

LEG. FINANCE - BILLS 1981 - 1982 1705
SB 688 cont. - CSSB 693 1705

revenues which created a backlog of unmet needs; and 2) there are other ways of limiting current spending (such as the Permanent Fund) which do not lead to future distortions in the operating budget.

SUMMARY AND DISCUSSION OF OTHER M&O RESEARCH

Summary of Findings

Our research on the creation of a maintenance and operating fund has led to the following conclusions:

- 1) Maintenance and operating costs for capital projects under construction and in the planning stage will place a large but indeterminate financial burden on the State in future years.
- 2) Setting aside current revenues into a fund from which future M&O obligations could be met is one way the State has of coping with this problem.
- 3) Unfortunately, the State's current system of capital budgeting and accounting for costs related to capital projects would not facilitate the implementation of such a concept. If a fund were established under such conditions, it would lead to future distortions in the allocation of State funds.

Further Research

Advocates of M&O funds argue that a large appropriation to the fund would attract attention to the future costs associated with capital projects. Currently a number of State agencies, as well as the University of Alaska, are considering ways, other than the creation of an M&O fund, of increasing the public's awareness of these costs and their fiscal implications. The remainder of this paper discusses some of these efforts, as well as those by DOTPF to improve the accounting process.

Expanded Budget Process. We discussed the merits of amending budgetary reporting requirements for the M&O component of the capital budget with staff from DOTPF, the Division of Budget and Management, the Legislative Finance and Budget and Audit. There was general consensus among the people we interviewed that M&O projections could, and should, be given greater visibility in the capital budgeting process, but that the projections are not considered accurate enough to be used for budget purposes. Some of the ways to increase visibility are discussed in greater detail below.

The Director of the Legislative Finance Division, Jay Hogan, reports that the potential of the existing budget process is not fully realized. He suggests that the Capital Budget and Six Year Capital Program could be expanded to include the projected operation cost information contained on the Form 35's as amended by the Division of Budget and Management under the direction of the Governor. Each legislator would then receive an enlarged Capital Budget and Six Year Program which would contain most of the M&O information which is available to the Governor.

The Legislative Finance Division has distributed blank Form 35's to each legislator and is encouraging them to complete these forms for each project which they propose. Jay Hogan states that the capital projects with the least M&O cost information tend to be the ones which are added during a legislative session by the legislature, especially those that are added towards the end of the session. Requiring legislators to complete Form 35's could place greater emphasis on the M&O cost components of capital projects and the long-term financial commitments resulting from capital expenditures. However, given the difficulty that DOTPF has in making accurate M&O projections, it is likely that legislators will also experience problems.

A study could also be performed to determine the actual M&O costs of existing capital projects. Results from this study could be used as the basis for projecting operating costs of projects proposed during the 1982 session. If a rule-of-thumb technique is established, legislators could use it to analyze the M&O component of both their own projects and those contained in the executive budget.

M&O Rankings. In discussions with the Governor's Division of Budget and Management we discussed the possibility of ranking proposed capital projects by the ratio of projected M&O costs to capital construction costs, and including this information in the executive capital budget. The capital budget might also contain a subtotal of projected M&O costs for each budget category. Until more accurate M&O data is generated, the existing estimates could be used as long as their limitations are explained.

A ranking of capital projects by M&O costs might be designed to separate projects into general categories of low, medium, and high ratios of M&O costs to construction costs. Projects in the high ratio category could be flagged for further analysis and explanation. An average ratio might be computed for each capital budget category and this could be used to highlight budget categories containing large M&O cost commitments.

Comparisons of Budgeted versus Actual Expenditures. Subtotals of M&O costs could be used to make comparisons between budget categories in a

current budget year. Specific budget category M&O estimates could also be compared to prior year budget category M&O estimates to look for changes in M&O commitments. A running total of current and prior year M&O cost projections could be used as a rough estimate of total M&O commitments. If the basic accounting system is improved and M&O expenditures attributable to specific capital projects become available, these costs could be added to current year capital budget M&O projections to estimate total future M&O commitments attributable to capital projects.

Accounting Improvements. In 1980, the accounting firm of Peat, Marwick, Mitchell completed a "Conceptual Design of a Management Information System" for DOTPF. The report recommends changes in the M&O cost reporting system to provide management with basic operational cost and historical cost comparison reports which could be monitored periodically. These reports would be designed to provide a basis for forecasting future costs.

In conjunction with the Department of Administration, DOTPF has employed the accounting firm of Price-Waterhouse to redesign the State's accounting system and to implement the management information system proposed by the Peat, Marwick and Mitchell study. The design and implementation of the new system is expected to take approximately three years, and when it is completed DOTPF expects each regional office to initiate an on-line computerized maintenance and operation information base which would be used to make life cycle cost projections for a wide variety of capital projects.

Chuck Gant, the Chief of Life Cycle Cost Analysis in DOTPF's Capital Program Office, reports that the new accounting system is expected to be a definite improvement over the existing system, but there are special Alaska circumstances which may continue to limit the usefulness of M&O cost projections.

According to Mr. Gant, the short summer construction season, especially in many rural communities, necessitates flexibility between accounts. The highest maintenance priorities receive immediate attention even if they are not properly budgeted because a delay might mean postponement to the following construction season. Mr. Gant also notes that the domestic contracting market is very thin as there are only about a half dozen large contractors in the state and a large project might keep a firm tied up for one or more years. Even if the DOTPF makes a good projection of repair or renovation expenses, the actual cost may be inflated by the premium which Alaska bidders charge when there is a scarcity of available labor.

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IW:AHD

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

August 19, 1981

APPENDIX A

Ann DeVries
Research Agency
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. DeVries:

I am sending these preliminary comments, but encourage you to contact Burt Wagon, our Assistant Deputy Commissioner for the Maintenance and Operations Unit at 266-1443, for further comments. He will return from annual leave on August 24, 1981 (I have previously given him a copy of your draft memorandum for review).

In summary, let me say that I believe that you have done very thorough research, and have obviously contacted the appropriate sources within the Department of Transportation for the background history on the development of the Life Cycle Costing System and the development of the Management Information System. It might also interest you to know that the department has previously investigated the possibility of establishing standards for amounts of and quality of maintenance for given facility types. No firm conclusions were reached and no manual was produced; however, there has been considerable research accumulated that resides within our library in Juneau. I believe that to achieve the benefits you have described, the state would have to adopt some standards so that, as you suggest, there could be clear distinctions made as to what was eligible to be paid for from the Maintenance fund.

The only two substantial comments I believe we have to make relate to the method by which the fund would be endowed and the fact that one considerable portion of the Capital Budget has not been included for consideration in the endowment fund.

- 1) We suggest that consideration could be given to the idea of developing a percentage to be applied by facility type as a method of determining the amount of money to be entered into the endowment fund in any given capital budget year. This would have the added advantage of causing careful consideration of the long term impact that a capital facility will make on the state's operating budget as a part of the normal capital budget review process.

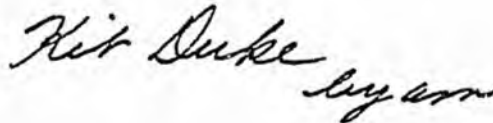
August 19, 1981

- 2) We also suggest that, since a considerable portion of the capital budget for the previous two years has gone to local governments in the form of municipal grants, consideration should be given to entering a percentage into the endowment fund to cover any obligation that the state might have in future years toward these facilities. Even though, under present statutes, a municipality which accepts a grant under the provisions of this program cannot request maintenance and operating funds from the state, it is conceivable that a future legislature could change that situation and put responsibility on the state for maintaining and operating facilities built under this program.

Again, I would like to commend you on the thoroughness of this paper, and would also like to state that I think the concept of a maintenance and operation fund is an excellent way to focus attention on the fact that the effect on the operating budget of building capital facilities is a considerably more significant portion of the financial burden that the state will bear in upcoming years than has previously been recognized. Perhaps you found, when reading the Life Cycle Cost Report, that the consultant determined the initial capital cost of the facility to be a very small percentage (between 15% and 20%) of the overall lifetime cost of owning and operating a facility.

If you have any questions, please contact me. I will be in Juneau on the second and third of September, and could possibly be available to discuss this further if you desire.

Sincerely,



Kit Duke
Regional Director
Planning and Programming
Central Region

cc: Bert Wagnon

KD/g

Senator Fischer
August 24, 1981

APPENDIX B

This appendix reviews the shortcomings of the State's capital budgeting and accounting processes in relation to the use of a fund to finance M&O costs.

Budget Background

The executive budget currently includes M&O cost estimates for new capital projects. Each State department summarizes its proposed projects on a 'Form 35' which contains an operations cost section (see Attachment A). Form 35 is used to record projected annual operating cost, first year operating cost, ultimate annual operating cost and operational funding source. The forms are consolidated into nine program categories which contain a significant proportion of the capital project requests received by the Governor.

The Governor directs his Budget and Management Division to analyze the budget requests and prepare the executive budget which is summarized in two volumes, Book 1 - Operating Budget and Book 2 - Capital Budget and Six Year Program. The Capital Budget and Six Year Program contains an abbreviated summary of the Governor's recommended capital projects.

Each project is summarized on a form which contains only one reference to annual operating cost. The form does not include any explanation or qualification of the operating cost estimate. The summarized capital budget includes construction cost subtotals for each budget category and geographic region but it does not subtotal projected operation costs. The annual operating budget is divided into nine budget categories corresponding to the capital budget categories.

Maintenance expenditures over \$25,000 are generally included in the capital budget with the exception of the transportation category. Transportation maintenance expenditures are classified by transportation mode. Each mode may include several different facilities and their total maintenance cost is included in the operations budget even if the allocation to a particular facility is more than \$25,000.

Although many operating expenses are in some way related to specific capital projects, the operating budget does not aggregate operations costs which are attributable to specific facilities. Instead, operations costs are classified by budget program categories. Unfortunately, existing budget procedures do not list maintenance and operation expenses attributable to capital projects as an item in the budget categories of the operating budget.

Senator Fischer
August 24, 1981

M&O Cost Projections

When the Department of Public Works merged with the Department of Highways in 1977, a Life Cycle Costing Section was created and the new Department of Transportation and Public Facilities (DOTPF) initiated a major effort to devise a system of calculating life cycle costs for public facilities. The Department employed a consulting team (Maynard N.B.B.J., Hanscomb Assoc., Boeing Computer Services, and Industry Service Inc.) to assist in the project; the consultants submitted their report entitled "Alaska Life Cycle Cost System Users Manual," in 1979. The Department's data base was not adequate to operate the proposed system and it proved unworkable.

④ In 1979, legislation was passed requiring DOTPF to "... develop life cycle costs of public facilities...." describing, "... the first cost of procurement of the public facilities and the maintenance cost, operation cost, and occupancy cost of the facilities" [AS 35.10.175 (5) and AS 35.35.10.200 (1)]. In 1980, responsibility for capital project maintenance and operation cost projections was transferred to the regional offices of DOTPF.

Cost estimates are now prepared by facility planners at each regional office. However, the regional offices have a limited M&O data base for buildings and lack systematic data for roads, harbors and other facilities. The Southeast Regional Office is participating in an experimental program to develop an improved M&O program planning system (MOPPS) based on some of the original life cycle cost system recommendations.

DOTPF is also responsible for assisting other departments in their preparation of M&O projections for proposed public facilities. Alaska Statutes do not contain a clear definition of public facilities and Dick Brandt, the transportation analyst in the Office of Budget and Management, reports that life cycle costing is not performed on all capital projects.

Chuck Gant, the Chief of Life Cycle Cost Analysis in DOTPF's Capital Program Office reports that a combination of accounting limitations and special Alaska circumstances limit the accuracy of M&O cost projections so that the average projection has a 20 percent variation from actual expenditures. He estimates that the current cost accounting system is 25 years out of date. It was designed to record expenditures by program category, and this was considered adequate until the recent increase in capital expenditures.

The current accounting system does not allocate M&O expenditures to specific facilities. Supplies are typically purchased in bulk for a

Senator Fischer
August 24, 1981

group of facilities and are distributed as needed by each facility. The payment system is not standardized so it is even difficult to compare one group of facilities to another. Mr. Gant estimates that as much as 30 to 50 percent of building M&O costs may not be attributable to specific projects. Thus, it is very difficult to develop a useful data base for projecting M&O costs for specific capital construction projects based on historical experience.

INTRODUCTION OF BILLS (Senate)

SB 686 (cont'd)

Outlines requirements for proper entries in property book.

Chapter 39 relates to the disposition of property used as evidence in court, and the return of that property after final determination of the case. In the case of property used in the commission of a crime for which the accused is convicted or that is considered unlawful property the court shall order the destruction, sale, or other appropriate disposition. Provides "Nothing in this chapter affects the rights of a person aggrieved by an unlawful search and seizure to seek redress under the provisions of Rule 37, Rules of Criminal Procedure.

Repeals AS 12.35.080 - 12.35.110 (current laws relating to disposal of property).

Does not provide for an effective date.

Introduced January 27 and referred to Judiciary.

Search Warrants
(issuance by telephone testimony)

SENATE BILL NO. 687, by Senators Rodey, Bradley, Dankworth, Kelly, Kerttula and Ray. Permits issuance of a search warrant upon sworn oral testimony conducted by telephone or other appropriate means if if judicial officer finds there is probable cause to believe personal testimony would result in delay and delay might result in loss or destruction of evidence subject to seizure. Person testifying to be placed under oath, and conversation to be recorded. Testimony is to be transcribed and certified as to accuracy, then filed. The bill states: "Absent a finding of bad faith, evidence obtained under a warrant issued under this section is not subject to a motion to suppress on the ground that the circumstances did not support its issuance under (a) of this section." (subsection (a) states warrant may be issued upon sworn oral testimony and outlines reasons for believing there is probable cause to issue the warrant). Provides language added has the effect of changing Rule 37, Rules of Criminal Procedure, by allowing search warrants to be issued upon sworn oral testimony communicated by telephone or other appropriate means. Does not provide for an effective date.

Introduced January 27 and referred to Judiciary.

Appropriation (special) (computerized fingerprints)

SENATE BILL NO. 688, by Senators Rodey, Bradley, Dankworth, Kelly and Ray. Makes a special appropriation in the amount of \$4,282,900 to the Department of Public Safety for a computerized fingerprint system. Provides appropriation is for a capital project and does not lapse. Provides Act takes effect immediately.

Introduced January 27 and referred to Judiciary, then to Finance.

Capital Projects (operating cost fund)

SENATE BILL NO. 689, by Senators Sturgulewski, Ferguson, Fischer and Stimson. Sets up an operating cost fund in the Department of Revenue for capital projects financed by the Legislature. Each project financed is to have a separate account consisting of the unexpended amount of the appropriation, and a proportional amount of income earned through investment of the capital project fund. The Commissioner of Revenue is responsible for withdrawing amounts

INTRODUCTION OF BILLS (Senate)

SB 689 (cont'd)

annually for each project and shall pay that amount to Departments responsible for the project.

Provides any capital project funded by the state that is not financed by bond sales shall include an appropriation for operating costs for up to 30 years. Commissioner of Department responsible for the project is to set up a schedule for operating costs. Defines "cost of operating" and "operating cost" as in section below.

Section relating to bondable projects provides the Commissioner of responsible department shall prepare a schedule of the expected cost of operating the proposed project for its useful life. The schedule is to serve as the basis for calculating the net present value of the operating cost of the project. Defines "cost of operating" and "operating cost" to mean the normal, anticipated costs of maintenance and operation of a capital project, including expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes; and exclude costs offset by fees imposed on users, and for contributions from federal, municipal, and private sources. Provides election pamphlet contain a statement of the net present value of the operating cost for bondable projects.

Provides Act takes effect January 1, 1983.

Introduced January 27 and referred to State Affairs, then to Finance.

Tax Credits
(property
taxes &
rentals)

SENATE BILL NO. 690, by Senator Kelly. Provides for a tax credit for property taxes and for rents of up to \$300, depending upon the amounts paid. Outlines formula for determining tax credit. Provides credit for individual who paid only part of the property taxes or rent during the year (up to \$150). States only one dwelling at a time may be claimed as the principal place of abode, and provides for separate calculations if taxes or rents were paid on more than one abode. Outlines procedure for individual or joint filing. Provides Act retroactive to January 1, 1982, and authorizes a credit for taxes or rent paid after December 31, 1981. Act terminates January 1, 1985. Provides Act takes effect immediately.

Introduced January 27 and referred to Community & Regional Affairs, then to Finance.

Appropriation
(special)
(Fairbanks
hospital)

SENATE BILL NO. 691, by Senators Fahrenkamp, Bennett and Parr. Makes a special appropriation in the amount of \$20,000,000 for payment as a grant to the Fairbanks North Star Borough for expansion and improvement of Fairbanks Memorial Hospital. Provides Act takes effect immediately. (Identical to HB 700, this report.)

Introduced January 28 and referred to Health, Education & Social Services, then to Finance.

Coroners
(duties/
inquests)

SENATE BILL NO. 692, by the Judiciary Committee. Makes changes in the duties of the coroner and those duties of the district judges and magistrates as coroner. Under this bill:

Introduced: 1/27/82
Referred: State Affairs and
Finance

BY STURGULEWSKI, FERGUSON,
FISCHER AND STIMSON

1 IN THE SENATE

2 SENATE BILL NO. 689

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 appropriations and general obliga-
7 tion bonds for capital projects; and providing for an
8 effective date."

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

10 * Section 1. AS 37.10 is amended by adding a new section to read:

11 Sec. 37.10.067. OPERATING COST FUND. (a) An operating cost fund
12 for capital projects is established in the Department of Revenue. The
13 operating cost fund shall be managed in accordance with this section.

14 (b) The operating cost fund consists of

15 (1) all money appropriated to it by the legislature in accor-
16 dance with AS 37.25.022; and

17 (2) interest earned by investment of the fund balance.

18 (c) The commissioner of revenue shall invest and manage the money
19 in the operating cost fund that the commissioner determines to be above
20 an amount sufficient to meet current cash expenditure needs. An invest-
21 ment by the commissioner of revenue under this subsection shall be made
22 in accordance with AS 37.10.070(b).

23 (d) The commissioner of revenue shall establish in the operating
24 cost fund an account for each capital project for which an appropriation
25 is made. The account consists of the unexpended amount of the appropria-
26 tion for the capital project and income credited to the capital project
27 under (e) of this section.

28 (e) Income earned from investment of money in the operating cost
29 fund shall be allocated by the commissioner of revenue to the account

1 for each capital project for which an appropriation for the cost of
2 operating the project has been made by the legislature. An allocation
3 under this subsection shall be made to the account for each capital
4 project specifically designated by the legislature by law in proportion
5 to the account balance for that capital project as a percentage of the
6 total amount in the operating cost fund.

7 (f) During each fiscal year, the commissioner of revenue shall
8 withdraw and pay to the department that has responsibility for the
9 operation of a capital project an amount equal to the operating cost of
10 the capital project and the commissioner of revenue shall reduce the
11 account balance of the capital project by the amount paid. The amount
12 paid by the commissioner of revenue under this subsection shall be used
13 by the department that has responsibility for the operation of the
14 capital project for operating costs of the capital project. A withdrawal
15 under this subsection may not exceed the account balance of the capital
16 project.

17 (g) The commissioner of revenue may prescribe regulations applic-
18 able to withdrawal and payment of money from the operating cost fund to
19 other departments for the operating cost of a capital project.

20 * Sec. 2. AS 37.15 is amended by adding a new section to read:

21 Sec. 37.15.013. OPERATING COSTS OF PROJECTS FOR WHICH GENERAL
22 OBLIGATION BONDS MAY BE AUTHORIZED. (a) The commissioner of each
23 department responsible for the operation of a proposed capital project
24 for which general obligation bonds may be authorized shall prepare a
25 schedule of the expected cost of operating the proposed capital project
26 for its useful life. The schedule of the expected cost of operating the
27 proposed capital project shall serve as the basis for calculating the
28 net present value of the operating cost of the project.

29 (b) In determining the net present value of the operating cost for

1 a proposed capital project, the commissioner of each department respon-
2 sible for the operation of the proposed capital project shall discount
3 the total of all estimated future costs of operating the project to the
4 construction completion date of the project. The discount factor to be
5 applied is the estimated compound annual rate of return of the operating
6 cost fund under AS 37.10.067 for the useful life of the capital project,
7 or for the first 30 years of the useful life of the capital project,
8 whichever is less.

9 (c) The provisions of this section do not apply to a proposed
10 capital project in which the net present value of cost of operating the
11 proposed capital project is less than \$100,000.

12 (d) In this section, "cost of operating" and "operating cost" mean
13 the normal, anticipated costs of maintenance and operation of a capital
14 project. The terms

15 (1) include expenses for routine maintenance, minor repairs,
16 utilities, local charges, fees and payments in place of taxes;

17 (2) exclude costs that will be offset by fees imposed on
18 persons who use the project, and for contributions from federal, muni-
19 cipal, and private sources.

20 * Sec. 3. AS 37.25 is amended by adding a new section to read:

21 Sec. 37.25.022. OPERATING COSTS OF CAPITAL PROJECTS. (a) An
22 appropriation for a capital project other than a project financed by
23 general obligation bond proceeds that will be owned and operated by the
24 state shall include an appropriation for the cost of operating the
25 capital project. The appropriation for the cost of operating the capital
26 project may not be less than

27 (1) the net present value of the estimated cost of operating
28 the capital project for its expected useful life, if the expected useful
29 life of the capital project is 30 years or less; or

1 (2) the net present value of the estimated cost of operating
2 the capital project for 30 years, if the expected useful life of the
3 capital project exceeds 30 years.

4 (b) The commissioner of each department responsible for the opera-
5 tion of a proposed capital project shall prepare a schedule of the
6 expected cost of operating the proposed capital project for its useful
7 life. The schedule of the expected cost of operating the proposed
8 capital project shall serve as the basis for calculating the net present
9 value of the operating cost of the proposed capital project.

10 (c) In determining the net present value of the operating cost for
11 a proposed capital project, the commissioner of each department respon-
12 sible for the operation of the proposed capital project shall discount
13 the total of all estimated future costs of operating the project to the
14 date on which the appropriation for the cost of operating the project
15 will be paid to the operating cost fund (AS 37.10.067) in the Department
16 of Revenue. The discount factor to be applied is the estimated compound
17 annual rate of return of the operating cost fund for the useful life of
18 the proposed capital project, or for the first 30 years of the useful
19 life of the proposed capital project, whichever is less.

20 (d) The provisions of (a) of this section do not apply to a pro-
21 posed capital project in which the net present value of cost of operat-
22 ing the proposed capital project is less than \$100,000.

23 (e) In this section, "cost of operating" and "operating cost" mean
24 the normal, anticipated costs of maintenance and operation of a proposed
25 capital project. The terms

26 (1) include expenses for routine maintenance, minor repairs,
27 utilities, local charges, fees and payments in place of taxes;

28 (2) exclude costs that will be offset by fees imposed on
29 persons who use the project, and for contributions from federal, muni-

1 cial, and private sources.

2 * Sec. 4. AS 15.58.020(7) is amended to read:

3 (7) for each bond question,

4 (A) a statement of the scope of each project as it
5 appears in the Bond Authorization Act; and

6 (B) a statement of the net present value of the operat-
7 ing cost for the project;

8 * Sec. 5. This Act takes effect January 1, 1983.
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Introduced: 1/27/82
Referred: State Affairs and
Finance

BY STURGULEWSKI, FERGUSON,
FISCHER AND STIMSON

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2 SENATE BILL NO. 689

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4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to appropriations and general obliga-
7 tion bonds for capital projects; and providing for an
8 effective date."

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

10 * Section 1. AS 37.10 is amended by adding a new section to read:

11 Sec. 37.10.067. OPERATING COST FUND. (a) An operating cost fund
12 for capital projects is established in the Department of Revenue. The
13 operating cost fund shall be managed in accordance with this section.

14 (b) The operating cost fund consists of

15 (1) all money appropriated to it by the legislature in accor-
16 dance with AS 37.25.022; and

17 (2) interest earned by investment of the fund balance.

18 (c) The commissioner of revenue shall invest and manage the money
19 in the operating cost fund that the commissioner determines to be above
20 an amount sufficient to meet current cash expenditure needs. An invest-
21 ment by the commissioner of revenue under this subsection shall be made
22 in accordance with AS 37.10.070(b).

23 (d) The commissioner of revenue shall establish in the operating
24 cost fund an account for each capital project for which an appropriation
25 is made. The account consists of the unexpended amount of the appropria-
26 tion for the capital project and income credited to the capital project
27 under (e) of this section.

28 (e) Income earned from investment of money in the operating cost
29 fund shall be allocated by the commissioner of revenue to the account

1 for each capital project for which an appropriation for the cost of
2 operating the project has been made by the legislature. An allocation
3 under this subsection shall be made to the account for each capital
4 project specifically designated by the legislature by law in proportion
5 to the account balance for that capital project as a percentage of the
6 total amount in the operating cost fund.

7 (f) During each fiscal year, the commissioner of revenue shall
8 withdraw and pay to the department that has responsibility for the
9 operation of a capital project an amount equal to the operating cost of
10 the capital project and the commissioner of revenue shall reduce the
11 account balance of the capital project by the amount paid. The amount
12 paid by the commissioner of revenue under this subsection shall be used
13 by the department that has responsibility for the operation of the
14 capital project for operating costs of the capital project. A withdrawal
15 under this subsection may not exceed the account balance of the capital
16 project.

17 (g) The commissioner of revenue may prescribe regulations applic-
18 able to withdrawal and payment of money from the operating cost fund to
19 other departments for the operating cost of a capital project.

20 * Sec. 2. AS 37.15 is amended by adding a new section to read:

21 Sec. 37.15.013. OPERATING COSTS OF PROJECTS FOR WHICH GENERAL
22 OBLIGATION BONDS MAY BE AUTHORIZED. (a) The commissioner of each
23 department responsible for the operation of a proposed capital project
24 for which general obligation bonds may be authorized shall prepare a
25 schedule of the expected cost of operating the proposed capital project
26 for its useful life. The schedule of the expected cost of operating the
27 proposed capital project shall serve as the basis for calculating the
28 net present value of the operating cost of the project.

29 (b) In determining the net present value of the operating cost for

1 a proposed capital project, the commissioner of each department respon-
2 sible for the operation of the proposed capital project shall discount
3 the total of all estimated future costs of operating the project to the
4 construction completion date of the project. The discount factor to be
5 applied is the estimated compound annual rate of return of the operating
6 cost fund under AS 37.10.067 for the useful life of the capital project,
7 or for the first 30 years of the useful life of the capital project,
8 whichever is less.

9 (c) The provisions of this section do not apply to a proposed
10 capital project in which the net present value of cost of operating the
11 proposed capital project is less than \$100,000.

12 (d) In this section, "cost of operating" and "operating cost" mean
13 the normal, anticipated costs of maintenance and operation of a capital
14 project. The terms

15 (1) include expenses for routine maintenance, minor repairs,
16 utilities, local charges, fees and payments in place of taxes;

17 (2) exclude costs that will be offset by fees imposed on
18 persons who use the project, and for contributions from federal, muni-
19 cipal, and private sources.

20 * Sec. 3. AS 37.25 is amended by adding a new section to read:

21 Sec. 37.25.022. OPERATING COSTS OF CAPITAL PROJECTS. (a) An
22 appropriation for a capital project other than a project financed by
23 general obligation bond proceeds that will be owned and operated by the
24 state shall include an appropriation for the cost of operating the
25 capital project. The appropriation for the cost of operating the capital
26 project may not be less than

27 (1) the net present value of the estimated cost of operating
28 the capital project for its expected useful life, if the expected useful
29 life of the capital project is 30 years or less; or

1 (2) the net present value of the estimated cost of operating
2 the capital project for 30 years, if the expected useful life of the
3 capital project exceeds 30 years.

4 (b) The commissioner of each department responsible for the opera-
5 tion of a proposed capital project shall prepare a schedule of the
6 expected cost of operating the proposed capital project for its useful
7 life. The schedule of the expected cost of operating the proposed
8 capital project shall serve as the basis for calculating the net present
9 value of the operating cost of the proposed capital project.

10 (c) In determining the net present value of the operating cost for
11 a proposed capital project, the commissioner of each department respon-
12 sible for the operation of the proposed capital project shall discount
13 the total of all estimated future costs of operating the project to the
14 date on which the appropriation for the cost of operating the project
15 will be paid to the operating cost fund (AS 37.10.067) in the Department
16 of Revenue. The discount factor to be applied is the estimated compound
17 annual rate of return of the operating cost fund for the useful life of
18 the proposed capital project, or for the first 30 years of the useful
19 life of the proposed capital project, whichever is less.

20 (d) The provisions of (a) of this section do not apply to a pro-
21 posed capital project in which the net present value of cost of operat-
22 ing the proposed capital project is less than \$100,000.

23 (e) In this section, "cost of operating" and "operating cost" mean
24 the normal, anticipated costs of maintenance and operation of a proposed
25 capital project. The terms

26 (1) include expenses for routine maintenance, minor repairs,
27 utilities, local charges, fees and payments in place of taxes;

28 (2) exclude costs that will be offset by fees imposed on
29 persons who use the project, and for contributions from federal, muni-

1 cipal, and private sources.

2 * Sec. 4. AS 15.58.020(7) is amended to read:

3 (7) for each bond question,

4 (A) a statement of the scope of each project as it
5 appears in the Bond Authorization Act; and

6 (B) a statement of the net present value of the operat-
7 ing cost for the project;

8 * Sec. 5. This Act takes effect January 1, 1983.

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Original sponsors: Sturgulewski, Ferguson,
Fischer and Stimson

Offered: 4/7/82
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 689 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to appropriations and general obliga-
7 tion bonds for capital projects; and providing for an
8 effective date."

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

10 * Section 1. AS 37.10 is amended by adding a new section to read:

11 Sec. 37.10.067. OPERATING COST FUND. (a) An operating cost fund
12 for capital projects is established in the Department of Revenue. The
13 operating cost fund shall be managed in accordance with this section.

14 (b) The operating cost fund consists of

15 (1) all money appropriated to it by the legislature in accor-
16 dance with AS 37.25.022; and

17 (2) interest earned by investment of the fund balance.

18 (c) The commissioner of revenue shall invest and manage the money
19 in the operating cost fund that the commissioner determines to be above
20 an amount sufficient to meet current cash expenditure needs. An invest-
21 ment by the commissioner of revenue under this subsection shall be made
22 in accordance with AS 37.10.070(b).

23 (d) The commissioner of revenue shall establish in the operating
24 cost fund an account for each capital project for which an appropriation
25 is made. The account consists of the unexpended amount of the appropria-
26 tion for the capital project and income credited to the capital project
27 under (e) of this section.

28 (e) Income earned from investment of money in the operating cost
29 fund shall be allocated by the commissioner of revenue to the account

1 for each capital project for which an appropriation for the cost of
2 operating the project has been made by the legislature. An allocation
3 under this subsection shall be made to the account for each capital
4 project specifically designated by the legislature by law in proportion
5 to the account balance for that capital project as a percentage of the
6 total amount in the operating cost fund.

7 (f) During each fiscal year, the commissioner of revenue shall
8 withdraw and pay to the department that has responsibility for the
9 operation of a capital project an amount equal to the operating cost of
10 the capital project and the commissioner of revenue shall reduce the
11 account balance of the capital project by the amount paid but the amount
12 withdrawn may not exceed the amount projected in the schedule of operat-
13 ing costs for a project for that year. The amount paid by the commis-
14 sioner of revenue under this subsection shall be used by the department
15 that has responsibility for the operation of the capital project for
16 operating costs of the capital project. A withdrawal under this subsec-
17 tion may not exceed the account balance of the capital project.

18 (g) The commissioner of revenue may prescribe regulations applic-
19 able to withdrawal and payment of money from the operating cost fund to
20 other departments for the operating cost of a capital project.

21 (h) An appropriation to the operating cost fund is an appropria-
22 tion for capital projects and is valid for the life of the project as
23 provided in AS 37.25.020.

24 * Sec. 2. AS 37.15 is amended by adding a new section to read:

25 Sec. 37.15.013. OPERATING COSTS OF PROJECTS FOR WHICH GENERAL
26 OBLIGATION BONDS MAY BE AUTHORIZED. (a) The division of budget and
27 management, Office of the Governor, shall prepare a schedule of the
28 expected cost of operating the proposed capital project for which general
29 obligation bonds may be authorized for its useful life. The schedule of

1 the expected cost of operating the proposed capital project shall serve
2 as the basis for calculating the net present value of the operating cost
3 of the project.

4 (b) In determining the net present value of the operating cost for
5 a proposed capital project, the division of budget and management,
6 Office of the Governor, shall discount the total of all estimated future
7 costs of operating the proposed capital project to the construction
8 completion date of the project. The discount factor to be applied is
9 the estimated compound annual rate of return of the operating cost fund
10 under AS 37.10.067 for the useful life of the capital project, or for
11 the first 30 years of the useful life of the capital project, whichever
12 is less.

13 (c) The provisions of this section do not apply to a proposed
14 capital project in which the net present value of cost of operating the
15 proposed capital project is less than \$100,000.

16 (d) In this section, "cost of operating" and "operating cost" mean
17 the normal, anticipated costs of maintenance and operation of a capital
18 project. The terms

19 (1) include expenses for routine maintenance, minor repairs,
20 utilities, local charges, fees and payments in place of taxes;

21 (2) exclude costs that will be offset by fees imposed on
22 persons who use the project, and for contributions from federal, muni-
23 cipal, and private sources.

24 * Sec. 3. AS 37.25 is amended by adding a new section to read:

25 Sec. 37.25.022. OPERATING COSTS OF CAPITAL PROJECTS. (a) An
26 appropriation for a capital project other than a project financed by
27 general obligation bond proceeds that will be owned and operated by the
28 state shall include an appropriation for the cost of operating the
29 capital project. The appropriation for the cost of operating the capital

1 project may not be less than

2 (1) the net present value of the estimated cost of operating
3 the capital project for its expected useful life, if the expected useful
4 life of the capital project is 30 years or less; or

5 (2) the net present value of the estimated cost of operating
6 the capital project for 30 years, if the expected useful life of the
7 capital project exceeds 30 years.

8 (b) The division of budget and management, Office of the Governor,
9 shall prepare a schedule of the expected cost of operating the proposed
10 capital project for its useful life. The schedule of the expected cost
11 of operating the proposed capital project shall serve as the basis for
12 calculating the net present value of the operating cost of the proposed
13 capital project.

14 (c) In determining the net present value of the operating cost for
15 a proposed capital project, the division of budget and management,
16 Office of the Governor, shall discount the total of all estimated future
17 costs of operating the proposed capital project to the date on which the
18 appropriation for the cost of operating the project will be paid to the
19 operating cost fund (AS 37.10.067) in the Department of Revenue. The
20 discount factor to be applied is the estimated compound annual rate of
21 return of the operating cost fund for the useful life of the proposed
22 capital project, or for the first 30 years of the useful life of the
23 proposed capital project, whichever is less.

24 (d) The provisions of (a) of this section do not apply to a pro-
25 posed capital project in which the net present value of cost of operat-
26 ing the proposed capital project is less than \$100,000.

27 (e) In this section, "cost of operating" and "operating cost" mean
28 the normal, anticipated costs of maintenance and operation of a proposed
29 capital project. The terms

1 (1) include expenses for routine maintenance, minor repairs,
2 utilities, local charges, fees and payments in place of taxes;

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4 persons who use the project, and for contributions from federal, muni-
5 cipal, and private sources.

6 * Sec. 4. AS 15.58.020(7) is amended to read:

7 (7) for each bond question,

8 (A) a statement of the scope of each project as it
9 appears in the Bond Authorization Act; and

10 (B) a statement of the net present value of the operat-
11 ing cost for the project;

12 * Sec. 5. This Act takes effect July 1, 1983.
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COMMITTEE REPORT
SENATE

1/28/82

FURTHER:

Finance

Date: 3/8/82

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 691

making a special appropriation for payment as a grant to the Fairbanks North Star Borough for Fairbanks Memorial Hospital expansion & improvement

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

- may* 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

Wesley
Jim Kelly
Charles H. Paul

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Charles H. Paul

 CHAIRMAN



Official Business

Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

Charlie Parr, Chairman
Terry Stimson, Vice-Chairman
Vic Fischer
Tim Kelly
Mike Colletta

Pouch V
State Capitol
Juneau, Alaska 99811

465-4907
465-4908

March 8, 1982

LETTER OF INTENT
ON
SENATE BILL 691

It is the intent of the Health, Education and Social Services Committee, in passing out SB 691, that:

the funds in this appropriation not be expended until a certificate of need is issued by the Commissioner of Health and Social Services

A handwritten signature in cursive script, appearing to read "Charles H. Parr".

Senator Charles H. Parr
Chairman

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



Official Business

Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

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Terry Stimson, Vice-Chairman
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A handwritten signature in cursive script, appearing to read "Charles H. Parr".

Senator Charles H. Parr
Chairman

Funding Information
General Fund \$20,000,000
Other Funds -0-
\$20,000,000

Introduced: 1/28/82
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY FAHRENKAMP, BENNETT AND PARR

2 SENATE BILL NO. 691
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act making a special appropriation for payment as a
7 grant to the Fairbanks North Star Borough for Fairbanks
8 Memorial Hospital expansion and improvement; and pro-
9 viding for an effective date."

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

11 * Section 1. The sum of \$20,000,000 is appropriated from the general fund
12 for payment as a grant to the Fairbanks North Star Borough for expansion and
13 improvement of Fairbanks Memorial Hospital.

14 * Sec. 2. The appropriation made by this Act shall be disbursed in accor-
15 dance with AS 37.05.315 - 37.05.319.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND... Session

SENATE ...BILL..... NO. 691...

By ..FAHRENKAMP, BENNETT, PARR

"An Act making a special appropriation for payment as a grant to the Fairbanks North Star Borough for Fairbanks Memorial Hospital expansion and improvement; and providing for an effective date."

Introduced in the Senate ...1/28/, 19...82

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on										
1	28	HESS and Finance										
3	9	Reported back with <i>HESS</i> recommendation that <i>3 days</i> w/ Lt. Intent to Finance.										
		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
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Yeas	Yeas											
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		Reconsideration										
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Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed										
		Signed by President										
		Sent to House										
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	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
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Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by Speaker										
	Returned to Senate										
CHIEF CLERK OF THE HOUSE											

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

Position Paper
Senate Bill 691

"An act making a special appropriation for payment as a grant to the Fairbanks North Star Borough for Fairbanks Memorial Hospital expansion and improvement; and providing for an effective date."

House Bill 700 and Senate Bill 691 make special appropriations of \$20,000,000 in the form of a grant to the Fairbanks North Star Borough for expansion and improvement of the Fairbanks Memorial Hospital. The Department of Health and Social Services has received an application for a certificate of need from Fairbanks Memorial Hospital (submitted 1-18-82) which proposes remodeling of portions of the existing facility and a 107,607 square foot addition at a projected cost of \$20,000,087. The proposed addition is to include five floors, two of which are shelled-in space for future use. Approximately \$3,000,000 of the total projected cost is attributed to the shelled-in space.

The certificate of need review, which is expected to be completed by mid-April, 1982, will address the following aspects of the proposed project which are pertinent to a consideration of state financial assistance:

- the need for additional acute care beds in the Fairbanks Memorial Hospital service area;
- the relationship of the project to other health care providers in the area;
- the anticipated impact of the project on hospital operating costs, revenues, and patient charges;
- the financial feasibility of the project;
- the cost-effectiveness of constructing shelled-in space for future use

In the certificate of need application Fairbanks Memorial Hospital has considered several alternative financing methods ranging from total State funding by means of a grant to total self-financing by means of tax-exempt bonding. The application states the facility's desired financing method as follows:

The Hospital Foundation is currently looking towards financing the new addition by applying to the State of Alaska for a 50% grant for the cost of the new addition. This grant would exclude the third and fourth floors for future expansion. The Foundation is requesting that the State of Alaska fund the third and fourth floors or \$3.1 million at 100%. The remaining 50% of the addition would be bonded through the Alaska Medical Facilities Authority using the mechanisms which are currently in place.*

* Fairbanks Memorial Hospital Certificate of Need Application, January 1982, page 104.

Position Paper
Senate Bill 691
Page 2

Other possible funding sources for hospital and nursing home construction are limited. Under AS 29.90 municipalities or other hospital or health facilities sponsors may receive reimbursement for up to 25% of total project costs. This partial reimbursement is available only to those facilities which have successfully secured financing and have completed a health facility construction project. Most rural facilities do not have the capacity for debt required for securing financing.

Under AS 18.26 medical facilities may apply to the Alaska Medical Facility Authority for State backing relative to the sale of tax-exempt bonds for the purpose of financing medical facility construction. One project has been financed through this program to date -- a 1978 Fairbanks Memorial Hospital expansion project in the amount of approximately \$12 million. Alaska Hospital and Medical Center, Anchorage, is presently working with the Authority to determine the viability of this funding approach for refinancing that facility and the acquisition of the adjacent professional office building.

One determination which the Authority must make before bonds may be issued under this statute is that the lease or operator agreement for the medical facility being financed by that issue is at least sufficient to meet all obligations in connection with the lease or operator agreement, including all costs necessary to service the bonds. This prerequisite essentially disallows use of the program by rural facilities, most of which do not have more than a minimal capability to service bonds.

The Department is conducting an inventory and condition survey of rural Alaskan hospitals and nursing homes to determine physical condition and functional adequacy and to identify means for upgrading facilities and correcting deficiencies. The inventory was focused on rural facilities because of the Department's awareness of insufficient tax bases in the smaller communities to correct recurring problems identified through the Department's regular licensing and certification processes and architectural reviews. Fairbanks Memorial Hospital, in one of the state's more urban settings, was not included in this inventory.

Recommended by: Phoebe A. Lindsey
Phoebe A. Lindsey, Director
Division of State Health
Planning & Development

Date: 3-1-82

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner

3-1-82

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Position Paper
Senate Bill 691

"An act making a special appropriation for payment as a grant to the Fairbanks North Star Borough for Fairbanks Memorial Hospital expansion and improvement; and providing for an effective date."

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Recommended by: Phoebe A. Lindsey
Phoebe A. Lindsey, Director
Division of State Health
Planning & Development

Date: 3-1-82

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner

3-1-82

TWELFTH LEGISLATURE

I. REQUEST
 Bill/Resolution No. Senate Bill 691
 Title "An act making a special appropriation for payment as a grant to*
 Requested by *the Fairbanks North Star Borough..."

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

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

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

POSITIONS

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

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
 This Bill does not directly impact the Division of State Health Planning and Development. The amendments proposed do not change the original fiscal note which projected a -0- impact.

IV. DATE 2/24/82 PREPARED BY Dave W. Williams
 AGENCY DHSS, Division of State Health Planning and Development

Phoebe A. Lindsey

JCC

Original: Legislative Finance PHONE 465-3015.
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Funding Information

General Fund \$20,000,000
Other Funds -0-
\$20,000,000

Introduced: 1/28/82
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY FAHRENKAMP, BENNETT AND PARR

2 SENATE BILL NO. 691

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for payment as a
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9 viding for an effective date."

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

11 * Section 1. The sum of \$20,000,000 is appropriated from the general fund
12 for payment as a grant to the Fairbanks North Star Borough for expansion and
13 improvement of Fairbanks Memorial Hospital.

14 * Sec. 2. The appropriation made by this Act shall be disbursed in accor-
15 dance with AS 37.05.315 - 37.05.319.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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Official Business

Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

Charlie Parr, Chairman
Terry Stimson, Vice-Chairman
Vic Fischer
Tim Kelly
Mike Colletta

Pouch V
State Capitol
Juneau, Alaska 99811

465-4907
465-4908

March 8, 1982

LETTER OF INTENT
ON
SENATE BILL 691

It is the intent of the Health, Education and Social Services Committee, in passing out SB 691, that:

the funds in this appropriation not be expended until a certificate of need is issued by the Commissioner of Health and Social Services

A handwritten signature in cursive script, appearing to read "Charles H. Parr".

Senator Charles H. Parr
Chairman

Original sponsor: Judiciary Committee

Offered: 2/23/82
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2

CS FOR SENATE BILL NO. 692 (Judiciary)

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 the duties of coroners and the
7 coroner's inquest."

7

8

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

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* Section 1. AS 12.65.020 is amended to read:

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* Sec. 2. AS 12.65.030 is amended by adding a new subsection to read:

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(b) Public administrators shall serve as coroners as provided by
AS 22.15.310 and 22.15.350.

29

* Sec. 3. AS 12.65.040 is amended to read:

1 Sec. 12.65.040. INQUIRY INTO CAUSE OF DEATH. The coroner shall,
2 when he is informed that a person has been killed by another or has
3 suddenly died under such circumstances as to afford a reasonable ground
4 to suspect that his death has been occasioned by criminal means or he
5 has committed suicide, inquire by the intervention of a jury into the
6 cause and manner of the death, and perform [THE] other related duties
7 [INCIDENTAL THERETO] in the manner prescribed by law, unless the death
8 is or will be inquired into by the grand jury, in which case an inquest
9 by jury under this section is not required. The coroner shall go to the
10 place where the dead person is, or, in the alternative, arrange for a
11 peace officer to do so and report his findings to the coroner, on the
12 basis of which the coroner may proceed with an inquest if an inquest is
13 warranted.

14 * Sec. 4. AS 12.65.050 is amended to read:

15 Sec. 12.65.050. SUMMONING JURORS FOR INQUEST. If an inquest is
16 warranted, the coroner shall immediately summon six persons qualified by
17 law to serve as jurors to appear before him at a specified place to
18 inquire into the cause and manner of the death.

19 * Sec. 5. AS 12.65.060 is amended to read:

20 Sec. 12.65.060. OATH OF INQUEST JURORS. When six jurors attend,
21 they shall be sworn by the coroner to inquire who the person was and
22 when, where, and by what means he came to his death, and to inquire into
23 the circumstances attending his death, and to give a true verdict accord-
24 ing to the evidence [OFFERED THEM OR ARISING FROM THE INSPECTION OF THE
25 BODY].

26 * Sec. 6. AS 12.65.070 is amended to read;

27 Sec. 12.65.070. SUBPOENA AND EXAMINATION OF WITNESSES. The cor-
28 oner shall, if necessary to determine the material facts relating to
29 the death, [DISTRICT JUDGE OR MAGISTRATE MAY] subpoena and examine as

1 witnesses persons who, in his opinion, have knowledge of the material
2 facts [, AND ALSO AN APPOINTED MEDICAL EXAMINER WHEN AVAILABLE, OR
3 OTHERWISE A PHYSICIAN, WHO SHALL EXAMINE THE BODY AND GIVE PROFESSIONAL
4 OPINION AS TO THE CAUSE OF THE DEATH. THE TESTIMONY SHALL BE REDUCED TO
5 WRITING].

6 * Sec. 7. AS 12.65.080 is amended to read:

7 Sec. 12.65.080. VERDICT OF INQUEST JURY. After hearing the testi-
8 mony, the jury or two-thirds of its [THEIR] number shall give its written
9 verdict, signed [BY THEM] and setting out [FORTH]

10 (1) the name of the deceased [PERSON KILLED] and when, where,
11 and by what means he came to his death; and

12 (2) if he was killed or his death was occasioned by the act
13 of another by criminal means, who it believes is guilty.

14 * Sec. 8. AS 12.65.090 is amended to read:

15 Sec. 12.65.090. NOTIFICATION OF PROSECUTING ATTORNEY [WARRANT FOR
16 ARREST OF PERSON CAUSING DEATH]. If the jury finds that a [CRIME WAS
17 COMMITTED IN THE] killing occurred by criminal means [, AND ALSO CHARGES
18 A PERSON WITH THE COMMISSION OF THE CRIME], the coroner [, AS A DISTRICT
19 JUDGE OR MAGISTRATE,] shall submit the verdict to the prosecuting attor-
20 ney [IMMEDIATELY ISSUE A WARRANT FOR THE ARREST OF THAT PERSON].

21 * Sec. 9. AS 12.65.100 is amended to read:

22 Sec. 12.65.100. UNCLAIMED BODIES [BURIAL OF BODY]. When a person
23 dies [CORONER HOLDS AN INQUEST UPON A BODY], and no person [FRIEND OR
24 RELATIVE] appears to claim the body for burial, and no provision is made
25 for the body under AS 13.50, the coroner shall notify the Department of
26 Health and Social Services which shall cause the body to be plainly and
27 decently buried or cremated and the remains decently interred.

28 * Sec. 10. AS 12.65.110 is amended to read:

29 Sec. 12.65.110. INVENTORY AND DISPOSITION OF PROPERTY FOR UNCLAIMED

1 [ON] BODY. If a body is unclaimed as described in AS 12.65.100 and
2 money or other property belonging to the deceased is found [ON THE BODY],
3 the coroner [JUDGE OR MAGISTRATE] shall [MAKE AN] inventory [OF] it for
4 his records and take it into his possession. He shall, within 30 days
5 after interment [THE INQUEST], transmit a certified copy of the inventory
6 and the money or property to the public administrator of his judicial
7 district for disposition under AS 22.15.320 [CLERK OF THE SUPERIOR COURT.
8 THE CLERK SHALL CAUSE THE PROPERTY TO BE SOLD AS UPON EXECUTION AND
9 SHALL DEDUCT THE EXPENSES OF THE SALE FROM THE PROCEEDS. HE SHALL
10 DEPOSIT THE REMAINDER OF THE PROCEEDS OF THE SALE AND ANY MONEY DELIVERED
11 TO HIM BY THE JUDGE OR MAGISTRATE IN THE SAME MANNER AS MONEY COLLECTED
12 ON JUDGMENTS IN FAVOR OF THE STATE].

13 * Sec. 11. AS 22.15.350 is amended to read:

14 Sec. 22.15.350. OTHER DUTIES. In addition to his other duties, a
15 public administrator shall perform the duties set out in AS 22.15.110
16 and AS 12.65.020 - 12.65.110 and shall perform the duties of public
17 guardian as set out in AS 13.26.360 - 13.26.410.
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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSSB 692
 Title An Act Relating to the Duties of Coroners and the Coroner's Inquest
 Requested by House Health, Education and Social Services Committee Date March 30, 1982

II. FISCAL DETAIL
 Agency Affected Alaska Court System
 Program Category Affected Administration of Justice
 BRU, Program, Or Subprogram(s) Affected Trial Courts
 (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	0	0	0	0	0	0

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)

IV. DATE March 31, 1982 PREPARED BY Richard P. Barrier
 AGENCY Alaska Court System
 Original: Legislative Finance PHONE 264-0545
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Johnson

Original sponsor: Judiciary Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 693 (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 changing the termination date of the law giving
7 the supreme court authority over court facilities; and
8 providing for an effective date."

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

10 * Section 1. Section 3, ch. 160, SLA 1980, is amended to read:

11 Sec. 3. This Act terminates June 30, 1984 [1982].

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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Colvin

Original sponsor: Judiciary Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 693 (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 changing the termination date of the law giving
7 the supreme court authority over court facilities; and
8 providing for an effective date."

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

10 * Section 1. Section 3, ch. 160, SLA 1980, is amended to read:

11 Sec. 3. This Act terminates June 30, 1984 [1982].

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS SB 693 Changing termination date of law ...
 Title supreme court authority over court facilities
 Requested by House Judiciary Date 4/20/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 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	-0-	-0-				

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)

The assumption is that there are sufficient funds between the court and DOT/PF.

IV. DATE 4/20/82 PREPARED BY *RL* Ron B. Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

3/12/82

SENATE BILL 693

(An Act repealing the termination date of ch. 160, SLA 1980, relating to supreme court authority over court facilities)

01/28/82

Introduced by the Senate Judiciary Committee
Ref: Senate Judiciary and Finance

02/16/82

Judiciary reported out with 2 'do pass' recommendations and 1 'no rec' (Senator Ray)

Summary:

Repeals the termination date of chapter 160, SLA 1980, which gave the Supreme Court authority through June 30, 1982, over all matter relating to the planning, design, construction, maintenance, occupancy, and operation of all court facilities. This authority was formally under the jurisdiction of the Department of Transportation and Public Facilities.

Colvin

Original sponsor: Judiciary Committee

1 IN THE SENATE .

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 693 (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 changing the termination date of the law giving
7 the supreme court authority over court facilities; and
8 providing for an effective date."

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

10 * Section 1. Section 3, ch. 160, SLA 1980, is amended to read:

11 Sec. 3. This Act terminates June 30, 1984 [1982].

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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Introduced: 1/28/82
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 SENATE BILL NO. 693

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the termination date of ch. 160,
7 SLA 1980, relating to supreme court authority over
8 court facilities; and providing for an effective date."

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

10 * Section 1. Section 3, ch. 160, SLA 1980 is repealed.

11 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
12 070(c).

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COMMITTEE REPORT

HOUSE

(11)

FURTHER:

5/15/82

Date: 5/15/82

Mr. Speaker: (Taken from Calendar
returned to Rules) 5/15/82

The Committee on Finance has had CSSB 693 (Fin)

"An Act changing the termination date of the law giving the
supreme court authority over court facilities; and providing
for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{2d H} CS for CS & R 693 (Fin) same title
 new title
and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note 125-2
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. 2d HCS CSSB 693 (Finance)
Title Relating to the Number of Superior Court Judges
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Alaska Court System
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Trial Courts
(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		23.7				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		.5				
500 EQUIPMENT		1.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		25.2				

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		25.2				
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 bill upgrades the Valdez District Court judge position to the Superior Court level. Funds will also upgrade a part-time clerk to full time.

A detailed analysis is attached.

IV. DATE 5/12/82

PREPARED BY Albert P. Adams, Chairman
AGENCY House Finance Committee

Original: Legislative Finance

PHONE _____

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

FY 83 Cost of Implementing HCS CSSB 693 (Finance)

JUDGE

Salary	9,396 (upgrade)
T.L. (1.0648)	<u>10,005</u>
	\$19,401

CLERK UPGRADE

Full time, Range 12B	. 22,400
Part-time, Range 10B (9 months)	<u>(14,958)</u>
Salary Difference	\$ 7,442
Benefits Difference	<u>1,620</u>
	\$ 9,062

TOTAL PERSONAL SERVICES	\$28,463
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Less Two Months Recruitment Time	(4,744)
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FIRST YEAR FUNDING	\$23,719
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COMMODITIES	500
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EQUIPMENT	<u>1,000</u>
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TOTAL FY 83 BUDGET	\$25,219
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1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 693 (2d 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 the numbers of superior court
7 judges; and providing for an effective date."

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

9 * Section 1. AS 22.10.120 is amended to read:

10 Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of
11 27 [23] judges, five [FOUR] of whom shall be judges in the first judi-
12 cial district, three [TWO] of whom shall be judges in the second judi-
13 cial district, 14 [12] of whom shall be judges in the third judicial
14 district, and five of whom shall be judges in the fourth judicial dis-
15 trict at the time of submitting the names of nominees to the governor
16 to fill a vacancy on the superior court bench, the judicial council shall
17 also designate the district in which the appointee is to reside and serve.

18 * Sec. 2. The Alaska Court System may enter into negotiations for lease
19 or rental space in Valdez for the use of the superior court.

20 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.
21 070(c).

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X

Original sponsors: Judiciary Committee

Offered: 5/14/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 693 (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 the numbers of superior court
7 judges and judicial elections; and providing for an
8 effective date."

9

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

10

* Section 1. AS 22.10.120 is amended to read:

11

Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of
12 27 [26] judges, five of whom shall be judges in the first judicial dis-
13 trict, three of whom shall be judges in the second judicial district, 14
14 of whom shall be judges in the third judicial district, and five of whom
15 shall be judges in the fourth judicial district. At the time of submit-
16 ting the names of nominees to the governor to fill a vacancy on the
17 superior court bench, the judicial council shall also designate the
18 district in which the appointee is to reside and serve.

19

* Sec. 2. The Alaska Court System may enter into negotiations for lease
20 or rental space in Valdez for the use of the superior court.

21

* Sec. 3. AS 22 is amended by adding a new chapter to read:

22

CHAPTER 18. RETENTION ELECTIONS.

23

Sec. 22.18.010. APPROVAL OR REJECTION OF SUPREME COURT JUSTICES.

24

Each supreme court justice is subject to approval or rejection as pro-
25 vided in the Alaska Election Code (AS 15). The judicial council shall
26 conduct an evaluation of each justice before his retention election and
27 shall provide to the public information about that justice and may
28 provide a recommendation regarding his retention or rejection. The
29 information and any recommendation shall be made public at least 60 days

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1 before the retention election. The judicial council shall also provide
2 the information and any recommendation to the office of the lieutenant
3 governor in time for publication in the election pamphlet under AS 15.-
4 58.050. If the majority of those voting on the question rejects his
5 candidacy, the former justice may not be appointed to fill a vacancy in
6 the supreme court, court of appeals, superior court, or district courts
7 of the state for a period of four years after the rejection.

8 Sec. 22.18.020. APPROVAL OR REJECTION OF COURT OF APPEALS JUDGES.
9 Each judge of the court of appeals is subject to approval or rejection
10 as provided in the Alaska Election Code (AS 15). The judicial council
11 shall conduct an evaluation of each judge before his retention election
12 and shall provide to the public information about the judge and may
13 provide a recommendation regarding his retention or rejection. The
14 information and any recommendation shall be made public at least 60 days
15 before the retention election. The judicial council shall also provide
16 the information and any recommendation to the office of the lieutenant
17 governor in time for publication in the election pamphlet under AS 15.-
18 58.050. If a majority of those voting on the question rejects his
19 candidacy, the former judge may not for a period of four years after the
20 rejection be appointed to fill a vacancy in the supreme court, court of
21 appeals, superior court, or district courts of the state.

22 Sec. 22.18.030. APPROVAL OR REJECTION OF SUPERIOR COURT JUDGES.
23 Each superior court judge is subject to approval or rejection as pro-
24 vided in AS 22.18.050 and the Alaska Election Code (AS 15). The judi-
25 cial council shall conduct an evaluation of each judge before his
26 retention election and shall provide to the public information about the
27 judge and may provide a recommendation regarding his retention or rejec-
28 tion. The information and any recommendation shall be made public at
29 least 60 days before the retention election. The judicial council shall

1 also provide the information and any recommendation to the office of the
2 lieutenant governor in time for publication in the election pamphlet
3 under AS 15.58.050. If a majority of those voting on the question
4 rejects his candidacy, the former judge may not for a period of four
5 years after the rejection be appointed to fill a vacancy in the supreme
6 court, court of appeals, superior court, or district courts of the
7 state.

8 Sec. 22.18.040. APPROVAL OR REJECTION OF DISTRICT COURT JUDGES.
9 Each district court judge is subject to approval or rejection as pro-
10 vided in AS 22.18.050 and the Alaska Election Code (AS 15). The judi-
11 cial council shall conduct an evaluation of each judge before his
12 retention election and shall provide to the public information about the
13 judge and may provide a recommendation regarding his retention or rejec-
14 tion. The information and any recommendation shall be made public at
15 least 60 days before the retention election. The judicial council shall
16 also provide the information and any recommendation to the office of the
17 lieutenant governor in time for publication in the election pamphlet
18 under AS 15.58.050. If a majority of those voting on the question
19 rejects his candidacy, the former district court judge may not for a
20 period of four years after the rejection be appointed to fill a vacancy
21 in the supreme court, court of appeals, superior court, or district
22 courts of the state.

23 Sec. 22.18.050. JUDICIAL RETENTION ELECTION DISTRICTS FOR THE
24 SUPERIOR AND DISTRICT COURTS. (a) Except as provided in (c) and (d)
25 of this section, if a judge of the superior or district court seeks
26 retention in office, the judge shall be voted on by the voters in the
27 judicial retention election district in which the judge is a resident.

28 (b) For purposes of this section, the judicial retention election
29 districts of the state are the election districts as they are described
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1 in art. XIV of the state constitution as it existed on March 19, 1959.

2 (c) If the judicial council certifies to the director of elections
3 that the judge seeking retention has routinely and frequently heard
4 cases that arise in a district outside of the district in which the
5 judge is resident, the judge will also be voted on for retention by the
6 voters in that district.

7 (d) If the judicial council certifies to the director of elections
8 that most of the cases heard by as judge seeking retention in office do
9 not arise in the district in which the judge is resident, then the judge
10 shall be voted on for retention only by the voters in the district or
11 districts in which he routinely and frequently hears cases.

12 * Sec. 4. AS 15.35.090 is amended to read:

13 Sec. 15.35.090. PLACING NAME OF SUPERIOR COURT JUDGE ON BALLOT.
14 The director shall place the name of a superior court judge who has
15 properly filled a declaration of candidacy for retention on the judicial
16 ballot in the [JUDICIAL] district or districts as provided under AS 22.-
17 18.050 [DESIGNATED IN HIS DECLARATION OF CANDIDACY FOR THE GENERAL
18 ELECTION AT WHICH APPROVAL IS SOUGHT].

19 * Sec. 5. AS 15.35.130 is amended to read:

20 Sec. 15.35.130. PLACING NAME OF DISTRICT JUDGE ON BALLOT. The
21 director shall place the name of a district judge who has properly filed
22 a declaration of candidacy for retention on the judicial ballot in the
23 [JUDICIAL] district or districts as provided under AS 22.18.050 [DESIG-
24 NATED IN HIS DECLARATION OF CANDIDACY FOR THE GENERAL ELECTION AT WHICH
25 APPROVAL IS SOUGHT].

26 * Sec. 6. AS 22.05.100, AS 22.07.060, AS 22.10.150, and AS 22.15.195 are
27 repealed.

28 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10-
29 070(c).

COMMITTEE REPORT

HOUSE

FURTHER:

(11)

5/6/82

Date: 5/13/82

Mr. Speaker:

The Committee on FINANCE has had CSSB 693(Fin)

"An Act changing the termination date of the law giving the supreme court authority over court facilities; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for CSSB 693(Fin) same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note (2)
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

COMMITTEE REPORT

HOUSE

FURTHER:

(11)

5/6/82

Date:

5/13/82

Mr. Speaker:

The Committee on FINANCE has had CSSB 693 (Fin)

"An Act changing the termination date of the law giving the supreme court authority over court facilities; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CSSB 693 (Fin) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note (2)
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsors: Judiciary Committee

Offered: 5/4/82
Referred: Rules

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 693 (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 the numbers of superior court
7 judges and judicial elections; and providing for an
8 effective date."

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

10 * Section 1. AS 22.10.120 is amended to read:

11 Sec. 22.10.120. NUMBER OF JUDGES. The superior court consists of
12 27 [26] judges, five of whom shall be judges in the first judicial dis-
13 trict, three of whom shall be judges in the second judicial district, 14
14 of whom shall be judges in the third judicial district, and five of whom
15 shall be judges in the fourth judicial district. At the time of submit-
16 ting the names of nominees to the governor to fill a vacancy on the
17 superior court bench, the judicial council shall also designate the
18 district in which the appointee is to reside and serve.

19 * Sec. 2. The Alaska Court System may enter into negotiations for lease
20 or rental space in Valdez for the use of the superior court.

21 * Sec. 3. AS 22 is amended by adding a new chapter to read:

22 CHAPTER 18. RETENTION ELECTIONS.

23 Sec. 22.18.010. APPROVAL OR REJECTION OF SUPREME COURT JUSTICES.
24 Each supreme court justice is subject to approval or rejection as pro-
25 vided in the Alaska Election Code (AS 15). The judicial council shall
26 conduct an evaluation of each justice before his retention election and
27 shall provide to the public information about that justice and may
28 provide a recommendation regarding his retention or rejection. The
29 information and any recommendation shall be made public at least 60 days
X

1 before the retention election. The judicial council shall also provide
2 the information and any recommendation to the office of the lieutenant
3 governor in time for publication in the election pamphlet under AS 15.-
4 58.050. If the majority of those voting on the question rejects his
5 candidacy, the former justice may not be appointed to fill a vacancy in
6 the supreme court, court of appeals, superior court, or district courts
7 of the state for a period of four years after the rejection.

8 Sec. 22.18.020. APPROVAL OR REJECTION OF COURT OF APPEALS JUDGES.
9 Each judge of the court of appeals is subject to approval or rejection
10 as provided in the Alaska Election Code (AS 15). The judicial council
11 shall conduct an evaluation of each judge before his retention election
12 and shall provide to the public information about the judge and may
13 provide a recommendation regarding his retention or rejection. The
14 information and any recommendation shall be made public at least 60 days
15 before the retention election. The judicial council shall also provide
16 the information and any recommendation to the office of the lieutenant
17 governor in time for publication in the election pamphlet under AS 15.-
18 58.050. If a majority of those voting on the question rejects his
19 candidacy, the former judge may not for a period of four years after the
20 rejection be appointed to fill a vacancy in the supreme court, court of
21 appeals, superior court, or district courts of the state.

22 Sec. 22.18.030. APPROVAL OR REJECTION OF SUPERIOR COURT JUDGES.
23 Each superior court judge is subject to approval or rejection as pro-
24 vided in AS 22.18.050 and the Alaska Election Code (AS 15). The judi-
25 cial council shall conduct an evaluation of each judge before his
26 retention election and shall provide to the public information about the
27 judge and may provide a recommendation regarding his retention or rejec-
28 tion. The information and any recommendation shall be made public at
29 least 60 days before the retention election. The judicial council shall
X

1 also provide the information and any recommendation to the office of the
2 lieutenant governor in time for publication in the election pamphlet
3 under AS 15.58.050. If a majority of those voting on the question
4 rejects his candidacy, the former judge may not for a period of four
5 years after the rejection be appointed to fill a vacancy in the supreme
6 court, court of appeals, superior court, or district courts of the
7 state.

8 Sec. 22.18.040. APPROVAL OR REJECTION OF DISTRICT COURT JUDGES.
9 Each district court judge is subject to approval or rejection as pro-
10 vided in AS 22.18.050 and the Alaska Election Code (AS 15). The judi-
11 cial council shall conduct an evaluation of each judge before his
12 retention election and shall provide to the public information about the
13 judge and may provide a recommendation regarding his retention or rejec-
14 tion. The information and any recommendation shall be made public at
15 least 60 days before the retention election. The judicial council shall
16 also provide the information and any recommendation to the office of the
17 lieutenant governor in time for publication in the election pamphlet
18 under AS 15.58.050. If a majority of those voting on the question
19 rejects his candidacy, the former district court judge may not for a
20 period of four years after the rejection be appointed to fill a vacancy
21 in the supreme court, court of appeals, superior court, or district
22 courts of the state.

23 Sec. 22.18.050. JUDICIAL RETENTION ELECTION DISTRICTS FOR THE
24 SUPERIOR AND DISTRICT COURTS. (a) Except as provided in (c) and (d)
25 of this section, if a judge of the superior or district court seeks
26 retention in office, the judge shall be voted on by the voters in the
27 judicial retention election district in which the judge is a resident.

28 (b) For purposes of this section, the judicial retention election
29 districts of the state are the election districts as they are described
X

1 in art. XIV of the state constitution as it existed on March 19, 1959:

2 (c) If the judicial council certifies to the director of elections
3 that the judge seeking retention has routinely and frequently heard
4 cases that arise in a district outside of the district in which the
5 judge is resident, the judge will also be voted on for retention by the
6 voters in that district.

7 (d) If the judicial council certifies to the director of elections
8 that most of the cases heard by a judge seeking retention in office do
9 not arise in the district in which the judge is resident, then the judge
10 shall be voted on for retention only by the voters in the district or
11 districts in which he routinely and frequently hears cases.

12 * Sec. 4. AS 15.35.090 is amended to read:

13 Sec. 15.35.090. PLACING NAME OF SUPERIOR COURT JUDGE ON BALLOT.
14 The director shall place the name of a superior court judge who has
15 properly filled a declaration of candidacy for retention on the judicial
16 ballot in the [JUDICIAL] district or districts as provided under AS 22.
17 18.050 [DESIGNATED IN HIS DECLARATION OF CANDIDACY FOR THE GENERAL
18 ELECTION AT WHICH APPROVAL IS SOUGHT].

19 * Sec. 5. AS 15.35.130 is amended to read:

20 Sec. 15.35.130. PLACING NAME OF DISTRICT JUDGE ON BALLOT. The
21 director shall place the name of a district judge who has properly filed
22 a declaration of candidacy for retention on the judicial ballot in the
23 [JUDICIAL] district or districts as provided under AS 22.18.050 [DESIG-
24 NATED IN HIS DECLARATION OF CANDIDACY FOR THE GENERAL ELECTION AT WHICH
25 APPROVAL IS SOUGHT].

26 * Sec. 6. AS 22.05.100, AS 22.07.060, AS 22.10.150, and AS 22.15.195 are
27 repealed.

28 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10-
29 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 693 (Finance)
Title Relating to the Number of Superior Court Judges
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Alaska Court System
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Trial Courts
(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		23.7				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		.5				
500 EQUIPMENT		1.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		25.2				

FUNDING (Thousands of Dollars)

GENERAL FUND		25.2				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill upgrades the Valdez District Court judge position to the Superior Court level. Funds will also upgrade a part-time clerk to full time.

A detailed analysis is attached.

IV. DATE 5/12/82

PREPARED BY Albert P. Adams, Chairman
AGENCY House Finance Committee

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

FY 83 Cost of Implementing HCS CSSB 693 (Finance)

JUDGE

Salary	9,396 (upgraded)
T.L. (1.0648)	<u>10,005</u>
	\$19,401

CLERK UPGRADE

Full time, Range 12B	22,400
Part-time, Range 10B (9 months)	<u>(14,958)</u>
Salary Difference	\$ 7,442
Benefits Difference	<u>1,620</u>
	\$ 9,062

TOTAL PERSONAL SERVICES \$28,463

Less Two Months
Recruitment Time (4,744)

FIRST YEAR FUNDING \$23,719

COMMODITIES 500

EQUIPMENT 1,000

TOTAL FY 83 BUDGET \$25,219

ce

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST HCS CSSB 693 (Finance)
Bill/Resolution No. House Bill No. 624 / - A "An Act relating
Title to judicial retention elections; and providing for an effective
Requested by House Judiciary Date 2/2/82 date."

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Division of Elections
BRU, Program, Or Subprogram(s) Affected Division of Elections
(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		66.0		81.8		101.4
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	66.0	-0-	81.8	-0-	101.4

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-0-	66.0	-0-	81.8	-0-	101.4
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

No additional positions required.

	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)

ASSUME:

1. The passage of this legislation will initially affect the 1982 Election ballots.
2. There would be 24 election districts as were designated in 1959.
3. Necessity of 24 separate ballots—one for each of the judicial election district
4. Additional 12% inflation for each of the subsequent election years affected (x2 since the Division of Elections operates on a two-year budget cycle).

No additional funds are required beyond the Contractual Services area. Additional postage, printing and advertising costs will be required for the printing of 24 separate ballots, the printing of additional Official Election Pamphlet pages, advertising costs and additional postage for the Pamphlet.

IV. DATE 2/3/82 PREPARED BY Danith D. Arnoldt *Danith D. Arnoldt*
AGENCY Division of Elections
PHONE 586-6181
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
 Bill/Resolution No. CS SB 693 Changing termination date of law ...
 Title supreme court authority over court facilities
 Requested by House Judiciary Date 4/20/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 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	-0-	-0-				

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)

The assumption is that there are sufficient funds between the court and DOT/PF.

IV. DATE 4/20/82 PREPARED BY *RL* Ron B. Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Offered: 4/7/82
Referred: Rules

Original sponsor: Judiciary Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 693 (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 changing the termination date of the law giving
7 the supreme court authority over court facilities; and
8 providing for an effective date."

9

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

10

* Section 1. Section 3, ch. 160, SLA 1980, is amended to read:

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Sec. 3. This Act terminates June 30, 1984 [1982].

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* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

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070(c).

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