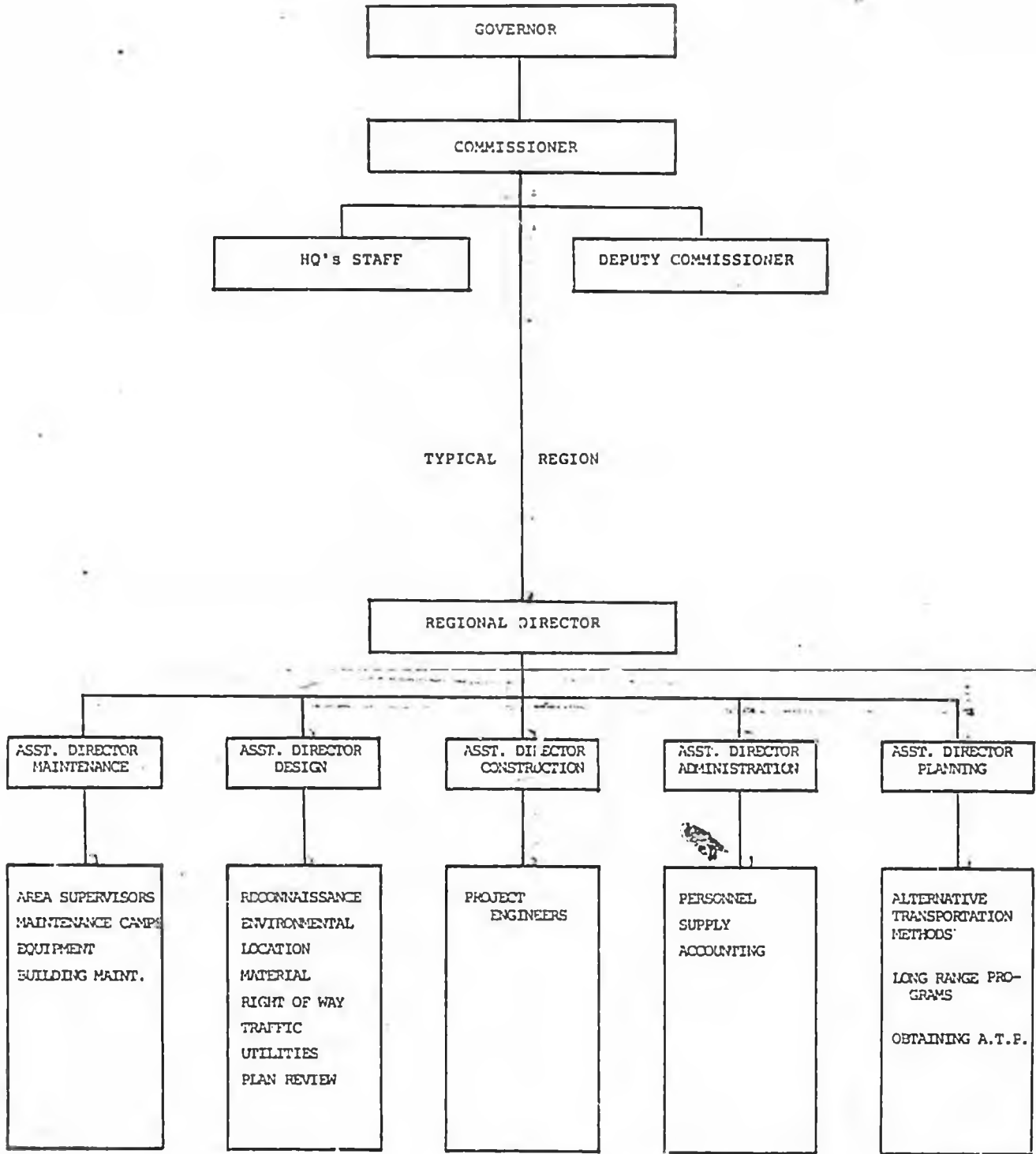
For the Design and Construction activities, the lower general fund amount in the Southeast or Central Division in the 1983 budget for each component was used. The general fund costs for the two residencies were then deleted. The estimate for the Planning and Programming activities is based upon costs for the Transportation and Facility components for the Interior Region. The direct costs for capital projects were not included because it is assumed that they would be transfers.

Attachment

Attachment for Fiscal Note -
CSHB 649

	<u>General Fund</u>	
	<u>Operating</u>	<u>Indirect</u>
Central Region - Director's Office	450.0	105.0
" " Technical Services	260.0	200.0
" " Buildings & Harbors	395.0	175.0
Southeast Region - Right of Way	310.0	20.0
" " Highway and Aviation	570.0	95.0
Subtotal:	<u>\$1,985.0</u>	<u>595.0</u>
Southcentral Residency	[30.0]	-
Western Residency	[40.0]	-
	<u>\$1,915.0</u>	<u>595.0</u>
Estimated COLA 20%	380.0	120.0
	<u>\$2,295.0</u>	<u>715.0</u>
Interior Transportation Planning	\$1,450.0	-0-
" Facility Planning	500.0	-0-
	<u>\$1,950.0</u>	-0-
Estimated COLA 10%	200.0	-0-
	<u>\$2,150.0</u>	
Subtotal D & C and P & P	\$4,445.0	715.0
Less estimate of 3 Directors which exist in current region	[300.0]	-0-
	<u>\$4,145.0</u>	<u>715.0</u>
Two additional regions	x 2	x 2
	<u>\$8,290.0</u>	<u>\$1430.0</u>
TOTAL		<u>\$9,720.0</u>





Bill Analysis by Rep. Bette Cato's office.

HB 649 "an act relating to regions in the Department of Transportation and Public Facilities; prescribing the duties of regional transportation and public facilities directors; and providing for an effective date."

This bill establishes boundaries for regions in the state of the Department of Transportation and Public Facilities. It requires that each director has at least 6 years experience in transportation construction or engineering. It gives geographical boundaries (charted on a map for the committee consideration) and also lists duties of regional transportation and public facilities directors.

Sec. 3. AS 44.42 Adds a new section for duties of the directors.

(a) Each director is responsible for planning, design, and construction within the region consistent with the state transportation plan and the public facilities plan.

(b) directors shall submit to the commissioner proposed program plans, program budget requests, and reports of program performance at a time directed by the director of the division of budget and management. The commissioner may comment on the plan but shall forward it to budget and management without change.

(c) The directors shall submit to the commissioner a plan for their region implementing the statewide plan 90 days prior to the end of the fiscal year, for the following year. A change in the plan can be submitted at any time but the commissioner has 90 days to disapprove of the plan.

This bill takes effect July 1, 1982

TESTIMONY ON CS HB 648, CS HB 649, CS HB 651,
CS HB 652 and CS HB 654

My name is Walter B. Parker. I am a resident of Anchorage, Alaska residing at 3724 Campbell Airstrip Road. I have been active in Alaskan transportation operations and planning since 1946.

CS HB 649

I strongly support the primary concepts contained in this bill. The original idea of a state DOT envisioned regional transportation directors who would be responsible for coordinating planning, programming, operations and maintenance in their regions and who would report directly to the Commissioner. The director for each region could be selected for a background that most suited the problems of that region.

Normally, it is bad practice to place administrative boundaries in the statutes as this bill does. However, it is not a major problem and if other regions were created it could be accomplished at the next legislative session.

I would hope that we would soon have another region for Kodiak, the Aleutians, the Alaska Peninsular and Bristol Bay. I believe that the unique transportation requirements of western Alaska can best be met by having two regions which are devoted solely to those problems and staffed to handle those problems.

I also believe that the AMATS and FMATS structures could be separated out from their regions and handled as independent entities with liaison and coordination staff from DOT. This would leave Central Region and Interior free to handle the state concerns and the intent of AMATS and FMATS for maximum municipal control would be further enhanced. In the same manner, there is no particular reason why the Anchorage and Fairbanks International Airports could not be independent entities for administrative purposes. This would ensure that the regional director would focus most of his energies on regional concerns rather than on the major units for which he has responsibility. Obviously, planning would relate to all of the above both at the regional and statewide level but it would be planning for systems and not for day to day operations and maintenance.

Finally, the structure proposed in this bill would enable the Commissioner's office to become a lean planning, auditing and evaluating function. This would leave the Commissioner free for interaction with the regional directors, other state and federal agencies, the Governor and the legislature to maintain overall policy direction. The main point is that the relationship between regional directors and the Commissioner would be uninterrupted by other staff levels. Overall system direction for highways, aviation, marine, transit and other systems could be maintained through assignments in the Commissioner's office.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

#18 649

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 649 Relating to regions in DOTPF and prescribing
Title duties of directors
Requested by House Transportation Committee Date 1/21

II. FISCAL DETAIL
Agency Affected _____
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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	up to 9720.0					

FUNDING (Thousands of Dollars)

GENERAL FUND	up to	9720.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
The operating costs to duplicate the regional organizations for the Design and Construction Unit and the Planning and Programming Unit in two additional regions would approximate \$9.7 million in general funds. This estimate does not attempt to cover any costs which would be required for space and other capital costs.

The actual costs would vary greatly based upon the level of autonomy desired in the regions and the refinement of possible reduction in the existing regions. Reductions for duplication of effort would be minimal compared to the total cost.

Reductions to the existing regions have been limited to those now used for the Nome and Valdez Residencies and the three existing director positions which would be deleted.

IV. DATE February 22, 1982 PREPARED BY Ronald Lind
AGENCY DOT/PF
PHONE 465-3900
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/87)

The cost estimates are based upon the assumptions that only the Design and Construction and Planning and Programming Units would be expanded into the two additional regions. No specific estimates have been made for costs of increased administrative services required in the regions.

The costs were calculated as follows:

For the Design and Construction activities, the lower general fund amount in the Southeast or Central Division in the 1983 budget for each component was used. The general fund costs for the two residencies were then deleted. The estimate for the Planning and Programming activities is based upon costs for the Transportation and Facility components for the Interior Region. The direct costs for capital projects were not included because it is assumed that they would be transfers.

Attachment

Attachment for Fiscal Note - HB 649

	<u>General Fund</u>	
	<u>Operating</u>	<u>Indirect</u>
Central Region - Director's Office	450.0	105.0
" " Technical Services	260.0	200.0
" " Buildings & Harbors	395.0	175.0
Southeast Region - Right of Way	310.0	20.0
" " Highway and Aviation	570.0	95.0
Subtotal:	\$1,985.0	595.0
Southcentral Residency	[30.0]	-
Western Residency	[40.0]	-
	\$1,915.0	595.0
Estimated COLA 20%	380.0	120.0
	\$2,295.0	715.0
Interior Transportation Planning	\$1,450.0	-0-
" Facility Planning	500.0	-0-
	\$1,950.0	-0-
Estimated COLA 10%	200.0	-0-
	\$2,150.0	
Subtotal D & C and P & P	\$4,445.0	715.0
Less estimate of 3 Directors which exist in current region	[300.0]	-0-
	\$4,145.0	715.0
Two additional regions	x 2	x 2
	\$8,290.0	\$1430.0
TOTAL		<u>\$9,720.0</u>

Introduced: 1/11/82
Referred: Transportation and
Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 HOUSE BILL NO. 649

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to regions in the Department of Trans-
7 portation and Public Facilities; prescribing the duties
8 of regional transportation and public facilities direc-
9 tors; and providing for an effective date."

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

11 * Section 1. AS 44.42.040 is amended to read:

12 Sec. 44.42.040. REGIONAL [DEPARTMENTAL] ORGANIZATION OF DEPARTMENT.

13 (a) The commissioner shall establish five regions within the state
14 in accordance with (b) of this section. The functions of the department
15 within each region shall be performed, to the maximum extent feasible,
16 through a regional office. Each regional office shall be directed by a
17 regional transportation and public facilities director appointed by the
18 commissioner. Each regional transportation and public facilities direc-
19 tor shall have at least six years experience in transportation construc-
20 tion or engineering.

21 * Sec. 2. AS 44.42.040 is amended by adding a new subsection to read:

22 (b) The five regions are:

23 (1) Region one begins in Kamishak Bay at 59°15'N, 154°00'W;
24 and travels north along longitude line 154°00'W to latitude 63°00'N;
25 then east along latitude line 63°00'N to a point common with the bound-
26 aries of regional districts two and five; southerly of the Denali Highway
27 at Corkscrew Creek (Milepost 59.1); then southerly to Prince William
28 Sound at Fairmount Point 60°53'45"N, 147°27'W and inclusive of Kodiak,
29 Afognak, Barren, Trinity and Chirikof Islands.

1 (2) Region two begins at and includes the point at which the
2 Alaska Highway intersects the Alaska-Yukon border; travels northwesterly
3 to the west abutment of the Little Tok River Bridge on Tok Cutoff Highway
4 (Milepost 91.2); then west to the northerly abutment of the McCallum
5 Creek Bridge on the Richardson Highway (Milestone 202.4); then west to a
6 point directly north of the Denali Highway at Corkscrew Creek (Milepost
7 59.1); then southwesterly to the Glenn Highway at Summit (Milepost 118)
8 and continuing along that line to latitude 63°00'N; then west along
9 latitude 63°00'N to longitude 154°00'W; thence north along longitude
10 154°00'W, to the Arctic Ocean.

11 (3) Region three begins in the Gulf of Alaska on longitude
12 line 141°00'W; then north along longitude 141°00'W to Boundary Point
13 187; then southeasterly along the Canadian-United States border bounding
14 Southeastern Alaska in its entirety.

15 (4) Region four begins in the Arctic Ocean at Smith Bay
16 70°54'N, 154°19'W; on longitude line 154°00'W; travels south along
17 longitude 154°00'W to latitude 59°15'N in Kamishak Bay; then east along
18 latitude 59°15'N to longitude 152°15'W; then southwesterly through
19 Shelikof Strait and bounds of the entire Aleutian Chain.

20 (5) Region five begins at the Gulf of Alaska on longitude
21 line 141°00'W and travels northerly along that line to the point (but
22 not including the point) at which the Alaska Highway intersects the
23 Alaska-Yukon border; then northwesterly to the west abutment of the
24 Little Tok River Bridge on the Tok Cutoff Highway (Milepost 91.2); then
25 west to the northerly abutment of McCallum Creek Bridge on the Richardson
26 Highway (Milepost 202.4); then west to the point directly north of
27 Denali Highway at Corkscrew Creek (Milepost 59.1); then southwesterly to
28 the Glenn Highway at Summit (Milepost 118); then southerly to Prince
29 William Sound at Fairmount Point 60°53'45"N, 147°27'W.

1 * Sec. 3. AS 44.42 is amended by adding a new section to read:

2 Sec. 44.42.045. DUTIES OF REGIONAL TRANSPORTATION AND PUBLIC
3 FACILITIES DIRECTORS. (a) Each regional transportation and public
4 facilities director is responsible for planning, design, and construction
5 within his region consistent with the state transportation plan estab-
6 lished under AS 44.42.050 and the state public facilities plan estab-
7 lished under AS 44.42.055.

8 (b) Each regional transportation and public facilities director
9 shall submit to the commissioner proposed program plans, program budget
10 requests, and reports of program performance at a time directed by the
11 director of the division of budget and management, Office of the Gover-
12 nor. The commissioner may comment on the program and financial plans
13 submitted by a regional transportation and public facilities director
14 under AS 37.07 but shall forward the program and financial plans sub-
15 mitted by a regional transportation and public facilities director to
16 the division of budget and management without change.

17 (c) Each regional transportation and public facilities director
18 shall submit to the commissioner a plan implementing the state transpor-
19 tation plan and the state public facilities plan 90 days before the end
20 of a fiscal year for implementation in the succeeding fiscal year. A
21 revision of the plan implementing either the state transportation plan
22 or the state public facilities plan may be submitted at any time. A
23 regional implementation plan or a revision of a regional implementation
24 plan is final unless disapproved by the commissioner within 30 days of
25 its receipt by the commissioner.

26 * Sec. 4. This Act takes effect July 1, 1982.
27
28
29

Original sponsor: The Transportation Committee

Offered: 3/12/82
Referred: Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 649 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to regions in the Department of Trans-
7 portation and Public Facilities; prescribing the duties
8 of regional transportation and public facilities direc-
9 tors; and providing for an effective date."

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

11 * Section 1. AS 44.42.040 is amended to read:

12 Sec. 44.42.040. REGIONAL [DEPARTMENTAL] ORGANIZATION OF DEPARTMENT.

13 (a) The commissioner shall establish five regions within the state
14 in accordance with (b) of this section. The functions of the department
15 within each region shall be performed, to the maximum extent feasible,
16 through a regional office. Each regional office shall be directed by a
17 regional transportation and public facilities director appointed by the
18 commissioner. Each regional transportation and public facilities direc-
19 tor shall have at least six years experience in transportation construc-
20 tion or engineering.

21 * Sec. 2. AS 44.42.040 is amended by adding a new subsection to read:

22 (b) The five regions are:

23 (1) Region one begins in Bristol Bay on latitude 58°00'N and
24 travels east along that line to longitude line 158°00'W; then north
25 along longitude line 158°00'W to the mouth of Kvichak Bay; then travels
26 northeasterly along the southern bank of the Kvichak River to Iliamna
27 Lake; then northeasterly along the southern shore of Iliamna Lake to
28 longitude line 154°00'W, and travels north along longitude line 154°00'W
29 to latitude 63°00'N; then east along latitude line 63°00'N to a point

1 common with the boundaries of regional districts two and five; southerly
2 of the Denali Highway at Corkscrew Creek (Milepost 59.1); then south-
3 westerly to the junction of the Glenn Highway and the Fishhook-Willow
4 Road (approximately one mile northeast of Palmer); then southeasterly to
5 Prince William Sound at Fairmount Point 60°53'45"N, 147°27'W and in-
6 clusive of Kodiak, Afognak, Barren, Trinity, Chirikof, and Pribilof
7 Islands.

8 (2) Region two begins at and includes the point at which the
9 Alaska Highway intersects the Alaska-Yukon border; travels northwesterly
10 to the west abutment of the Little Tok River Bridge on Tok Cutoff Highway
11 (Milepost 91.2); then west to the northerly abutment of the McCallum
12 Creek Bridge on the Richardson Highway (Milestone 202.4); then west to a
13 point directly north of the Denali Highway at Corkscrew Creek (Milepost
14 59.1); and continuing along that line to latitude 63°00'N; then west
15 along latitude 63°00'N to longitude 154°00'W; thence north along longi-
16 tude 154°00'W; to the Arctic Ocean.

17 (3) Region three begins in the Gulf of Alaska on longitude
18 line 141°00'W; then north along longitude 141°00'W to Boundary Point
19 187; then southeasterly along the Canadian-United States border bounding
20 Southeastern Alaska in its entirety.

21 (4) Region four begins in the Arctic Ocean at Smith Bay
22 70°54'N, 154°19'W; on longitude line 154°00'W; travels south along
23 longitude 154°00'W to a point where longitude line 154°00'W crosses the
24 southern shore of Iliamna Lake; then southwesterly along the southern
25 shore of Iliamna Lake to the Kvichak River; then southwesterly along the
26 southern bank of the Kvichak River to Kvichak Bay; then south along
27 longitude line 158°00'W to latitude line 58°00'N, then west along that
28 line into Bristol Bay, and inclusive of St. Matthew, St. Lawrence, and
29 Nunivak Islands.

1 (5) Region five begins at the Gulf of Alaska on longitude
2 line 141°00'W and travels northerly along that line to the point (but
3 not including the point) at which the Alaska Highway intersects the
4 Alaska-Yukon border; then northwesterly to the west abutment of the
5 Little Tok River Bridge on the Tok Cutoff Highway (Milepost 91.2); then
6 west to the northerly abutment of McCallum Creek Bridge on the Richardson
7 Highway (Milepost 202.4); then west to the point directly north of
8 Denali Highway at Corkscrew Creek (Milepost 59.1); then southwesterly to
9 the junction of the Glenn Highway and the Fishhook-Willow Road (approx-
10 imately one mile northeast of Palmer); then southeasterly to Prince
11 William Sound at Fairmount Point 60°53'45"N, 147°27'W.

12 * Sec. 3. AS 44.42 is amended by adding a new section to read:

13 Sec. 44.42.045. DUTIES OF REGIONAL TRANSPORTATION AND PUBLIC
14 FACILITIES DIRECTORS. (a) Each regional transportation and public
15 facilities director is responsible for planning, design, and construc-
16 tion within his region consistent with the state transportation plan
17 established under AS 44.42.050 and the state public facilities plan
18 established under AS 44.42.055.

19 (b) Each regional transportation and public facilities director
20 shall submit to the commissioner proposed program plans, program budget
21 requests, and reports of program performance at a time directed by the
22 director of the division of budget and management, Office of the Gover-
23 nor. The commissioner may comment on the program and financial plans
24 submitted by a regional transportation and public facilities director
25 under AS 37.07 but shall forward the program and financial plans sub-
26 mitted by a regional transportation and public facilities director to
27 the division of budget and management without change.

28 (c) Each regional transportation and public facilities director
29 shall submit to the commissioner a plan implementing the state transpor-

1 tation plan and the state public facilities plan 90 days before the end
2 of a fiscal year for implementation in the succeeding fiscal year. A
3 revision of the plan implementing either the state transportation plan
4 or the state public facilities plan may be submitted at any time. A
5 regional implementation plan or a revision of a regional implementation
6 plan is final unless disapproved by the commissioner within 30 days of
7 its receipt by the commissioner.

8 * Sec. 4. This Act takes effect July 1, 1982.

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

COMMITTEE REPORT
SENATE

FURTHER:

Date: 1/2/82

Mr. President:

The Committee on Education has had Public Law 97-253

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) same title
- replace with CS for _____ 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

Original sponsor: Transportation Committee

Offered: 3/12/82
Referred: Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 649 (Transportation) 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 relating to regions in the Department of Trans-
7 portation and Public Facilities; prescribing the duties
8 of regional transportation and public facilities direc-
9 tors."

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

11 * Section 1. AS 44.42.040 is amended to read:

12 Sec. 44.42.040. REGIONAL [DEPARTMENTAL] ORGANIZATION OF DEPARTMENT

13 (a) The commissioner shall establish five regions within the state
14 in accordance with (b) of this section. The functions of the department
15 within each region shall be performed, to the maximum extent feasible,
16 through a regional office. Each regional office shall be directed by a
17 regional transportation and public facilities director appointed by the
18 commissioner. Each regional transportation and public facilities direc-
19 tor shall have at least six years experience in transportation construc-
20 tion or engineering.

21 * Sec. 2. AS 44.42.040 is amended by adding a new subsection to read:

22 (b) The five regions are:

23 (1) Region one begins in Bristol Bay on latitude 58°00'N and
24 travels east along that line to longitude line 158°00'W; then north
25 along longitude line 158°00'W to the mouth of Kvichak Bay; then travels
26 northeasterly along the southern bank of the Kvichak River to Iliamna
27 Lake; then northeasterly along the southern shore of Iliamna Lake to
28 longitude line 154°00'W, and travels north along longitude line 154°00'W
29 to latitude 63°00'N; then east along latitude line 63°00'N to a point

1 common with the boundaries of regional districts two and five; southerly
2 of the Denali Highway at Corkscrew Creek (Milepost 59.1); then south-
3 westerly to the junction of the Glenn Highway and the Fishhook-Willow
4 Road (approximately one mile northeast of Palmer); then southeasterly to
5 Prince William Sound at Fairmount Point 60°53'45"N, 147°27'W and in-
6 clusive of Kodiak, Afognak, Barren, Trinity, Chirikof, and Pribilof
7 Islands.

8 (2) Region two begins at and includes the point at which the
9 Alaska Highway intersects the Alaska-Yukon border; travels northwesterly
10 to the west abutment of the Little Tok River Bridge on Tok Cutoff Highway
11 (Milepost 91.2); then west to the northerly abutment of the McCallum
12 Creek Bridge on the Richardson Highway (Milestone 202.4); then west to a
13 point directly north of the Denali Highway at Corkscrew Creek (Milepost
14 59.1); and continuing along that line to latitude 63°00'N; then west
15 along latitude 63°00'N to longitude 154°00'W; thence north along longi-
16 tude 154°00'W; to the Arctic Ocean.

17 (3) Region three begins in the Gulf of Alaska on longitude
18 line 141°00'W; then north along longitude 141°00'W to Boundary Point
19 187; then southeasterly along the Canadian-United States border bounding
20 Southeastern Alaska in its entirety.

21 (4) Region four begins in the Arctic Ocean at Smith Bay
22 70°54'N, 154°19'W; on longitude line 154°00'W; travels south along
23 longitude 154°00'W to a point where longitude line 154°00'W crosses the
24 southern shore of Iliamna Lake; then southwesterly along the southern
25 shore of Iliamna Lake to the Kvichak River; then southwesterly along the
26 southern bank of the Kvichak River to Kvichak Bay; then south along
27 longitude line 158°00'W to latitude line 58°00'N, then west along that
28 line into Bristol Bay, and inclusive of St. Matthew, St. Lawrence, and
29 Nunivak Islands.

1 (5) Region five begins at the Gulf of Alaska on longitude
2 line 141°00'W and travels northerly along that line to the point (but
3 not including the point) at which the Alaska Highway intersects the
4 Alaska-Yukon border; then northwesterly to the west abutment of the
5 Little Tok River Bridge on the Tok Cutoff Highway (Milepost 91.2); then
6 west to the northerly abutment of McCallum Creek Bridge on the Richardson
7 Highway (Milepost 202.4); then west to the point directly north of
8 Denali Highway at Corkscrew Creek (Milepost 59.1); then southwesterly to
9 the junction of the Glenn Highway and the Fishhook-Willow Road (approx-
10 imately one mile northeast of Palmer); then southeasterly to Princ.
11 William Sound at Fairmount Point 60°53'45"N, 147°27'W.

12 * Sec 3. AS 44.42 is amended by adding a new section to read:

13 Sec. 44.42.045. DUTIES OF REGIONAL TRANSPORTATION AND PUBLIC
14 FACILITIES DIRECTORS. (a) Each regional transportation and public
15 facilities director is responsible for planning, design, and construc-
16 tion within his region consistent with the state transportation plan
17 established under AS 44.42.050 and the state public facilities plan
18 established under AS 44.42.055.

19 (b) Each regional transportation and public facilities director
20 shall submit to the commissioner proposed program plans, agency budget
21 requests, and reports of program performance at a time directed by the
22 director of the division of budget and management, Office of the Govern-
23 nor. The commissioner may comment on the program and financial plans
24 submitted by a regional transportation and public facilities director
25 under AS 37.07 but shall forward the program and financial plans sub-
26 mitted by a regional transportation and public facilities director to
27 the division of budget and management without change.

28 (c) Each regional transportation and public facilities director
29 shall submit to the commissioner a plan implementing the state transpor-

1 tation plan and the state public facilities plan 90 days before the end
2 of a fiscal year for implementation in the succeeding fiscal year. A
3 revision of the plan implementing either the state transportation plan
4 or the state public facilities plan may be submitted at any time. A
5 regional implementation plan or a revision of a regional implementation
6 plan is final unless disapproved by the commissioner within 30 days of
7 its receipt by the commissioner.
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

Page 1 of 3

I. REQUEST
Bill/Resolution No. CSHB 649 Relating to regions in DOTPF and prescribing
Title duties of directors
Requested by House Transportation Committee Date March 26, 1982

II. FISCAL DETAIL

Agency Affected _____
Program Category Affected _____
ERJ, 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	up to 9720.0					

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	up to	9720.0				
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)

The operating costs to duplicate the regional organizations for the Design and Construction Unit and the Planning and Programming Unit in two additional regions would approximate \$9.7 million in general funds. This estimate does not attempt to cover any costs which would be required for space and other capital costs.

The actual costs would vary greatly based upon the level of autonomy desired in the regions and the refinement of possible reduction in the existing regions. Reductions for duplication of effort would be minimal compared to the total cost.

Reductions to the existing regions have been limited to those now used for the Nome and Valdez Residencies and the three existing director positions which would be deleted.

IV. DATE March 30, 1982 PREPARED BY Ronald Lind
AGENCY DOT/PF
Original: Legislative Finance PHONE 465-3000
cc: Budget and Management

The cost estimates are based upon the assumptions that only the Design and Construction and Planning and Programming Units would be expanded into the two additional regions. No specific estimates have been made for costs of increased administrative services required in the regions.

The costs were calculated as follows:

For the Design and Construction activities, the lower general fund amount in the Southeast or Central Division in the 1983 budget for each component was used. The general fund costs for the two residencies were then deleted. The estimate for the Planning and Programming activities is based upon costs for the Transportation and Facility components for the Interior Region. The direct costs for capital projects were not included because it is assumed that they would be transfers.

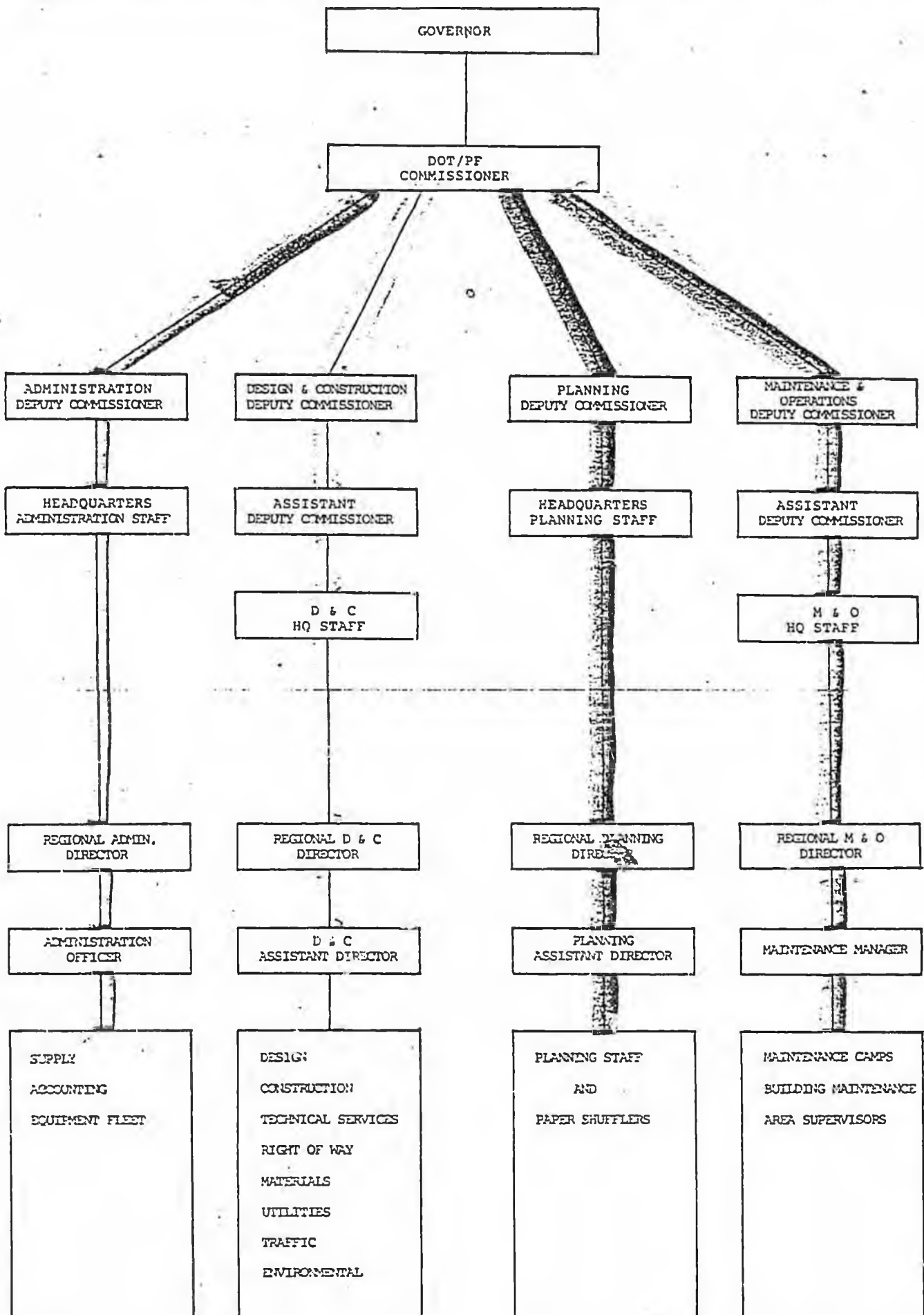
Attachment

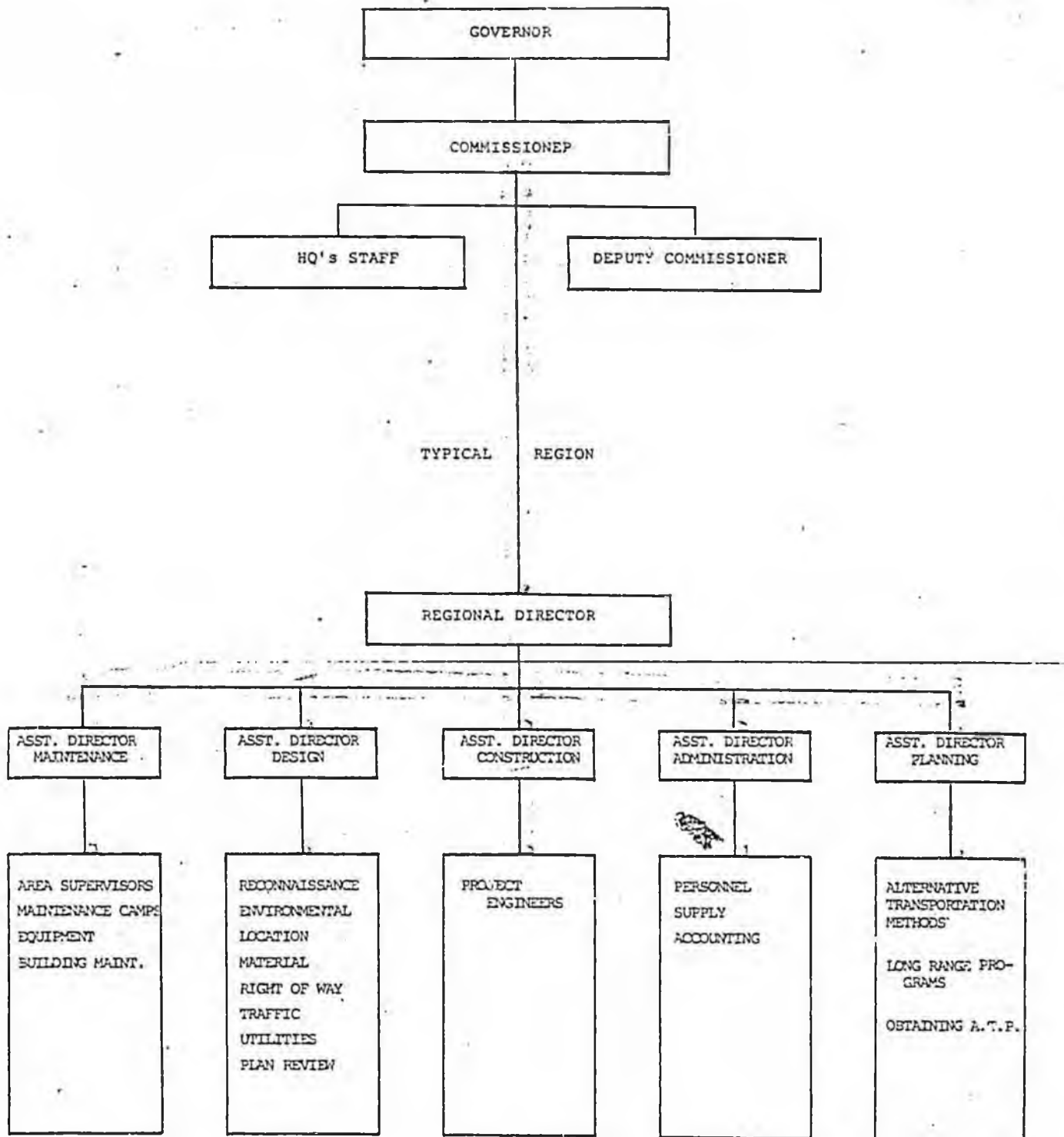
General Fund

	<u>Operating</u>	<u>Indirect</u>
Central Region - Director's Office	450.0	105.0
" " Technical Services	260.0	200.0
" " Buildings & Harbors	395.0	175.0
Southeast Region - Right of Way	310.0	20.0
" " Highway and Aviation	570.0	95.0
Subtotal:	<u>\$1,985.0</u>	<u>595.0</u>
Southcentral Residency	[30.0]	-
Western Residency	[40.0]	-
Estimated COLA 20%	<u>\$1,915.0</u>	<u>595.0</u>
	380.0	120.0
	<u>\$2,295.0</u>	<u>715.0</u>
Interior - Transportation - Planning	\$1,450.0	-0-
" Facility Planning	500.0	-0-
Estimated COLA 10%	<u>\$1,950.0</u>	-0-
	200.0	-0-
	<u>\$2,150.0</u>	
Subtotal D & C and P & P	\$4,445.0	715.0
Less estimate of 3 Directors which exist in current region	[300.0]	-0-
	<u>\$4,145.0</u>	<u>715.0</u>
Two additional regions	x 2	x 2
	<u>\$8,290.0</u>	<u>\$1430.0</u>

TOTAL

\$9,720.0





Bill Analysis by Rep. Bette Cato's office.

HB 649 "an act relating to regions in the Department of Transportation and Public Facilities; prescribing the duties of regional transportation and public facilities directors; and providing for an effective date."

This bill establishes boundaries for regions in the state of the Department of Transportation and Public Facilities. It requires that each director has at least 6 years experience in transportation construction or engineering. It gives geographical boundaries (charted on a map for the committee consideration) and also lists duties of regional transportation and public facilities directors.

Sec. 3. AS 44.42 Adds a new section for duties of the directors.

(a) Each director is responsible for planning, design, and construction within the region consistent with the state transportation plan and the public facilities plan.

(b) directors shall submit to the commissioner proposed program plans, program budget requests, and reports of program performance at a time directed by the director of the division of budget and management. The commissioner may comment on the plan but shall forward it to budget and management without change.

(c) The directors shall submit to the commissioner a plan for their region implementing the statewide plan 90 days prior to the end of the fiscal year, for the following year. A change in the plan can be submitted at any time but the commissioner has 90 days to disapprove of the plan.

This bill takes effect July 1, 1982

My name is Walter B. Parker. I am a resident of Anchorage, Alaska residing at 3724 Campbell Airstrip Road. I have been active in Alaskan transportation operations and planning since 1946.

CS HB 649

I strongly support the primary concepts contained in this bill. The original idea of a state DOT envisioned regional transportation directors who would be responsible for coordinating planning, programming, operations and maintenance in their regions and who would report directly to the Commissioner. The director for each region could be selected for a background that most suited the problems of that region.

Normally, it is bad practice to place administrative boundaries in the statutes as this bill does. However, it is not a major problem and if other regions were created it could be accomplished at the next legislative session.

I would hope that we would soon have another region for Kodiak, the Aleutians, the Alaska Peninsular and Bristol Bay. I believe that the unique transportation requirements of western Alaska can best be met by having two regions which are devoted solely to those problems and staffed to handle those problems.

I also believe that the AMATS and FMATS structures could be separated out from their regions and handled as independent entities with liaison and coordination staff from DOT. This would leave Central Region and Interior free to handle the state concerns and the intent of AMATS and FMATS for maximum municipal control would be further enhanced. In the same manner, there is no particular reason why the Anchorage and Fairbanks International Airports could not be independent entities for administrative purposes. This would ensure that the regional director would focus most of his energies on regional concerns rather than on the major units for which he has responsibility. Obviously, planning would relate to all of the above both at the regional and statewide level but it would be planning for systems and not for day to day operations and maintenance.

Finally, the structure proposed in this bill would enable the Commissioner's office to become a lean planning, auditing and evaluating function. This would leave the Commissioner free for interaction with the regional directors, other state and federal agencies, the Governor and the legislature to maintain overall policy direction. The main point is that the relationship between regional directors and the Commissioner would be uninterrupted by other staff levels. Overall system direction for highways, aviation, marine, transit and other systems could be maintained through assignments in the Commissioner's office.

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE JUNEAU 99801

M E M O R A N D U M

DATE: March 18, 1982

TO: Representative Russ Meekins
Subcommittee Chairman on HB 650
House Finance Committee

FROM: J. H. Hogan, Director
Legislative Finance Division

SUBJ: CSHB 650 (Finance)

The proposed Finance CS for HB 650 is in effect a complete redraft, but the redraft only makes five changes:

1. Language is changed throughout the committee substitute to make the conditions apply to all capital improvement projects, whether introduced by the governor or the legislature.
2. The governor is designated to determine those projects which can by-pass the two-phase planning/program construction approach.
3. Clearly excluded from the two-phase approach are major maintenance and repairs to existing airports, highways, roads and trails, and other existing public facilities.
4. The requirement to appropriate by region or election district and allocate with the appropriation is deleted.
5. Rather than reference a form, "documentation" is required and calls for the information requested in the original bill.

When drafted in final, perhaps LAA should place text in the Executive Budget Act rather than in the Fiscal Procedures Act.

attachment

JHH:bf

M E M O R A N D U M

DATE: March 18, 1982

TO: Representative Russ Meekins
Subcommittee Chairman on HB 650
House Finance Committee

FROM: J. H. Hogan, Director
Legislative Finance Division

SUBJ: CSHB 650 (Finance)

The proposed Finance CS for HB 650 is in effect a complete redraft, but the redraft only makes five changes:

1. Language is changed throughout the committee substitute to make the conditions apply to all capital improvement projects, whether introduced by the governor or the legislature.
2. The governor is designated to determine those projects which can by-pass the two-phase planning/program construction approach.
3. Clearly excluded from the two-phase approach are major maintenance and repairs to existing airports, highways, roads and trails, and other existing public facilities.
4. The requirement to appropriate by region or election district and allocate with the appropriation is deleted.
5. Rather than reference a form, "documentation" is required and calls for the information requested in the original bill.

When drafted in final, perhaps LAA should place text in the Executive Budget Act rather than in the Fiscal Procedures Act.

attachment

JHH:bf

M E M O R A N D U M

DATE: March 18, 1982

TO: Representative Russ Meekins
Subcommittee Chairman on HB 650
House Finance Committee

FROM: J. H. Hogan, Director
Legislative Finance Division

SUBJ: CSHB 650 (Finance)

The proposed Finance CS for HB 650 is in effect a complete redraft, but the redraft only makes five changes:

1. Language is changed throughout the committee substitute to make the conditions apply to all capital improvement projects, whether introduced by the governor or the legislature.
2. The governor is designated to determine those projects which can by-pass the two-phase planning/program construction approach.
3. Clearly excluded from the two-phase approach are major maintenance and repairs to existing airports, highways, roads and trails, and other existing public facilities.
4. The requirement to appropriate by region or election district and allocate with the appropriation is deleted.
5. Rather than reference a form, "documentation" is required and calls for the information requested in the original bill.

When drafted in final, perhaps LAA should place text in the Executive Budget Act rather than in the Fiscal Procedures Act.

attachment

JHH:bf

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HB 650 (FINANCE)

3
4 For an Act entitled: "An Act relating to capital improvement projects."

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

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

7 Sec. 37.05.312. CAPITAL IMPROVEMENT PROJECTS. (a) Except as
8 provided in (b) of this section, when appropriations are made for a
9 capital improvement project, the legislature shall appropriate the
10 money in two phases:

11 (1) phase one shall provide funding to determine the feasi-
12 bility of the project, prepare accurate cost estimates, identify
13 potential legal problems, and conduct surveys and other necessary
14 planning and pre-design work;

15 (2) phase two shall provide project construction funding and
16 shall be based on the results of the estimates produced in phase one.

17 (b) An appropriation for a capital improvement project that is
18 determined by the governor to be a project required to alleviate an
19 emergency situation or a capital improvement project that does not
20 require detailed planning as set out in (a) of this section, including
21 but not limited to major maintenance and repairs to existing airports,
22 highways, roads and trails, and other public facilities, need not
23 conform to the requirements of (a) of this section.

24 (c) Before an appropriation is made for a capital improvement
25 project, the legislature shall require preparation and submission of
26 project documentation to include:

27 (1) the project title to be used in all references to the
28 proposed project;

29 (2) the location of the proposed project and the word

1 "statewide" for a project that has statewide impact;

2 (3) the house election district in which the proposed project
3 is to be located;

4 (4) the proposed funding source and the amount to be appro-
5 priated;

6 (5) the month and year that the first major expenditure on
7 the proposed project should be made;

8 (6) the date the activities associated with the appropriation
9 for the proposed project should be completed;

10 (7) the first year that the proposed project will have an
11 effect on the operating budget and the amount of the anticipated increase
12 or decrease;

13 (8) the first year that the proposed project will become fully
14 operational and the amount of the anticipated annual effect on the oper-
15 ating budget;

16 (9) a description of the proposed project including its
17 physical characteristics, desired site features, general planning guide-
18 lines, the operational activities related to the project, and such
19 other items as may be appropriate.

20 (d) If the capital improvement project is one phase of a multi-
21 phase project, the documentation must state the present status of the
22 project, any substantial modifications made to the original project
23 design or purpose, the appropriation history of the project, and the
24 manner in which the proposed project relates to other phases of the
25 project.
26
27
28
29

COMMITTEE REPORT

HOUSE

FURTHER:

(11)

2/24/82

Date: 3-31-82

Mr. Speaker:

The Committee on FINANCE has had HB 650

"An Act relating to legislative additions to capital improvement projects proposed by the governor."

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 Amended Finance 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:

CHAIRMAN

Original sponsor: Transportation
Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 650 (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 relating to capital improvement projects."

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

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

9 Sec. 37.05.312. CAPITAL IMPROVEMENT PROJECTS. (a) Except as
10 provided in (b) of this section, when an appropriation is made for a
11 capital improvement project, the legislature shall appropriate the money
12 in two phases:

13 (1) phase one shall provide funding to determine the feasi-
14 bility of the project, prepare accurate cost estimates, identify poten-
15 tial legal problems, and conduct surveys and other necessary planning,
16 design and preliminary engineering work;

17 (2) phase two shall provide project construction funding and
18 shall be based on the results of the estimates produced in phase one.

19 (b) If the legislature determines that a capital improvement
20 project is a project required to alleviate an emergency situation or a
21 project that does not require detailed planning or engineering, includ-
22 ing but not limited to major maintenance and repairs to existing air-
23 ports, highways, roads, and trails, and other public facilities, the
24 requirements of (a) of this section do not apply.

25 (c) Before an appropriation is made for a capital improvement
26 project the legislature shall require the Department of Transportation
27 and Public Facilities to prepare and submit project documentation that
28 includes

29 (1) the project title to be used in all references to the

1 proposed project;

2 (2) the location of the proposed project or the word "state-
3 wide" for a project that has statewide impact;

4 (3) the house election district in which the proposed project
5 is to be located;

6 (4) the proposed funding source and the amount to be approp-
7 riated;

8 (5) the month and year that the first major expenditure on
9 the proposed project should be made;

10 (6) the date the activities associated with the appropriation
11 for the proposed project should be completed;

12 (7) the first year that the proposed project will have an
13 effect on the operating budget and the amount of the anticipated in-
14 crease or decrease;

15 (8) the first year that the proposed project will become
16 fully operational and the amount of the anticipated annual effect on the
17 operating budget;

18 (9) a description of the proposed project including its
19 physical characteristics, desired site features, general planning guide-
20 lines, the operational activities related to the project, and any other
21 item that may be appropriate.

22 (d) If the capital improvement project is one phase of a multi-
23 phase project, the documentation must state the present status of the
24 project, any substantial modifications made to the original project
25 design or purpose, the appropriation history of the project, and the
26 manner in which the proposed project relates to other phases of the
27 project.
28
29

I. REQUEST
 Bill/Resolution No. HB 650 Relating to legislative additions to
 Title capital improvement projects proposed by the governor.
 Requested by House Transportation Date _____

II. FISCAL DETAIL Department of Transportation & Public Facilities
 Agency Affected _____
 Program Category Affected Transportation
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would not have a direct fiscal impact on DOT/PF. Certain projects may be modified as a result of better information prior to appropriation of construction funds. This savings is not calculable.

IV. DATE _____ PREPARED BY RTJ
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HB 650 (FINANCE)

3
4 For an Act entitled: "An Act relating to capital improvement projects."

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

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

7 Sec. 37.05.312. CAPITAL IMPROVEMENT PROJECTS. (a) Except as
8 provided in (b) of this section, when appropriations are made for a
9 capital improvement project, the legislature shall appropriate the
10 money in two phases:

11 (1) phase one shall provide funding to determine the feasi-
12 bility of the project, prepare accurate cost estimates, identify
13 potential legal problems, and conduct surveys and other necessary
14 planning, design, and preliminary engineering.

15 (2) phase two shall provide project construction funding and
16 shall be based on the results of the estimates produced in phase one.

17 (b) An appropriation for a capital improvement project that is
18 determined to be a project required to alleviate an emergency
19 situation or a capital improvement project that does not require
20 detailed planning or engineering as set out in (a) of this section,
21 including but not limited to major maintenance and repairs to existing
22 airports, highways, roads and trails, and other public facilities, need
23 not conform to the requirements of (a) of this section.

24 (c) Before an appropriation is made for a capital improvement
25 project, the legislature shall require preparation and submission of
26 project documentation to include:

27 (1) the project title to be used in all references to the
28 proposed project;

29 (2) the location of the proposed project and the word

1 "statewide" for a project that has statewide impact;

2 (3) the house election district in which the proposed project
3 is to be located;

4 (4) the proposed funding source and the amount to be appro-
5 priated;

6 (5) the month and year that the first major expenditure on
7 the proposed project should be made;

8 (6) the date the activities associated with the appropriation
9 for the proposed project should be completed;

10 (7) the first year that the proposed project will have an
11 effect on the operating budget and the amount of the anticipated increase
12 or decrease;

13 (8) the first year that the proposed project will become fully
14 operational and the amount of the anticipated annual effect on the oper-
15 ating budget;

16 (9) a description of the proposed project including its
17 physical characteristics, desired site features, general planning guide-
18 lines, the operational activities related to the project, and such
19 other items as may be appropriate.

20 (d) If the capital improvement project is one phase of a multi-
21 phase project, the documentation must state the present status of the
22 project, any substantial modifications made to the original project
23 design or purpose, the appropriation history of the project, and the
24 manner in which the proposed project relates to other phases of the
25 project.
26
27
28
29

Introduced: 1/11/82
Referred: Transportation and
Finance

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2

HOUSE BILL NO. 650

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to legislative additions to capital
7 improvement projects proposed by the governor."

8

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

9

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

10

Sec. 37.05.312. CAPITAL IMPROVEMENT PROJECTS PROPOSED BY THE

11

LEGISLATURE. (a) Except as provided in (b) of this section, when the
12 legislature appropriates money for a capital improvement project that
13 was not proposed by the governor under AS 37.07.020, the legislature
14 shall appropriate the money in two phases:

15

(1) the first phase is a two-year budget cycle to provide
16 funding to determine the feasibility of the project, prepare accurate
17 cost estimates, identify potential legal problems, and conduct surveys
18 and other necessary planning and pre-design work;

19

(2) the second phase is the project construction funding
20 phase and shall be based on the results of the estimates produced by the
21 first phase.

22

(b) An appropriation for a capital improvement project that is
23 intended to alleviate an emergency situation or that does not require
24 detailed planning as set out in (a) of this section, including but not
25 limited to roads and trails, need not conform to the requirements of (a)
26 of this section.

27

(c) When the legislature appropriates money for a capital improve-
28 ment project that was not proposed by the governor under AS 37.07.020,
29 the legislature shall

1 (1) appropriate by region, election district, or other
2 expedient appropriation level and allocate within the level to provide
3 controlled flexibility for minor funding adjustments between projects
4 necessitated by under-estimated or unpredictable project costs and other
5 external factors; and

6 (2) use a proposed capital improvement project budget form
7 stating

8 (A) the project title to be used in all references to
9 the proposed project;

10 (B) the name of the location of the proposed project or
11 the word "statewide" for a project that has statewide impact;

12 (C) the number of the election district in which the
13 proposed project is to be located;

14 (D) the month and year that the first major expenditure
15 on the proposed project should be made;

16 (E) the date the activities associated with the appropri-
17 ation for the proposed project should be completed;

18 (F) whether the proposed project should be a single
19 appropriation or a two-phase appropriation;

20 (G) the funding source;

21 (H) the amount to be appropriated; for a two-phase
22 project the amount to be appropriated for the first phase must be
23 stated as well as the amount necessary to construct the project
24 adjusted for inflation to reflect the cost at the time of con-
25 struction;

26 (I) the first year that the proposed project will have
27 an effect on the operating budget and the amount of the anticipated
28 increase or decrease;

29 (J) the first year that the effect of the proposed

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

project on the operating budget will become constant and the amount of the anticipated constant effect;

(K) the description of the proposed project in terms of the physical characteristics, the desired site features, and general planning guidelines of the proposed project and the operational activities related to the project;

(L) the category, agency, and program name.

(d) If the capital improvement project is one phase of a multi-phase project, the form required under AS 37.05.312(c)(2) must state the present status of the project, any substantial modifications made to the original project design or purpose, the appropriation history of the project, and the manner in which the proposed project relates to other phases of the overall plan.

I. REQUEST
 Bill/Resolution No. HB 650 Relating to legislative additions to
 Title capital improvement projects proposed by the governor
 Requested by House Transportation Date _____

II. FISCAL DETAIL Department of Transportation & Public Facilities
 Agency Affected _____
 Program Category Affected Transportation
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would not have a direct fiscal impact on DOT/PF. Certain projects may be modified as a result of better information prior to appropriation of construction funds. This savings is not calculable.

IV. DATE _____ PREPARED BY RZ
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Alaska State Legislature

House of Representatives



Rep. Bette Cato, Chairman

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

MEMORANDUM

TO : Rep. Al Adams, Chairman
House Finance Committee

FROM : Rep. Bette Cato, Chairman
House Transportation Committee

RE : HB 650; relating to legislative additions to capital
improvement projects proposed by the governor.

DATE : February 24, 1982

Attached to this memo, are backup materials for HB650 for the Finance Committee's consideration.

In short, this bill provides for "two-phase funding". Through the interim study and looking at Legislative Budget and Audits recommendations in the five-phase audit of the Department of Transportation and public Facilities the committee received much input and support for this concept.

Appropriations for capital projects that "is intended to alleviate an emergency situation or that does not require detailed planning...need not conform to ..." two phase funding. The committee discussed this section at length and intended to amend line 24, page 1, after "planning" to insert "or Engineering". A vote to move the bill came and this language was not amended. In as much as planning is important, the limiting factor is the engineering, to provide the necessary data to construct a project.

I would hope that the Finance Committee could amend this bill with this change. It would simplify the requirement and provide for more complete project information that could speed the process.

Thank you for your consideration and if there are questions about this please contact my office. I will be available to testify on the committee bills when the come before the Finance Committee for hearing.

FEB 17 1982

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH Z
JUNEAU, ALASKA 99811
(TELEX 45-328)

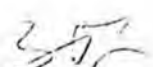
February 17, 1982

Honorable Bette Cato
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cato:

I would like to take this opportunity to express the Department of Transportation and Public Facilities support of the concept of phase funding of capital improvement projects proposed by the Legislature as introduced by your House Transportation Committee in H.B. 650. The Department uses the concept of funding capital projects by phases and has found it helpful in determining the optimum scope of projects and in the preparation of reliable cost estimates. Phase funding also allows appropriations for funding of construction of capital projects to be made just prior to the construction season. This eliminates the problem of appropriations being made but unspent for several years. Any possible negative impacts derived from phase funding would be more than off set by the advantages.

Sincerely,


Robert W. Ward
Commissioner

JAN 27 1982



AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

January 26, 1982

The Honorable Bette M. Cato
Chairman
House Transportation Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Ms. Cato:

We have reviewed proposed legislation introduced by your committee making certain changes to the Department of Transportation and Public Facilities.

Our review was made in consideration of recommendations contained in our performance review of the Department's Capital Improvement Program. The following comments are provided on only those bills that relate to issues raised in our series of five reports.

House Bill No. 650

HB 650 proposes amending Title 37 to require a two-year budget cycle for legislative additions to capital improvements proposed by the Governor and, in addition, requires the use of allocations within appropriations and the use of the capital project budget form.

This bill exactly addresses the recommendations we made for expediting the expenditure of capital project appropriations.

House Bill No. 649

Sections one and two of HB 649 require the establishment of five specific regions of the Department's organization. Section three details the duties of the five regional transportation and public facilities directors.

The Honorable Bette M. Cato
January 26, 1982
Page 2

As you know, we recommended the Department increase regional authority and responsibility to provide for more efficient and effective operations of the capital project program. One area we did not review was the number of regions the Department needed. Therefore, we are not sure if there is a need for five regions for all functions of the Department.

One aspect of this bill that causes us some concern is the degree of authority given to the regional directors, or more specifically, the reduced authority of the Commissioner prescribed in AS 44.42.045(b).

We agree that increased regional planning and program authority is desirable, however, there is also a need for a central office function to provide a coordinated statewide program. We feel the Commissioner should be vested with all necessary authority to ensure regional consistency and coordination.

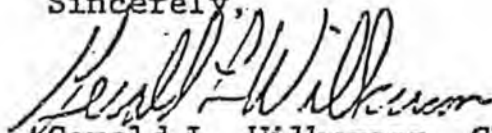
House Bill No. 653

HB 653 proposes changing the Department's fiscal year end to September 30. Although we did not address this issue in our reports, we did closely review the Department's accounting and control of their project system.

The Department could benefit from such a change primarily due to the construction season and the federal fiscal year. However, significant accounting problems would result in the Department of Administration relating to the State's accounting system. Administration's Division of Finance would be in the best position to describe the difficulties of accounting for only one State Department on a different fiscal year.

If you have any questions or would like to discuss the contents of this letter, please feel free to contact me at 465-3830.

Sincerely,



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

CURRENT FINDINGS AND RECOMMENDATIONS

Recommendation No. 8

A two-year budget cycle should be considered for projects appropriated by the Legislature as additions to the Department's proposed budget.

A two-year budget cycle would be based on a two-stage funding process. The first stage should provide funding for the planning and pre-design work of specified projects. This funding would provide DOTPF adequate resources and time to determine the feasibility of projects and prepare accurate cost estimates, identify potential legal problems, conduct survey work and other necessary tasks.

The following year the Department would be in a position to provide the Governor and the Legislature with this information. This would enable the Legislature to make a more informed funding decision. The second stage of the appropriation process would then provide funds for the construction related costs.

A two-year appropriation process would improve the accuracy of capital appropriations and expedite the expenditure of construction related funds. This two-year system should be implemented for all medium- to large-scale projects. Projects of small scope or emergency situations could remain in a one time appropriation system, since these projects, if well defined, require much less planning and pre-design work. To ensure adequate information is provided on these projects as well as the larger scope projects, we recommend the use of the capital project budget submittal form proposed by the Legislative Finance Division (see Appendix B).

Implementation of this recommendation should improve coordination between the Legislature and DOTPF and provide the interaction necessary for an improved Capital Improvement Program.

Recommendation No. 9

The Legislature should consider means of expediting the expenditure of capital project appropriations.

Since Fiscal Year 1975 (SLA 74), the Legislature has appropriated approximately \$3.8 billion for capital improvements Statewide. However, capital expenditures from FY 75 to FY 80 average

less than \$300 million per year. As of June 30, 1980, approximately \$825 million of FY 75-80 appropriations remained unexpended. Although it is anticipated that in FY 81 and future years expenditures will increase, at the FY 80 level of Statewide expenditure, these remaining funds and the FY 81 capital appropriations, totalling approximately \$1,655 billion, would not be totally expended until 1986.

The majority of capital appropriations have been made on a project-by-project basis. The progress of projects is directly related to the priorities assigned by the various State agencies, the Governor, and the Legislature. Therefore, many projects of lesser priority included in the above remaining funds will not be constructed for several years. Considering the effects of inflation and other external factors, it is unlikely that these projects can be constructed at the scope originally intended for the funding amount appropriated several years earlier. As a result, many projects will be reduced in scope, require additional funding, or simply not be constructed.

In our opinion, legislative concern should be centered around means of expediting the expenditure of capital appropriations. Methods of accomplishing this goal include:

- A. Implementation of a two-year budget cycle to provide funding for planning and pre-design work prior to the appropriation of construction related funds (see Recommendation No. 8 of this report).
- B. Implementing the use of the capital project budget form proposed by the Legislative Finance Division for all legislative capital project additions to the budget. This form would provide the responsible agencies with improved scope definitions and other information, and improve the efficiency of project progress (see Appendix B).
- C. Allowing a certain degree of controlled flexibility in capital project appropriations, especially those funded through the General Fund. Capital projects in Chapter 50, SLA 80 (HB 60), for example, were virtually all funded at an appropriation level. This prohibits the flexibility sometimes needed to make minor funding adjustments between projects caused by higher than estimated bids, unusual and/or unpredictable costs, and other external factors. As a result, appropriation level projects are often delayed until supplemental funding can be obtained. The use of allocations

within appropriations by region, election district, or other desired levels would provide flexibility between projects, yet control funding.

Recommendation No. 10

A Statewide CIP project accounting system should be established within the State accounting system.

Presently, it is necessary for virtually all departments involved in the State's Capital Improvement Program to maintain separate project accounting systems. These systems range from sophisticated in-house computers to hand prepared records. In DOTPF, for example, it will be necessary for financial data to be entered into three computerized systems:

- A. State Accounting System: All appropriations and expenditures must be entered in the accounting system maintained by the Department of Administration. However, this system does not presently meet DOTPF's needs to account for thousands of projects which span several years and have several funding sources.
- B. Financial Management System: This in-house system provides for DOTPF's individual project accounting. However, it does not provide adequate appropriation controls and has yet to be reconciled to the State accounting system.
- C. Management Information System: This proposed new system is presently in the development stage and will provide summary information by project, but the financial data generated will not necessarily reconcile to either the State accounting system or the Financial Management System and will, therefore, be of limited reliable use.

The Legislature, through the passage of Chapter 168, SLA 78, intended to provide for changes in the accounting and reporting of CIP projects within DOTPF, among other issues. However, the accounting and reporting aspects of this act have not been implemented due to non-standard accounting requirements and an Attorney General's Opinion questioning the legality and contents of the act. In our opinion, both Chapter 168 and the Attorney General's opinion contain accounting and reporting theory weaknesses.

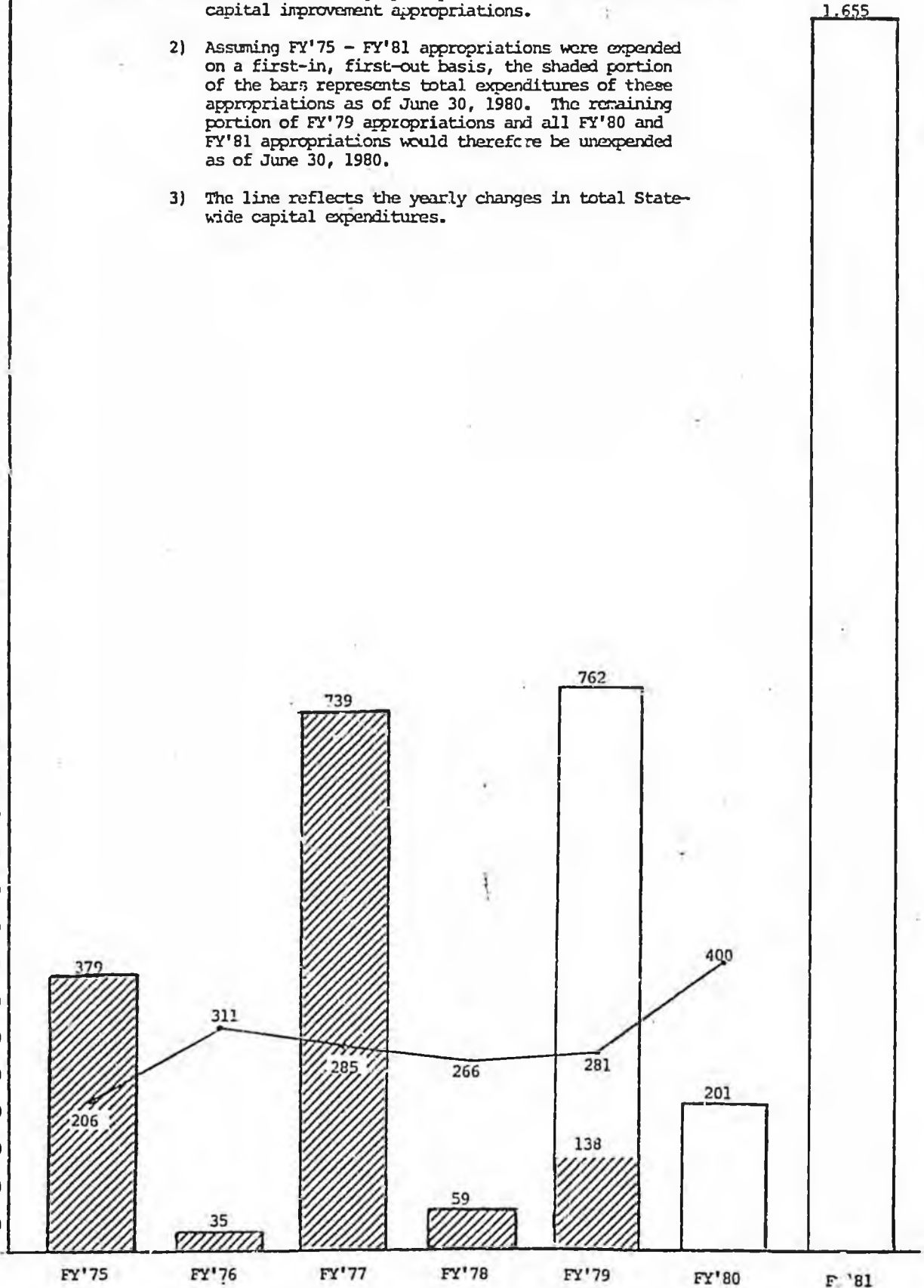
APPENDIX A

STATEWIDE CAPITAL PROJECT
APPROPRIATIONS AND EXPENDITURES

In Millions

\$1700
1650
1600
1550
1500
1450
1400
1350
1300
1250
1200
1150
1100
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
50

- Notes: 1) The bars in this graph represent the FY'75 - FY'81 capital improvement appropriations.
- 2) Assuming FY'75 - FY'81 appropriations were expended on a first-in, first-out basis, the shaded portion of the bars represents total expenditures of these appropriations as of June 30, 1980. The remaining portion of FY'79 appropriations and all FY'80 and FY'81 appropriations would therefore be unexpended as of June 30, 1980.
- 3) The line reflects the yearly changes in total State-wide capital expenditures.



JAY S. HAMMOND, GOVERNOR
(907) 465-3900

Department of Transportation and Public Facilities
OFFICE OF THE COMMISSIONER

Pouch Z
Juneau, Alaska, 99811
(Telex 45-328)

December 30, 1980 000H

RECEIVED

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

DEC 30 1980

Dear Mr. Wilkerson:

LEGISLATIVE
AUDIT

In reference to your letter of December 10, 1980 concerning the appropriation process for capital projects, I offer the following information and suggestions.

The Executive Branch is in the process of implementing the facility planning process for project development as established in Chapter 168, SLA 78. This process will be enhanced to the extent possible by the use of Public Facility Planning Funds to develop project plans, specification estimates and land status prior to the request for project funding for construction.

We believe that once the process is fully implemented, the accuracy of the estimates and time schedules for facilities will improve greatly.

This Department has experienced considerable difficulty with some of the legislative "add on" capital projects. These problems relate to funding, scope, and schedule as follows.

Funding: Many Legislators contact this Department to provide estimates of cost for their special project. If this project is selected from an early year in our six year plan, we have had the opportunity to already review the land status and construction costs of the project and feel more confident with the estimates we provide. If the project is new and if the request is received during the winter months, it is difficult to adequately assess the conditions which may be encountered during development and construction of the project. As a consequence, these estimates may not be realistic. Some Legislators provide their own estimates based on information from consultants or other "knowledgeable" persons. Such estimates often prove to be inadequate.

Secondly, most all legislative "add on" projects are line item appropriations. This leaves no flexibility to accommodate minor funding shifts between projects even in the same area or region. The Executive Branch requests appropriations by region and allocation by mode. By this process, if one project is delayed or a higher priority project requires additional funds, the adjustments can be made and a contract awarded for construction. We strongly recommend that the legislative "add on" projects be grouped as regional allocations and not made as specific project appropriations or establish an adequate contingency for each region.

We also recommend revision of the fiscal note forms to better reflect the costs in terms of project phases i.e. design, land, utilities, construction, etc.

Scope: Some projects in Chapter 50, SLA 80 are excellent examples of ~~this~~ Department finding that it has an appropriation for a capital project with no idea of the project scope. Considerable time is lost in identifying the author of the project and securing a definition of what the appropriation should accomplish. In some cases, the desired end result is not consistent with the legislative language and time is again lost in resolving the conflict. We recommend that any legislative "add on" project be required to provide the same project information as the Executive Branch. We recently received a proposed budget submittal form from Legislative Finance that, if utilized, would greatly reduce the question of project scope.

Schedule: Projects of a complex nature should not be anticipated for construction in the same calendar year as the authorizations. Complex projects are defined as projects requiring major design, land acquisition or federal and state use permits. In many cases, even simple projects are precluded from going to contract in the same year as the appropriation when the authorization is not effective until late June or July 1 of each year. Also, projects funded with G.O. bonds require an additional six months delay awaiting voter approval.

As a possible cure for some of these problems, I would recommend that the "add on" projects be funded through design development during one legislative session and the construction phase be funded after this Department has completed project development and is confident of the actual land and construction costs.

Consideration of passing an appropriation for capital projects early in the session for projects that have completed project development or have minimal development requirements would enhance this Department's ability to construct the project in the same calendar year.

We appreciate the opportunity to provide our perspective on this process and welcome any discussion on the content of this letter.

Sincerely,


Robert W. Ward
Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 650 Relating to legislative additions to
 Title capital improvement projects proposed by the governor.
 Requested by House Transportation Date _____

II. FISCAL DETAIL Department of Transportation & Public Facilities
 Agency Affected _____
 Program Category Affected Transportation
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would not have a direct fiscal impact on DOT/PF. Certain projects may be modified as a result of better information prior to appropriation of construction funds. This savings is not calculable.

IV. DATE _____ PREPARED BY RTJ
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

MAR 9 1982

Woodrow Johansen
P.O. Box 80422
College, AK. 99708

March 3, 1982

Subject: House Bills/DOT&PF

Steve Soenksen
Administrative Assistant
House Transportation Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Soenken:

I want to thank you for the opportunity of reviewing the seven pieces of legislation recently introduced to the House of Representatives concerning reorganization of the Department of Transportation and Public Facilities.

I found the proposals interesting and it is heartening to know that there are concerns in Juneau for the efficient administration of the transportation segment of the state government.

I cannot agree with all proposed changes but they definitely are a starting point for discussion.

There are attached my comments on the bills submitted in numerical sequence.

Sincerely,



Woodrow Johansen

Attachments

House Bill 650

This bill relates to Capital Improvement Projects proposed by the Legislature. The idea of funding these projects in two phases could be very helpful because it has been my experience that without the detailed analysis of costs and the schedules contained in the Governor's Capital Improvement Program, it is very difficult to come up with a realistic cost estimate and construction schedule. The two phase funding approach would give everyone an opportunity to make these detailed estimates. This bill will, for all practical purposes, eliminate the public criticism directed at the Legislature and the Department resulting from inaccurate scheduling and poor funding estimates.

COMMITTEE REPORT
SENATE

4/20/82

FURTHER: Transportation and Finance

Date: 5/16/82

Mr. President:

The Committee on STATE AFFAIRS has had CSHB 651(Fin) an
ferries and ferry terminals and establishing the Alaska Marine Highway
Authority

as follows

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 _____ 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:

2 Gallotta no rec
1 DeGrazia do not pass
1 Brad Bradley do not pass
H. Fischer do not pass

1 Fischer do not pass

CHAIRMAN

Original sponsor: Transportation Committee

Offered: 4/1/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 651 (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 relating to ferries and ferry terminals and
7 establishing the Alaska Marine Highway Authority."

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

9 * Section 1. PURPOSE. The purpose of this Act is to establish an author-
10 ity for the operation, management, and planning and construction of facilities
11 for the marine highway system that is independent of the state government.
12 The authority shall be the exclusive state agency directly associated with
13 the operation, management, planning and construction of facilities for the
14 marine highway system.

15 * Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska
19 Marine Highway Authority is established. The authority is a public
20 corporation of the state. The corporation is an instrumentality of the
21 state in the Department of Transportation and Public Facilities but has
22 a legal existence independent of and separate from the state and has
23 continuing succession until its existence is terminated by law.

24 Sec. 19.70.020. DIRECTORS. (a) The authority consists of eight
25 directors including the commissioner of transportation and public facili-
26 ties, who shall be a director ex officio without voting privileges, and
27 seven directors appointed by the governor as follows: a representative
28 of commercial carriers, a representative of the maritime industry, a
29 representative of the tourism industry, and four members of the public

1 representing regions served by the marine highway, as follows: (1) two
2 members from region one (extending from Dixon entrance to Skagway); (2)
3 one member from region two (Kodiak Island); and (3) one member from
4 region three (Prince William Sound). The appointment of each director
5 other than the commissioner of transportation and public facilities is
6 subject to confirmation by the legislature.

7 (b) The directors appointed by the governor serve at his pleasure
8 for four-year terms. Each director shall hold office for the term of
9 his appointment and until his successor is appointed and qualified. A
10 director is qualified for reappointment. A vacancy in a directorship
11 occurring other than by expiration of term shall be filled in the same
12 manner as the original appointment but only for the unexpired term.

13 (c) The directors must be residents of the state and qualified
14 voters at the time of appointment and shall comply with the requirements
15 of AS 39.50 (conflict of interest). Each director before entering upon
16 his duties shall take and subscribe to an oath to perform the duties of
17 his office faithfully, impartially, and justly to the best of his
18 ability. A record of the oath shall be filed with the Office of the
19 Governor.

20 (d) The directors of the authority serve without compensation, but
21 are entitled to travel and per diem expenses as provided in AS 39.20.-
22 180.

23 Sec. 19.70.030. OFFICEPS AND QUORUM. The directors shall elect
24 one of their number as chairman. The directors shall elect a secretary
25 and a treasurer who need not be directors, and the same person may be
26 elected to serve both as secretary and treasurer. The powers of the
27 authority are vested in the directors, and four voting directors of the
28 authority constitute a quorum. Action may be taken and motions and
29 resolutions adopted by the authority at any meeting by the affirmative

1 vote of at least four directors. A vacancy in the directorship of the
2 authority does not impair the right of a quorum to exercise all the
3 powers and perform all the duties of the authority.

4 Sec. 19.70.040. STAFF. The authority shall employ an executive
5 director who serves at the pleasure of the authority as its chief admin-
6 istrative officer. The executive director may with the approval of the
7 authority select and employ additional staff as necessary. Employees of
8 the authority other than legal counsel and the executive director are in
9 the classified service under AS 39.25. In addition to its staff of
10 regular employees, the authority may contract for and engage the ser-
11 vices of consultants, and professional, technical and financial advisors
12 the authority considers necessary for the purpose of developing informa-
13 tion, conducting hearings, studies, investigations or other proceedings,
14 or otherwise exercising its powers.

15 ARTICLE 2. POWERS AND DUTIES.

16 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other powers
17 granted in this chapter, the authority may

- 18 (1) sue and be sued;
- 19 (2) adopt and alter an official seal;
- 20 (3) make and enforce bylaws and regulations for the conduct
21 of its business and for the use of its services and facilities;
- 22 (4) maintain offices at any place in the state and at places
23 out of the state which are served by the marine highway system;
- 24 (5) acquire, hold, use and dispose of its income, revenues,
25 funds and money;
- 26 (6) acquire, hold, use, lease, rent, construct and dispose of
27 real and personal property for its purposes;
- 28 (7) operate, maintain, improve, and extend a system of ferries
29 connecting with the public roads and highways of the state and including

1 the boats, vessels, wharves, docks, approaches, landings and appurte-
2 nances the authority determines to be necessary or desirable for safe
3 and efficient operation of the ferry system so as to best serve the
4 public;

5 (8) do all acts and things necessary, convenient or desirable
6 to carry out the powers expressly granted or necessarily implied in this
7 chapter;

8 (9) establish rates and tariffs, after public hearings;

9 (10) modify routes, after public hearings.

10 Sec. 19.70.060. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHORIZED.
11 The authority is authorized to operate its ferry system under the name
12 "Alaska marine highway system".

13 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,
14 with the cooperation of the Department of Transportation and Public
15 Facilities, shall prepare a comprehensive long-range plan for the devel-
16 opment and improvement of the marine highway system. The plan shall be
17 revised and updated at least every five years.

18 ARTICLE 3. ACQUISITION OF PROPERTY.

19 Sec. 19.70.080. ACQUISITION OF LAND AND EASEMENTS. The authority,
20 as part of the cost of constructing, maintaining, or improving a ferry
21 system, may acquire by purchase, gift, or exchange land in fee simple or
22 easements that it considers necessary for present public use, either
23 temporary or permanent, or that it considers necessary and reasonable
24 for the public use. By the same means, the authority may obtain
25 material, including clay, gravel, sand, or rock, or the land necessary
26 to obtain the material, including access to it. The authority may so
27 acquire the land or materials notwithstanding the fact that title to it
28 is vested in the state or a department, agency, commission or institution
29 of the state.

1 Sec. 19.70.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF
2 EXCHANGE. When a majority of the directors of the authority declares
3 that it is in the best public interest of the state to do so, the author-
4 ity may acquire by purchase, gift, or exchange privately or publicly
5 owned land or an interest in it for the purpose of exchanging it for
6 privately or publicly owned land that the authority is authorized by law
7 to acquire.

8 Sec. 19.70.100. VACATING OF LAND OR RIGHTS IN LAND. The authority
9 may vacate land, or part of it, or rights in land acquired for use in
10 the marine highway system by executing and filing a deed in the approp-
11 riate recording district. Upon vacating, title reverts to the persons,
12 heirs, successors, or assigns in whom it was vested at the time of the
13 taking. The authority may transfer land no longer considered necessary
14 for use in the marine highway system to the Department of Natural Re-
15 sources for disposal. The proceeds of disposal by the Department of
16 Natural Resources shall be credited to the funds from which the purchase
17 was originally made.

18 ARTICLE 4. GENERAL PROVISIONS.

19 Sec. 19.70.110. ANNUAL REPORT. By January 15 of each year, the
20 authority shall submit to the governor and the legislature a compre-
21 hensive report describing the operations, income, and expenditures for
22 the preceding fiscal year.

23 Sec. 19.70.120. ANNUAL AUDIT. The authority shall have its finan-
24 cial records audited annually by a certified public accountant. The
25 legislative auditor may prescribe the form and content of the financial
26 records of the authority and shall have access to those records at any
27 time.

28 Sec. 19.70.130. BUDGET AND APPROPRIATIONS. The authority shall
29 submit its annual budget to the legislature through the governor as

1 provided for state agencies by the Executive Budget Act (AS 37.07). It
2 may expend money directly appropriated by the legislature only as autho-
3 rized by the legislature.

4 Sec. 19.70.140. NAMING OF VESSEL OR FACILITY. (a) A vessel or
5 facility of the Alaska marine highway system constructed or acquired by
6 the authority under this chapter or AS 19.60 may be given a name only by
7 law.

8 (b) A maritime vessel shall bear the name of an Alaska glacier.

9 (c) A vessel used principally on the inland waterways of the state
10 shall bear the name of an historical vessel that used the rivers of the
11 state.

12 Sec. 19.70.160. DEFINITIONS. In this chapter, unless the context
13 requires otherwise,

14 (1) "authority" means the Alaska Marine Highway Authority
15 established by this chapter;

16 (2) "capital improvement" means a project for the construc-
17 tion, rehabilitation, rebuilding, enlarging, or improving of all or any
18 part of the marine highway system, including, without limitation, boats,
19 vessels, wharves, docks, approaches, landings, offices, and appurte-
20 nances as determined by the authority to be necessary or desirable for
21 efficient operation of the marine highway system and to best serve the
22 public;

23 (3) "ferry" means a vessel used in the common carriage of
24 passengers and self-propelled vehicles in commerce.

25 Sec. 19.70.170. SHORT TITLE. This chapter may be cited as the
26 Alaska Marine Highway Authority Act.

27 * Sec. 3. AS 19.60.010 is amended to read:

28 Sec. 19.60.010. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL
29 FACILITIES. The authority [DEPARTMENT] shall construct, purchase or

1 lease ferry terminal facilities at locations it selects for the loading
2 and unloading of passengers and vehicles under their own power, on and
3 off ferries. The authority [DEPARTMENT] shall repair and maintain these
4 facilities.

5 * Sec. 4. AS 19.60.020 is amended to read:

6 Sec. 19.60.020. CONNECTION OF FACILITIES TO HIGHWAYS. The depart-
7 ment shall [MAY] connect ferry terminal facilities with local highway
8 systems.

9 * Sec. 5. AS 19.60.030 is amended to read:

10 Sec. 19.60.030. REGULATIONS. The authority [DEPARTMENT] may adopt
11 [RULES AND] regulations governing the use of ferry terminal facilities
12 by the public which it considers necessary and proper in the public
13 interest.

14 * Sec. 6. AS 19.60.070(1) is amended to read:

15 (1) "authority" ["DEPARTMENT"] means the Alaska Marine High-
16 way Authority [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES];

17 * Sec. 7. AS 35.27.020 is amended by adding a new subsection to read:

18 (h) The requirements of this chapter apply to the Alaska Marine
19 Highway Authority. Fulfillment of the duties of the department under
20 this chapter is the sole responsibility of the authority with respect to
21 the public buildings and facilities of the authority.

22 * Sec. 8. AS 35.27.030(2) is amended to read:

23 (2) "building" or "facility" means a permanent improvement
24 constructed by the department or authority; the term

25 (A) includes, but is not limited to,

26 (i) schools, office buildings, and court buildings;

27 (ii) other buildings which the commissioner deter-
28 mines are designed for substantial public use;

29 (iii) boats and vessels of the marine highway system;

1 (iv) transportation facilities which accommodate
2 traveling passengers;

3 (B) excludes other transportation facilities; [.]

4 * Sec. 9. AS 35.27.030 is amended by adding a new paragraph to read:

5 (5) "authority" means the Alaska Marine Highway Authority.

6 * Sec. 10. AS 44.42.020(a)(1) is amended to read:

7 (1) plan, design, construct and maintain all state modes of
8 transportation and transportation facilities and all docks, floats,
9 breakwaters, buildings and similar facilities, except that the depart-
10 ment has no planning, design, construction, or maintenance responsibili-
11 ties for transportation modes or facilities under the jurisdiction of
12 the Alaska Marine Highway Authority;

13 * Sec. 11. AS 44.42.020(a)(7) is amended to read:

14 (7) manage, operate, and maintain state transportation faci-
15 lities and all docks, floats, breakwaters and buildings, including all
16 state highways, vessels, railroads, pipelines, airports, and aviation
17 facilities, except that the department has no management, operational,
18 or maintenance responsibilities for transportation facilities, vessels,
19 or equipment under the jurisdiction of the Alaska Marine Highway Author-
20 ity;

21 * Sec. 12. AS 19.60.040 ; 19.60.050 and AS 19.65 are repealed.

22 * Sec. 13. APPOINTMENT OF FIRST DIRECTORS OF ALASKA MARINE HIGHWAY AUTHOR-
23 ITY. The governor shall designate the terms of the voting directors of the
24 Alaska Marine Highway Authority first appointed under AS 19.70.020. Of the
25 seven directors first appointed

26 (1) two shall serve a term of two years;

27 (2) two shall serve a term of three years;

28 (3) three shall serve a term of four years.

29 * Sec 14. AS 39.50.200(9)(b) is amended by adding a new paragraph to

1 read:

2 (46) Alaska Marine Highway Authority (AS 19.70.010.)
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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 1
Title Highway Authority
Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Transportation
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		925.4				
200 TRAVEL		92.3				
300 CONTRACTUAL		708.8				
400 COMMODITIES		107.3				
500 EQUIPMENT		621.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2455.3	1342.9	1437.7	1539.2	1877.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		2230.3	1094.6	1169.0	1255.0	1573.7
FEDERAL FUNDS						
OTHER (Specify Source)						
CIP		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		22	22	22	22	22
PART TIME						
TEMPORARY						

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

This fiscal note shows the net expected cost to the State under the attached assumptions. Costs for FY 84 reflect the deletion of one time items and addition of inflation at 7%.

The assumptions used in this fiscal note do not have the authority utilizing its full powers for separation and therefore have reduced the costs. If additional authority is desired, the costs would increase.

Before accurate costs can be determined for this bill, a substantial amount of time should be devoted to determining the requirements for separation of duties from the State system as well as estimating the amount of autonomy the authority would desire.

IV. DATE 3/31/82 PREPARED BY RON LIND
AGENCY DOT/PE
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST Page 1 of 4
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 2
 Title Highway Authority
 Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 Program Category Affected Marine Transportation
 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		2086.5	2232.6			
200 TRAVEL		92.3	99.6			
300 CONTRACTUAL		787.4	260.7			
400 COMMODITIES		110.0	64.2			
500 EQUIPMENT		621.5	15.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		3697.7	2672.1	2859.9	3060.9	3506.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		3697.7	2672.1	2859.9	3060.9	3506.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		56.0	56.0	56.0	56.0	56.0
PART TIME						
TEMPORARY						

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

Additions required to the Marine Transportation budget.

See attachments.

IV. DATE 3/31/82 PREPARED BY ROI Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (. v. 12/81)

III. ANALYSIS

CSHB 651 No. 2 Page 2 of 4

There are administrative and organizational topics not specifically addressed in either House Bill No. 651, "An Act relating to ferry and ferry terminals and establishing the Alaska Marine Highway Authority", or House Bill No. 661, "An Act establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.

6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.
 7. Initially the "Authority" would continue direct involvement with the State in the following:
 - A. Occupancy of a State owned office building.
 - B. Continued support from the State mail system.
 - C. Access to the State equipment fleet.
 - D. Access to the Statewide purchasing contract (i.e., fuel).
 - E. Continued use of "shared" communications lines through Department of Administration, Division of Communications.
 - F. Continued insurance, bonding, etc., as now supplied through Department of Administration, Division of Risk Management.
 - G. Legal service from the Attorney Generals' office.
 8. We have assumed that Department of Transportation and Public Facilities transferred employees would bring their own equipment and that equipment for the proposed thirty (30) new hire employees would be \$76.5.
 9. We have assumed the "Authority" would require its own computer services for reservations, cost accounting, dispatching vessels crews, and payroll input; and that one time costs would be \$545.0 for hardware and \$250.0 for software.
 10. Assuming expansion, the first year shows one time start-up funds for Contractual \$543.6; (Software \$250.0; Legal Services \$200.0; Additional Space Rental \$93.6); and \$50.0 Commodities (primarily office supplies).
- Summary - 200 - 500 Accounts: Of \$1623.0 shown for the first year, \$1145.6 is a first time start-up cost. Yearly maintenance of all 200 through 500 Accounts would be around \$475.0 per year.

11. Of the \$2086.5 increase in Personal Services, \$1172.4 is assumed to be positions already within the Department of Transportation and Public Facilities performing similar services in Finance, Supply, Payroll, Design and Construction, and Personnel for the Division of Marine Highway Systems. The actual increase then would be \$914.1 for Personal Services to fund eight (8) upgraded positions and twenty-four (24) new positions.

<u>MHS</u> <u>EXISTING</u>	<u>DOT</u> <u>TRANSFERS</u>	<u>NEW</u> <u>POSITIONS</u>	<u>TOTAL</u> <u>POSITIONS</u>
PFT 36	PFT 32	PFT 24	PFT 92
PPT 4			PPT 4

This is a total of ninety-two (92) Permanent Full Time and four (4) Permanent Part Time Administrative positions, with a total of thirty-one (31) Supervisors (Range 18 and above) and sixty-five (65) support positions to operate and supervise nine vessels (725 employees) and twenty-six Shore Facilities (twenty-eight (28) Permanent and twenty-three (23) Permanent Part Time employees). No increase has been made in Vessel or Shore Facility Personnel.

Approximately \$225,000 of CIP funded positions are proposed to be general funded because they would be considered more operational.

FISCAL NOTE

I. REQUEST Page 1 of 2 No. 3
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine
 Title Highway Authority
 Requested by House Transportation Committee Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation and Public Facilities
 Program Category Affected Transportation
 BRU, Program, Or Subprogram(s) Affected various-See Analysis
 (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		<1161.1>				
200 TRAVEL		0				
300 CONTRACTUAL		<78.4>				
400 COMMODITIES		<2.7>				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		<1242.2>	<1329.2>	<1422.2>	<1521.7>	<1628.3>

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		<1017.2>	<1080.9>	<1156.5>	<1237.5>	<1324.1>
FEDERAL FUNDS						
OTHER (Specify Source)		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		<34>	<34>	<34>	<34>	<34>
PART TIME						
TEMPORARY						

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

Identifies costs and positions dedicated to Marine Transportation under current systems. (See attached).

IV. DATE 3/31/82 PREPARED BY Ray Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Equipment</u>	<u>Total</u>	<u>General Fund</u>	<u>Other</u>	<u>PFT</u>	<u>Man Mos</u>
S.E. Design and Construction	275.0	-	-	-	-	275.0	50.0	225.0	5	60
Info. Systems	40.0	-	67.4	-	-	107.4	107.4	-	1	12
Support Services	796.1	-	10.0	2.5	-	808.6	808.6	-	26.5	318
S.E. Region	50.0	-	1.0	.2	-	51.2	51.2	-	1.5	18
	<u>1161.1</u>	<u>0</u>	<u>78.4</u>	<u>2.7</u>	<u>0</u>	<u>1242.2</u>	<u>1017.2</u>	<u>225.0</u>	<u>34.0</u>	<u>408</u>

1598 HSD

7

D

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

HOUSE ... BILL ... NO. 651 ...

By THE TRANSPORTATION COMMITTEE

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority."

terminals - establishing Alaska Marine Hwy Auth.

Introduced in the House ... 1/11, 19. 82

HISTORY IN THE HOUSE

19 82		Read first time and referred to Committee on										
JAN. 11		Transportation and Finance										
Mar 3		Reported back with recommendation that <i>Transportation - CS (Rep) 4 do pass, 3 no vote. 2 for Finance - CS (Fin) 1 do pass 7 no vote, 2 do not vote to Rule</i>										
Apr 18		Read second time and CS (Fin) adopted, amended to do										
Apr 19		<i>Send for specific am. amended to do</i>										
Apr 18		Read third time and										
Apr 19		<i>Reconsideration taken up. Returned to 2d for specific amendment</i>										
Apr 18		<i>7/11/82</i> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 20</td> <td>Yeas</td> </tr> <tr> <td>Nays 16</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused 4</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas 20	Yeas	Nays 16	Nays	Absent	Absent	Excused 4	Excused
PASS	Effective Date											
Yeas 20	Yeas											
Nays 16	Nays											
Absent	Absent											
Excused 4	Excused											
Apr 18		<i>Vote</i> <table border="0"> <tr> <td>PASS ed</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 27</td> <td>Yeas</td> </tr> <tr> <td>Nays 13</td> <td>Nays</td> </tr> <tr> <td>Absent 0</td> <td>Absent</td> </tr> <tr> <td>Excused 0</td> <td>Excused</td> </tr> </table>	PASS ed	Effective Date	Yeas 27	Yeas	Nays 13	Nays	Absent 0	Absent	Excused 0	Excused
PASS ed	Effective Date											
Yeas 27	Yeas											
Nays 13	Nays											
Absent 0	Absent											
Excused 0	Excused											
Apr 19		Reported correctly engrossed										
Apr 20		Signed by Speaker										
Apr 20		Sent to Senate										
		<i>Samuel Day</i> CHIEF CLERK OF THE HOUSE										

HISTORY IN THE SENATE

19 82		Read first time and referred to Committee on												
4/20		<i>SA - Trans - Fin</i>												
5/6		Reported back with S. P. recommendation that <i>3 do not pass 1 no rec to Trans. Trans. Warms - to Fin</i>												
5/17														
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		<table border="0"> <tr> <td>Reconsideration</td> <td></td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	Reconsideration		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.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 1
Title Highway Authority
Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Transportation
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		925.4				
200 TRAVEL		92.3				
300 CONTRACTUAL		708.8				
400 COMMODITIES		107.3				
500 EQUIPMENT		621.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2455.3	1342.9	1437.7	1539.2	1877.9

FUNDING (Thousands of Dollars)

GENERAL FUND		2230.3	1094.6	1169.0	1255.0	1573.7
FEDERAL FUNDS						
OTHER (Specify Source)						
CIP		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

FULL TIME		22	22	22	22	22
PART TIME						
TEMPORARY						

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

This fiscal note shows the net expected cost to the State under the attached assumptions. Costs for FY 84 reflect the deletion of one time items and addition of inflation at 7%.

The assumptions used in this fiscal note do not have the authority utilizing its full powers for separation and therefore have reduced the costs. If additional authority is desired, the costs would increase.

Before accurate costs can be determined for this bill, a substantial amount of time should be devoted to determining the requirements for separation of duties from the State system as well as estimating the amount of autonomy the authority would desire.

IV. DATE 3/31/82 PREPARED BY RON LIND
AGENCY DOT/PF
PHONE 465-3900

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST Page 1 of 4
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 2
 Title Highway Authority
 Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 Program Category Affected Marine Transportation
 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		2086.5	2232.6			
200 TRAVEL		92.3	99.5			
300 CONTRACTUAL		787.4	260.7			
400 COMMODITIES		110.0	64.2			
500 EQUIPMENT		621.5	15.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		3697.7	2672.1	2859.9	3060.9	3506.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		3697.7	2672.1	2859.9	3060.9	3506.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		56.0	56.0	56.0	56.0	56.0
PART TIME						
TEMPORARY						

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

Additions required to the Marine Transportation budget.

See attachments.

IV. DATE 3/31/82 PREPARED BY Ron Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 415-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

III. ANALYSIS

CSHB 651 No. 2 Page 2 of 4

There are administrative and organizational topics not specifically addressed in either House Bill No. 651, "An Act relating to ferry and ferry terminals and establishing the Alaska Marine Highway Authority", or House Bill No. 661, "An Act establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.

6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.
7. Initially the "Authority" would continue direct involvement with the State in the following:
 - A. Occupancy of a State owned office building.
 - B. Continued support from the State mail system.
 - C. Access to the State equipment fleet.
 - D. Access to the Statewide purchasing contract (i.e., fuel).
 - E. Continued use of "shared" communications lines through Department of Administration, Division of Communications.
 - F. Continued insurance, bonding, etc., as now supplied through Department of Administration, Division of Risk Management.
 - G. Legal service from the Attorney Generals' office.
8. We have assumed that Department of Transportation and Public Facilities transferred employees would bring their own equipment and that equipment for the proposed thirty (30) new hire employees would be \$76.5.
9. We have assumed the "Authority" would require its own computer services for reservations, cost accounting, dispatching vessels crews, and payroll input; and that one time costs would be \$545.0 for hardware and \$250.0 for software.
10. Assuming expansion, the first year shows one time start-up funds for Contractual \$543.6; (Software \$250.0; Legal Services \$200.0; Additional Space Rental \$93.6); and \$50.0 Commodities (primarily office supplies).

Summary - 200 - 500 Accounts: Of \$1623.0 shown for the first year, \$1145.6 is a first time start-up cost. Yearly maintenance of all 200 through 500 Accounts would be around \$475.0 per year.