

LEG. FINANCE - BILLS 1983 - 1984 1937

HB 530 cont. - HB 535 HB 536 1937

1 (a) Except as otherwise provided in this chapter and AS 12.05.-
2 020, AS 12.55.007, and AS 12.80.060, proceedings [PROCEEDINGS] relat-
3 ing to a minor under 18 years of age residing or found in the state
4 are governed by this chapter [, EXCEPT AS OTHERWISE PROVIDED IN THIS
5 CHAPTER,] when the court finds the minor

6 (1) to be a delinquent minor as a result of violating a
7 criminal law of the state or of a municipality of the state; or

8 (2) to be a child in need of aid as a result of

9 (A) the child being habitually absent from the child's
10 [HIS] home or refusing to accept available care, or having no
11 parent, guardian, custodian or relative caring or willing to care
12 for the child [HIM], including physical abandonment by

13 (i) both parents,

14 (ii) the surviving parent, or

15 (iii) one parent if the other parent's rights and
16 responsibilities have been terminated under AS 47.10.080 or
17 voluntarily relinquished;

18 (B) the child being in need of medical treatment to
19 cure, alleviate, or prevent [HIS] suffering substantial physical
20 harm, or mental harm as evidenced by failure to thrive, severe
21 anxiety, depression, withdrawal, or untoward aggressive behavior
22 or hostility toward others, and the [HIS] parents of the child
23 are unwilling to provide the medical treatment;

24 (C) the child having suffered substantial physical
25 harm or if there is an imminent and substantial risk that the
26 child will suffer such harm as a result of the actions done by or
27 conditions created by the [HIS] parent, guardian or custodian of
28 the child or the failure of the [HIS] parent, guardian or custo-
29 dian of the child adequately to supervise the child [HIM];

1 (D) the child having been sexually abused either by
2 the [HIS] parent, guardian or custodian of the child, or as a
3 result of conditions created by the [HIS] parent, guardian or
4 custodian of the child, or by the failure of the [HIS] parent,
5 guardian or custodian of the child adequately to supervise the
6 child [HIM];

7 (E) the child committing delinquent acts as a result
8 of pressure, guidance, or approval from the [HIS] parents, guard-
9 ian or custodian of the child; [.]

10 (F) the child having suffered substantial physical
11 abuse or neglect as a result of conditions created by the
12 [CHILD'S] parent, guardian or custodian of the child.

13 * Sec. 9. AS 47.10.060 is repealed and reenacted to read:

14 Sec. 47.10.060. WAIVER OF JURISDICTION. (a) Upon motion of the
15 prosecutor, and after a hearing, the court shall waive children's
16 court jurisdiction over a person under the age of 18 if the court
17 finds, based upon the preponderance of the evidence,

18 (1) that there is probable cause to believe that the person
19 has committed an offense which would be a felony if committed by an
20 adult; and

21 (2) that there is no substantial likelihood that the person
22 can be successfully rehabilitated under children's court proceedings.

23 (b) In determining the likelihood of successful rehabilitation
24 under children's court proceedings, the court shall consider

25 (1) the seriousness of the offense;

26 (2) whether the offense constituted a substantial danger to
27 the public;

28 (3) whether the offense was committed in an aggressive,
29 violent, premeditated, or willful manner;

1 (4) whether the offense was against persons or against
2 property, greater weight being given to an offense against persons,
3 especially if personal injury resulted;

4 (5) whether the offense is part of a repetitive pattern of
5 delinquent acts, even though previous offenses may have been less
6 serious;

7 (6) the age, maturity, educational background, and degree
8 of criminal sophistication of the person;

9 (7) the success of any previous attempts to rehabilitate
10 the person;

11 (8) whether children's court jurisdiction over the person
12 can be retained long enough to allow for effective treatment or reha-
13 bilitation; and

14 (9) the treatment resources available under children's
15 court proceedings.

16 (c) The court shall determine the weight to be given to each of
17 the factors listed in (b) of this section and shall issue a written
18 decision. A finding that there is no substantial likelihood of suc-
19 cessful rehabilitation of the person under children's court proceed-
20 ings may be based on any one or a combination of the factors. If the
21 court waives children's court jurisdiction over a person, the court
22 shall order the children's court proceeding closed and the person
23 shall then be prosecuted as an adult.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

HB 535

Revision Date: _____

REQUEST

FISCAL DETAIL

Bill/Resolution No.: HB 535 Agency Affected: All State Agencies
 Title: An Act relating to purchase of group life insurance by retirees. Program Category Affected: Health Insurance
 Sponsor: Shultz BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL _____

REVENUE _____

FUNDING: (Thousands of Dollars)

General Fund						
Federal Funds						
Other						
Total	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys Phone: 465-4460
 Division: Retirement & Benefits Date: 2-3-84

Approved by Commissioner: Lisa Rudd Date: 2/8/84
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

(Page 2 of 2)

House Bill 535
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

February 3, 1984

IV Analysis: This bill would allow retirees age 65 and older to continue to purchase optional group life insurance. Currently, retirees are ineligible to purchase this insurance after age 65.

There is no cost to the State. Premiums for this insurance would be paid by the retiree.

Offered: 3/7/84
Referred: Finance

Original sponsor: Shultz

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 535 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the purchase of group life insur-
7 ance by former state employees and others."

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

9 * Section 1. AS 39.30.090 is amended to read:

10 Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department
11 of Administration may obtain a policy or policies of group insurance
12 covering state employees, persons entitled to coverage under AS 14.-
13 25.168, AS 22.25.090, AS 39.35.535 or former AS 39.37.145, or employ-
14 ees of other participating governmental units, subject to the follow-
15 ing conditions:

16 (1) A group insurance policy shall provide one or more of
17 the following benefits: life insurance, accidental death and dismem-
18 berment insurance, weekly indemnity insurance, hospital expense insur-
19 ance, surgical expense insurance, dental expense insurance, audio-
20 visual insurance, or other medical care insurance.

21 (2) Each eligible employee of the state, the spouse and the
22 unmarried children chiefly dependent on the eligible employee for
23 support, and each eligible employee of another participating govern-
24 mental unit shall be covered by the group policy, unless exempt under
25 regulations adopted by the commissioner of administration.

26 (3) A governmental unit may participate under a group
27 policy if

28 (A) its governing body adopts a resolution authorizing
29 participation, and payment of required premiums;

1 [[9]] of this section shall pay the cost of this insurance.

2 [[13] Repealed]

3 (9) [[14)] For each permanent part-time employee electing
4 coverage under this section, the state shall contribute one-half the
5 state contribution rate for permanent full-time state employees, and
6 the permanent part-time employee shall contribute the other one-half.

7 (10) [[15)] A person receiving benefits under AS 14.25,
8 AS 22.25, AS 39.35, or former AS 39.37 may obtain auditory, visual,
9 and dental insurance for that person and eligible dependents under
10 this section. The level of coverage for persons over 65 shall be the
11 same as that available before reaching age 65 except that the benefits
12 payable shall be supplemental to any benefits provided under the
13 federal old age, survivors, and disability insurance program. A
14 person electing to have insurance under this paragraph shall pay the
15 cost of the insurance. The commissioner of administration shall adopt
16 regulations implementing this paragraph.

17 * Sec. 2. LIMITED ENROLLMENT PERIOD. A person who, before the
18 effective date of this Act, was ineligible to continue life insurance
19 coverage under AS 39.30.090 because the person was 65 years of age or
20 older, or whose coverage under AS 39.30.090 was terminated because the
21 person reached age 65 before the effective date of this Act, is entitled to
22 enroll for coverage under AS 39.30.090 if the person applies for enrollment
23 within one year after the effective date of this Act.

CORRECTION

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

Offered: 3/7/84
Referred: Finance

Original sponsor: Shultz

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20 visual insurance, or other medical care insurance.

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22 unmarried children chiefly dependent on the eligible employee for
23 support, and each eligible employee of another participating govern-
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25 regulations adopted by the commissioner of administration.

26 (3) A governmental unit may participate under a group
27 policy if

28 (A) its governing body adopts a resolution authorizing
29 participation, and payment of required premiums;

1 (B) a certified copy of the resolution is filed with
2 the Department of Administration; and

3 (C) the commissioner of administration approves the
4 participation in writing.

5 [(4) Repealed

6 (5) Repealed]

7 (4) [(6)] The Department of Administration shall obtain the
8 insurance policy from any insurer authorized to transact business in
9 the state under AS 21.09 and AS 21.90.

10 (5) [(7)] The Department of Administration shall make
11 available bid specifications for desired insurance benefits to all
12 insurance carriers licensed in the state and qualified to provide the
13 desired benefits. The specifications shall be made available on or
14 before July 1, 1965, and at least once every succeeding five years.
15 The lowest responsible bid submitted by an insurance carrier with
16 adequate servicing facilities shall govern selection of a carrier
17 under this section.

18 (6) [(8)] If the aggregate of dividends payable under the
19 group insurance policy exceeds the governmental unit's share of the
20 premium, the excess shall be applied by the governmental unit for the
21 sole benefit of the employees.

22 (7) [(9)] A person receiving benefits under AS 14.25.110,
23 AS 22.25, AS 39.35, or former AS 39.37 [WHO IS NOT 65 YEARS OF AGE]
24 may continue the life insurance coverage that was in effect under this
25 section at the time of termination of employment with the state or
26 participating governmental unit.

27 [(10) Repealed

28 (11) Repealed]

29 (8) [(12)] A person electing to have insurance under (7)

1 [[9]] of this section shall pay the cost of this insurance.

2 [[13] Repealed]

3 (9) [[14]] For each permanent part-time employee electing
4 coverage under this section, the state shall contribute one-half the
5 state contribution rate for permanent full-time state employees, and
6 the permanent part-time employee shall contribute the other one-half.

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23 within one year after the effective date of this Act.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____
(Page 1 of 2)

REQUEST

FISCAL DETAIL

Bill/Resolution No.: CSHB 535 (SA) Agency Affected: All State Agencies
 Title: "An Act relating to Program Category Affected: Health Insurance
purchase of group life insurance by retirees.
 Sponsor: _____ BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund						
Federal Funds						
Other						
Total	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys Phone: 465-4460
 Division: Retirement & Benefits Date: 3-12-84

Approved by Commissioner: Lisa Rudd Date: 3-15-84
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

(Page 2 of 2)

CSHB 535
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

March 12, 1984

IV Analysis: This bill would allow retirees age 65 and older to continue to purchase optional group life insurance. Currently, retirees are ineligible to purchase this insurance after age 65.

In addition, it provides that those persons who were previously ineligible to enroll in optional life coverage because they were over 65 years of age at retirement or whose coverage was terminated when they reached age 65 would be allowed to enroll within one year after the effective date of this Act.

There is no cost to the State. Premiums for this insurance would be paid by the retiree.

BACKGROUND

HB 535

House Bill 535 is a single purpose piece of legislation designed to allowed retired state employees to continue their group life insurance after age 65. They would be required to pay the premiums on this coverage.

HB 535 arose from complaints from a constituent in House District 17 who is a retired state employee. At the time of her retirement, the group life insurance policy with the state was her only life coverage. By the time she was informed that she was no longer covered, her age made it impossible to purchase life insurance on the open market at a reasonable rate.

Cost of funerals in small, interior communities is very high. This is primarily due to the fact that graves cannot be dug in the winter, and bodies must therefore either be cremated or held in cold storage until after break-up.

ANALYSIS

HB 535

"An Act relating to the purchase of group life insurance by former state employees and others."

Page 1, Lines 10-15

Provides that the state may obtain group insurance for state employees: the reference to AS 14.25.168 concerns educational employees; the reference to AS 22.25.090 concerns judicial employees; the reference to AS 39.35.535 concerns peace officers and firefighters; and the reference to AS 39.37.145 concerns elected public officers. Under this section, this legislation would apply to each of these classifications.

Page 1, Lines 16-20

Lists the types of coverage available (same as current law).

Page 1, Lines 21-25

Lists who is eligible for coverage (includes dependents) and (same as current law).

Page 1, Lines 26-29 and Page 2, Lines 1-4

Provides that governmental units, such as local school districts, the University of Alaska and local governments may participate in the state program (same as current law).

Page 2, Lines 5-6

Removes sections previously repealed (to clean up the statutes).

Page 2, Line 7-9

Provides that the state must do business with an insurer licensed to conduct business in the State (same as current law).

Page 2, Line 10-17

Provides that the state must bid its' insurance coverage (same as current law).

Page 2, Line 18-21

Provides that governmental units must pay any costs in excess of those paid by the state for its' own employees (same as current law).

Page 2, Lines 22-26

AMENDS current law to remove the exclusion of persons over the age of 65 for participation in the program.

Page 2, Lines 27-28

Removes sections previously repealed (to clean up the statutes).

Position Paper

HB 535

The Department of Administration supports this bill. It offers retirees the choice of continuing to purchase optional group life insurance coverage beyond the current limit of age 65. This flexibility can be achieved with no cost to the state. Favorable premium rates would benefit the retiree.

J. K. Humphreys
J.K. Humphreys, Director, Division of Retirement & Benefits

2-3-84
Date

Clement Anderson
for Lisa Rudd, Commissioner, Department of Administration

2/8/84
Date

HB 535



Alaska Public
Employees Association **APEA**
State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 585-2334

MEMORANDUM

COPY FOR YOUR
INFORMATION

TO: Representative John Cawdery, Chairman
House Labor and Commerce Committee

FROM: Cherie Shelley *CS*
Executive Director

SUBJECT: HB 535

DATE: February 7, 1984

The Alaska Public Employees Association fully supports the provisions of HB 535 allowing all former public employees to continue to purchase group life insurance regardless of age.

This legislation will remove discriminatory language from state statute and make insurance coverage available at a time when people need it the most.

Cost to the state will be minimal since the premium will be paid by the former employees.

CS/rb

CORRECTION

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ANALYSIS

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Provides that governmental units must pay any costs in excess of those paid by the state for its' own employees (same as current law).

Page 2, Lines 22-26

AMENDS current law to remove the exclusion of persons over the age of 65 for participation in the program.

Page 2, Lines 27-28

Removes sections previously repealed (to clean up the statutes).

Page 2, Line 29 and Page 3, Line 1

AMENDS current law to provide that persons over the age of 65 who elect to continue coverage must pay the premiums for such coverage.

Page 3, Line 2

Remove section previously repealed (to clean up the statutes).

Page 3, Lines 3-6

Provides that part-time employees of the state shall pay one-half of the cost of any insurance they elect to receive (same as current law).

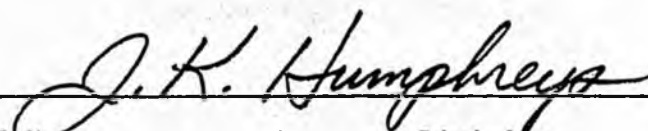
Page 3, Lines 7-16

Provides for auditory, visual and dental insurance (same as current law).

Position Paper

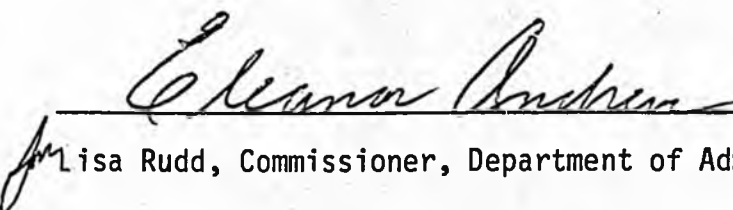
HB 535

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J.K. Humphreys, Director, Division of Retirement & Benefits

2-3-84
Date



Lisa Rudd, Commissioner, Department of Administration

2/8/84
Date

HB 535



Alaska Public Employees Association **APEA**
State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

**COPY FOR YOUR
INFORMATION**

TO: Representative John Cowdery, Chairman
House Labor and Commerce Committee

FROM: Cherie Shelle *[Signature]*
Executive Director

SUBJECT: HB 535

DATE: February 7, 1984

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This legislation will remove discriminatory language from state statute and make insurance coverage available at a time when people need it the most.

Cost to the state will be minimal since the premium will be paid by the former employees.

CS/rb



THE
UNIVERSITY
OF ALASKA,
JUNEAU

11120 GLACIER HIGHWAY
JUNEAU, ALASKA 99801
907-789-2101

February 23, 1984

The Honorable Richard Schultz
House of Representatives
State of Alaska
Pouch V
Juneau, AK 99811

Dear Representative Schultz:

After talking with you on the phone the other day, I asked the University of Alaska Risk Manager to review HB 535 as it relates to University employees. After reviewing the proposed legislation he stated that this is a desirable bill because of the limited insurance opportunities available to retired employees. Therefore, the University of Alaska is happy to support HB 535.

Thank you for introducing this important legislation.

Sincerely yours,

A handwritten signature in cursive script that reads 'W. Russell Jones'.

W. Russell Jones
Special Assistant
for Legislative Affairs

mlf

cc: ✓ Honorable Mitch Abood, Chairman
House State Affairs Committee
Honorable John Cowdery, Chairman
House Labor and Commerce Committee
Honorable Albert P. Adams, Chairman
House Finance Committee

Offered: 3/7/84
Referred: Finance

Original sponsor: Shultz

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23 within one year after the effective date of this Act.

Introduced: 1/23/84
Referred: Labor & Commerce,
State Affairs and Finance

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 535

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the purchase of group life insurance by former state employees and others."

7

8

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

9

* Section 1. AS 39.30.090 is amended to read:

10

Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department

11

of Administration may obtain a policy or policies of group insurance

12

covering state employees, persons entitled to coverage under AS 14.-

13

25.168, AS 22.25.090, AS 39.35.535 or former AS 39.37.145, or employ-

14

ees of other participating governmental units, subject to the follow-

15

ing conditions:

16

(1) A group insurance policy shall provide one or more of

17

the following benefits: life insurance, accidental death and dismem-

18

berment insurance, weekly indemnity insurance, hospital expense insur-

19

ance, surgical expense insurance, dental expense insurance, audio-

20

visual insurance, or other medical care insurance.

21

(2) Each eligible employee of the state, the spouse and the

22

unmarried children chiefly dependent on the eligible employee for

23

support, and each eligible employee of another participating govern-

24

mental unit shall be covered by the group policy, unless exempt under

25

regulations adopted by the commissioner of administration.

26

(3) A governmental unit may participate under a group

27

policy if

28

(A) its governing body adopts a resolution authorizing

29

participation, and payment of required premiums;

1 (B) a certified copy of the resolution is filed with
2 the Department of Administration; and

3 (C) the commissioner of administration approves the
4 participation in writing.

5 [(4) Repealed

6 (5) Repealed]

7 (4) [(6)] The Department of Administration shall obtain the
8 insurance policy from any insurer authorized to transact business in
9 the state under AS 21.09 and AS 21.90.

10 (5) [(7)] The Department of Administration shall make
11 available bid specifications for desired insurance benefits to all
12 insurance carriers licensed in the state and qualified to provide the
13 desired benefits. The specifications shall be made available on or
14 before July 1, 1965, and at least once every succeeding five years.
15 The lowest responsible bid submitted by an insurance carrier with
16 adequate servicing facilities shall govern selection of a carrier
17 under this section.

18 (6) [(8)] If the aggregate of dividends payable under the
19 group insurance policy exceeds the governmental unit's share of the
20 premium, the excess shall be applied by the governmental unit for the
21 sole benefit of the employees.

22 (7) [(9)] A person receiving benefits under AS 14.25.110,
23 AS 22.25, AS 39.35, or former AS 39.37 [WHO IS NOT 65 YEARS OF AGE]
24 may continue the life insurance coverage that was in effect under this
25 section at the time of termination of employment with the state or
26 participating governmental unit.

27 [(10) Repealed

28 (11) Repealed]

29 (8) [(12)] A person electing to have insurance under (7)

1 [[9]] of this section shall pay the cost of this insurance.

2 [[13) Repealed]

3 (9) [[14)] For each permanent part-time employee electing
4 coverage under this section, the state shall contribute one-half the
5 state contribution rate for permanent full-time state employees, and
6 the permanent part-time employee shall contribute the other one-half.

7 (10) [[15)] A person receiving benefits under AS 14.25,
8 AS 22.25, AS 39.35, or former AS 39.37 may obtain auditory, visual,
9 and dental insurance for that person and eligible dependents under
10 this section. The level of coverage for persons over 65 shall be the
11 same as that available before reaching age 65 except that the benefits
12 payable shall be supplemental to any benefits provided under the
13 federal old age, survivors, and disability insurance program. A
14 person electing to have insurance under this paragraph shall pay the
15 cost of the insurance. The commissioner of administration shall adopt
16 regulations implementing this paragraph.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Handwritten initials

Page 1 of 2

Revision Date: _____

(Page 1 of 2)

REQUEST

FISCAL DETAIL

Bill/Resolution No.: CSHB 535 (SA) Agency Affected: All State Agencies
 Title: "An Act relating to Program Category Affected: Health Insurance
purchase of group life insurance by retirees.
 Sponsor: _____ BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

General Fund						
Federal Funds						
Other						
Total	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys *J.K. Humphreys* Phone: 465-4460
 Division: Retirement & Benefits Date: 3-12-84

Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 3-15-84
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CSHB 535 (SA)
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

March 12, 1984

IV Analysis: This bill would allow retirees age 65 and older to continue to purchase optional group life insurance. Currently, retirees are ineligible to purchase this insurance after age 65.

In addition, it provides that those persons who were previously ineligible to enroll in optional life coverage because they were over 65 years of age at retirement or whose coverage was terminated when they reached age 65 would be allowed to enroll within one year after the effective date of this Act.

There is no cost to the State. Premiums for this insurance would be paid by the retiree.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST Bill/Resolution No.: HB 535 FISCAL DETAIL Agency Affected: All State Agencies
 Title: An Act relating to purchase of group life insurance by retirees. Program Category Affected: Health Insurance
 Sponsor: Shultz BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Pmnt. & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct.						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

General Fund						
Federal Funds						
Other						
Total	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys Phone: 465-4460
 Division: Retirement & Benefits Date: 2-3-84

Approved by Commissioner: Lisa Rudd Date: 2/5/84
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

(Page 2 of 2)

House Bill 535
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

February 3, 1984

IV Analysis: This bill would allow retirees age 65 and older to continue to purchase optional group life insurance. Currently, retirees are ineligible to purchase this insurance after age 65.

There is no cost to the State. Premiums for this insurance would be paid by the retiree.

Position Paper

HR 535

The Department of Administration supports this bill. It offers retirees the choice of continuing to purchase optional group life insurance coverage beyond the current limit of age 65. This flexibility can be achieved with no cost to the state. Favorable premium rates would benefit the retiree.

J. K. Humphreys
J.K. Humphreys, Director, Division of Retirement & Benefits

2-3-84
Date

Lisa Rudd
Lisa Rudd, Commissioner, Department of Administration

2/2/84
Date



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Administration	Sponsor (Principal) Shultz	Bill Number HB 535
Department Position The department supports this bill.		
Division Director J.K. Humphreys	Date 2-3-84	Commissioner's Signature Lisa Rudd
		Date 2/21/84

GOVERNOR'S OFFICE USE

Comments:

<input type="checkbox"/> Position Noted	By	Date
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SUMMARY

1. a) Related Bills (Similar or Conflicting) none	1. b) Other Agencies Affected by Bill
2. a) Organizational Support for Bill Unknown	2. b) Organizational Opposition to Bill Unknown

3. Program Effects of Bill

This bill would allow retirees to continue to purchase optional life insurance coverage beyond the current age limit of 65.

4. Fiscal Impact: None Fiscal Note Attached

5. Amendments Proposed:

6. Comments:

If this bill becomes law retirees who became ineligible in the past because of age and those who retired after reaching age 65 and were never eligible, would be given the opportunity to re-enroll in this coverage without evidence of insurability.

BACKGROUND

HB 535

House Bill 535 is a single purpose piece of legislation designed to allowed retired state employees to continue their group life insurance after age 65. They would be required to pay the premiums on this coverage.

HB 535 arose from complaints from a constituent in House District 17 who is a retired state employee. At the time of her retirement, the group life insurance policy with the state was her only life coverage. By the time she was informed that she was no longer covered, her age made it impossible to purchase life insurance on the open market at a reasonable rate.

Cost of funerals in small, interior communities is very high. This is primarily due to the fact that graves cannot be dug in the winter, and bodies must therefore either be cremated or held in cold storage until after break-up.

HB 535



Alaska Public Employees Association **APEA**
State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

COPY FOR YOUR INFORMATION

TO: Representative John Cowdery, Chairman
House Labor and Commerce Committee

FROM: Cherie Shelley *[Signature]*
Executive Director

SUBJECT: HB 535

DATE: February 7, 1984

The Alaska Public Employees Association fully supports the provisions of HB 535 allowing all former public employees to continue to purchase group life insurance regardless of age.

This legislation will remove discriminatory language from state statute and make insurance coverage available at a time when people need it the most.

Cost to the state will be minimal since the premium will be paid by the former employees.

CS/rb

Fairbanks Field Office
825-D College Road
Fairbanks, AK 99701
Telephone: (907) 456-5412

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
Telephone: (907) 274-1688

Juneau Field Office
227 4th Street
Juneau, AK 99801
Telephone: (907) 586-6305



THE
UNIVERSITY
OF ALASKA,
JUNEAU

11120 GLACIER HIGHWAY
JUNEAU, ALASKA 99801
907-789-2101

February 23, 1984

The Honorable Richard Schultz
House of Representatives
State of Alaska
Pouch V
Juneau, AK 99811

Dear Representative Schultz:

After talking with you on the phone the other day, I asked the University of Alaska Risk Manager to review HB 535 as it relates to University employees. After reviewing the proposed legislation he stated that this is a desirable bill because of the limited insurance opportunities available to retired employees. Therefore, the University of Alaska is happy to support HB 535.

Thank you for introducing this important legislation.

Sincerely yours,

A handwritten signature in cursive script that reads 'W. Russell Jones'.

W. Russell Jones
Special Assistant
for Legislative Affairs

mlf

cc: ✓ Honorable Mitch Abood, Chairman
House State Affairs Committee
Honorable John Cowdery, Chairman
House Labor and Commerce Committee
Honorable Albert P. Adams, Chairman
House Finance Committee

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

3/22/84

Date

4/3/84

Mr. President

The Committee on LABOR AND COMMERCE considered CSHB 535(SA)
purchase of group life insurance by former state employees and others.

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

- ^{ma} do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]

Chairman

[Handwritten signature]

Chairman recommendation

Offered: 3/7/84
Referred: Finance

Original sponsor: Shultz

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 535 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the purchase of group life insur-
7 ance by former state employees and others."

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

9 * Section 1. AS 39.30.090 is amended to read:

10 Sec. 39.30.090. PROCUREMENT OF GROUP INSURANCE. The Department
11 of Administration may obtain a policy or policies of group insurance
12 covering state employees, persons entitled to coverage under AS 14.-
13 25.168, AS 22.25.090, AS 39.35.535 or former AS 39.37.145, or employ-
14 ees of other participating governmental units, subject to the follow-
15 ing conditions:

16 (1) A group insurance policy shall provide one or more of
17 the following benefits: life insurance, accidental death and dismem-
18 berment insurance, weekly indemnity insurance, hospital expense insur-
19 ance, surgical expense insurance, dental expense insurance, audio-
20 visual insurance, or other medical care insurance.

21 (2) Each eligible employee of the state, the spouse and the
22 unmarried children chiefly dependent on the eligible employee for
23 support, and each eligible employee of another participating govern-
24 mental unit shall be covered by the group policy, unless exempt under
25 regulations adopted by the commissioner of administration.

26 (3) A governmental unit may participate under a group
27 policy if

28 (A) its governing body adopts a resolution authorizing
29 participation, and payment of required premiums;

1 (B) a certified copy of the resolution is filed with
2 the Department of Administration; and

3 (C) the commissioner of administration approves the
4 participation in writing.

5 [(4) Repealed

6 (5) Repealed]

7 (4) [(6)] The Department of Administration shall obtain the
8 insurance policy from any insurer authorized to transact business in
9 the state under AS 21.09 and AS 21.90.

10 (5) [(7)] The Department of Administration shall make
11 available bid specifications for desired insurance benefits to all
12 insurance carriers licensed in the state and qualified to provide the
13 desired benefits. The specifications shall be made available on or
14 before July 1, 1965, and at least once every succeeding five years.
15 The lowest responsible bid submitted by an insurance carrier with
16 adequate servicing facilities shall govern selection of a carrier
17 under this section.

18 (6) [(8)] If the aggregate of dividends payable under the
19 group insurance policy exceeds the governmental unit's share of the
20 premium, the excess shall be applied by the governmental unit for the
21 sole benefit of the employees.

22 (7) [(9)] A person receiving benefits under AS 14.25.110,
23 AS 22.25, AS 39.35, or former AS 39.37 [WHO IS NOT 65 YEARS OF AGE]
24 may continue the life insurance coverage that was in effect under this
25 section at the time of termination of employment with the state or
26 participating governmental unit.

27 [(10) Repealed

28 (11) Repealed]

29 (8) [(12)] A person electing to have insurance under (7)

1 [(9)] of this section shall pay the cost of this insurance.

2 [(13) Repealed]

3 (9) [(14)] For each permanent part-time employee electing
4 coverage under this section, the state shall contribute one-half the
5 state contribution rate for permanent full-time state employees, and
6 the permanent part-time employee shall contribute the other one-half.

7 (10) [(15)] A person receiving benefits under AS 14.25,
8 AS 22.25, AS 39.35, or former AS 39.37 may obtain auditory, visual,
9 and dental insurance for that person and eligible dependents under
10 this section. The level of coverage for persons over 65 shall be the
11 same as that available before reaching age 65 except that the benefits
12 payable shall be supplemental to any benefits provided under the
13 federal old age, survivors, and disability insurance program. A
14 person electing to have insurance under this paragraph shall pay the
15 cost of the insurance. The commissioner of administration shall adopt
16 regulations implementing this paragraph.

17 * Sec. 2. LIMITED ENROLLMENT PERIOD. A person who, before the
18 effective date of this Act, was ineligible to continue life insurance
19 coverage under AS 39.30.090 because the person was 65 years of age or
20 older, or whose coverage under AS 39.30.090 was terminated because the
21 person reached age 65 before the effective date of this Act, is entitled to
22 enroll for coverage under AS 39.30.090 if the person applies for enrollment
23 within one year after the effective date of this Act.

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 536 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to continuing appropriations for
7 bond debt service; making special annual appropria-
8 tions from certain revolving loan funds; and provid-
9 ing for an effective date."

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

11 * Section 1. AS 37.15.012 is amended to read:

12 Sec. 37.15.012. CONTINUING DEBT SERVICE APPROPRIATION. The
13 amounts required annually to pay the principal, interest, and redemp-
14 tion premium on all issued and outstanding general obligation bonds of
15 the state are appropriated [ON JULY 1 OF] each fiscal year from the
16 general fund to the state bond committee to make all required payments
17 of principal, interest, and redemption premium.

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

19 Sec. 37.15.415. CONTINUING REVENUE BOND DEBT SERVICE APPRO-
20 PRIATION. The amounts required annually to pay the principal, inter-
21 est, and redemption premium on all issued and outstanding internation-
22 al airports revenue bonds of the state are appropriated each fiscal
23 year from the international airports revenue fund to the state bond
24 committee to make all required payments of principal, interest, and
25 redemption premium.

26 * Sec. 3. TOURISM REVOLVING FUND. The cash balance of the tourism
27 revolving fund, attributable to loans owned by that fund as of June 30 of
28 each fiscal year, is appropriated annually from that fund to the general
29 fund.

1 * Sec. 4. SMALL BUSINESS REVOLVING LOAN FUND. The cash balance of the
2 small business revolving loan fund, attributable to loans owned by that
3 fund as of June 30 of each fiscal year, is appropriated annually from that
4 fund to the general fund.

5 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
6 10.070(c).

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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date _____

REQUEST

Bill/Resolution No: HB 536
Title: Continuing debt service and
defunct loan appropriations
Sponsor: Rules by Governor
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: State Bond Committee
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
Division: Treasury

Phone: 465-2350
Date: 1-4-84

Approved by Commissioner: *K. H. O'Leary*
Agency: Revenue

Date: 1/9/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

The annual appropriations from the Small Business and Tourism Loan Funds would result in the payment to the general fund of (approximately):

	<u>FY '85</u>	<u>FY '86</u>	<u>FY '87</u>	<u>FY '88</u>	<u>FY '89</u>
Small Business	\$4,800.0	\$6,391.8	\$6,097.8	\$5,945.3	\$5,844.3
Tourism	<u>720.0</u>	<u>675.0</u>	<u>625.0</u>	<u>625.0</u>	<u>602.0</u>
TOTAL	\$5,520.0	\$7,066.8	\$6,722.8	\$6,570.3	\$6,446.3

Because many of the loans were made for \$100,000 - \$500,000, even a small increase in the number of defaults would cause a significant decrease in this cash flow.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/13/83

REQUEST
Bill/Resolution No.: HB 536
Title: Continued appropriation
from Bond Debt Ser. & Spec. approp.
Sponsor: Rules Com./Governor
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Commerce & Econ. Development
Program Category Affected: Economic Development
from defunct loan funds.)
BRU, Program or Subprogram(s) Affected:
Accounting & Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
- REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No fiscal impact on expenditures. Net zero fiscal impact on revenue with an increase to the general fund and a decrease to certain loan funds. See attached.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamley Phone: 465-2555
Division: Accounting and Collections Date: 12/13/83
Approved by Commissioner: Richard A. Lyon 12/28/83 Date: 12/13/83
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Handwritten signature and date: 12/1/83

Technically no fiscal note is required for this bill since it is an appropriations bill. Sections 1 through 3 provide continuing appropriations of debt service on state guaranteed bonds, general obligation bonds, and international airport revenue bonds. Section 1, providing for state guaranteed bonds, is effective only in the event that Alaska Housing Finance Corporation defaults.

The amount of debt service on outstanding general obligation bonds and international airports revenue bonds for FY 85 is \$169,523,874 and \$5,545,637 respectively. These amounts are included as appropriations in the Governor's version of the general appropriations bill. If these amounts are in fact appropriated for FY 85, the continuing appropriations will serve only as back up or fail safe appropriations in the event additional bonds are issued or any error is made in the calculation of debt service.

TOURISM REVOLVING LOAN FUND*

Department of Commerce and Economic Development, Division of Accounting and Collections
2nd QTR. FY 1984

Loans Outstanding To Date	
#	\$
20	\$6,501,400

DELINQUENCY AT THE END OF THE QUARTER

1-30 DAYS		31-60 DAYS		61-90 DAYS		91 + DAYS	
#	\$	#	\$	#	\$	#	\$
1	\$330,000	1	\$330,000	0	0	1	\$330,000

LOANS IN DEFAULT**

#	\$
0	\$0

*The Tourism Revolving Loan Fund is inactive; the Division of Accounting and Collections still services the above loans.

*The Tourism Revolving Loan Fund is inactive; the Division of Accounting and Collections still services the above loans.

**Loans in default are defined as delinquent loans that have been turned over to counsel for legal action.

SMALL BUSINESS REVOLVING LOAN FUND*

Department of Commerce and Economic Development, Division of Accounting and Collections
2nd QTR. FY 1984

Loans Outstanding To Date	
#	\$
583	\$63,199,500

DELINQUENCY AT THE END OF THE QUARTER (estimated)

1-30 DAYS		31-60 DAYS		61-90 DAYS		91 + DAYS	
#	\$	#	\$	#	\$	#	\$
58	\$6,300,000	17	\$1,800,000	11	\$1,264,000	58	\$6,300,000

LOANS IN DEFAULT**

#	\$
17	\$ 1,800,000

*The Small Business Loan Fund is inactive; the Division of Accounting and Collections continues to service the above loans.

**Loans in default are defined as delinquent loans that have been turned over to counsel for legal action.

SECTIONAL ANALYSIS OF PROPOSED CS HB 536 (FINANCE)

Section 1. This section makes a technical language change to existing law authorizing annual appropriations for g.o. bond debt service. Fiscal year is inserted in place of July 1.

Section 2. Puts into law authorization for annual appropriations for debt service on international airport revenue bonds. This authorization is similar to existing law (amended in section 1) regarding annual appropriations for g.o. bond debt service.

Section 3. Provides that any funds left in the Tourism Revolving Fund will be returned to the general fund each year. Even though no new loans are being made from the fund, principal and interest payments are still coming in on outstanding loans. This section assures that those payments will be returned to the general fund. No amount is left in the fund to pay for collections since this is covered in the operating budget in FY 85, and should also be appropriated that way in subsequent years, if funding for collections is needed.

Section 4. This section is exactly the same as section 3, except that it applies to the Small Business Revolving Loan Fund.

Section 5. Immediate effective date.

Rec'd 5/23/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 05/22/84

REQUEST

Bill/Resolution No: CSHB 536(F'n)
Title: Continuing debt service and
defunct loan appropriations.
Sponsor: Rules by Governor
Requestor: Senate Finance
Date of Request: 05/22/84

FISCAL DETAIL

Agency Affected: State Bond Committee
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: 05/22/84

Approved by Commissioner: Robert D. Heath
Agency: Revenue

Date: 5/22/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Analysis of CSHB 536(Fin):

Technically no fiscal note is required for this bill since it is an appropriations bill. Sections 1 and 2 provide continuing appropriations of debt service on general obligation bonds, and international airport revenue bonds.

The amount of debt service on outstanding general obligation bonds and international airports revenue bonds for FY 85 is \$169,523,874 and \$5,545,637, respectively. These amounts are included as appropriations in the Governor's version of the general appropriations bill. If these amounts are, in fact, appropriated for FY 85, the continuing appropriations will serve only as back up or fail safe appropriations in the event additional bonds are issued or any error is made in the calculation of debt service.

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT PROGRAM: ACCOUNTING AND COLLECTIONS
 CATEGORY: DEVELOPMENT SUB-PROGRAM:

FISCAL YEAR 1985

PENDITURES FUNDING	(01) FY83 ACT	(02) FY84 ATH	(05) ADJ BASE	(17) 85 SL 1	(18) 85 SL 2	(19) 85 SL 3	(20) 85 SL 4	(07) GOVERNOR	(08) GOV.AMD.	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS
PERG. SERV.	1051.7	1128.6	1110.5	1160.9	1160.9	1253.7		1253.7	1253.7	1160.9			
TRAVEL	9.5	15.3	15.3	16.5	16.5	16.5		16.5	16.5	16.5			
CONTRACTUAL	258.7	241.2	153.7	99.5	99.5	108.9		108.9	108.9	99.5			
COMMODITIES	12.3	18.7	18.7	28.0	28.0	45.8		45.8	45.8	28.0			
EQUIPMENT	53.5	24.2	14.2	7.5	7.5	7.5		7.5	7.5	4.0			
LANDS/BLDGS													
GRANTS, CLMS													
MISC.	.2												
TOTAL EXPEND	1385.9	1428.0	1312.4	1312.4	1312.4	1432.4		1432.4	1432.4	1308.9			
I-A TRANSFER	91.4	122.5	17.1	18.7	18.7	18.7		18.7	18.7	18.7			
FED. RECEIPT													
G. F. MATCH													
GENERAL FUND	970.1	927.1	780.2	780.2	780.2	900.2		900.2	900.2	776.7			
PGM RECEIPTS													
OTHER FUNDS	415.8	500.9	532.2	532.2	532.2	532.2		532.2	532.2	532.2			
FULL TIME	31.0	32.0	31.0	31.0	31.0	31.0		31.0	31.0	31.0			
PART TIME													
TEMPORARY				2.0	2.0	5.0		5.0	5.0	2.0			
STAFF MONTHS		384.0								396.0			

NEW POSITIONS...

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
CLERK II	JUNEAU	TEMP	3	57.9		57.9		57.9		3	1			
CLERK III	JUNEAU	TEMP	2	40.8		40.8		40.8		2	1			
NEW POSITION TOTALS			5	98.7		98.7		98.7		5	2			

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 536

The Honorable Joe Hayes
Speaker of the House
Pouch V
Juneau, AK 99811

January 23, 1984

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a continuing appropriation for international airport revenue bonds debt service and a standby continuing appropriation for state-guaranteed Alaska Housing Finance Corporation (AHFC) veterans' mortgage bonds debt service. The latter becomes operative only in the event of a default by AHFC. The bill also makes a minor clarification of the continuing appropriation for general obligation bonds debt service and appropriates from the funds of two defunct loan programs.

To provide backstop debt service appropriations for international airports revenue bonds and state-guaranteed AHFC veterans' loan bonds, secs. 1 and 3, respectively, of this bill add to the statutes "continuing appropriations." For the former, the appropriation is from the international airports revenue fund, whereas for the latter, it is from the general fund. (Sections 5 -- 9, ch. 35, SLA 1982 and ch. 31, SLA 1983 authorize the state-guaranteed bonds for veterans, subject to voter approval.) These new provisions are based on the current AS 37.15.012, which is applicable only to general obligation bonds. Although it could be argued that when the state's "full faith and credit" are pledged as security for the bonds (as in the case of the veterans' loan bonds and general obligation bonds) an appropriation is not necessary in order to make the payment, the state has a history of making appropriations for this purpose and these provisions remove any uncertainty as to the availability of the money. In addition, AS 37.15.012 is amended in sec. 2 by deleting the reference to July 1 so that there clearly will be coverage of debt service on any bonds issued during the fiscal year (after July 1).

Current law provides for the tourism revolving fund and the small business revolving loan fund (AS 45.90 and AS 45.95, respectively). However, in sec. 71, ch. 106, SLA 1980, the legislature terminated lending authority for those two funds and no new loans are being made from them. To prevent the buildup of money in those essentially defunct funds, secs. 4 and 5, respectively, of this bill appropriate to the general fund all money now in those funds that is attributable to loans owned by them, except for amounts needed for collection of outstanding loans, which are appropriated to the Department of Commerce and Economic Development. The bill also appropriates to the general fund and to the department money that borrowers will pay back in the future on presently outstanding loans that have been made from those funds.

Sincerely,

Bill Sheffield
Bill Sheffield
Governor

Offered: 2/9/84
Referred: Finance

Original sponsor: Rules/Governor

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 536 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special annual appropriations from
7 certain inactive revolving loan funds; and providing
8 for an effective date."

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

10 * Section 1. TOURISM REVOLVING FUND. (a) The sum of \$200,000 is
11 appropriated annually on June 30 for the next fiscal year from the cash
12 balance of the tourism revolving fund (AS 45.90.010), attributable to loans
13 made from that fund, to the Department of Commerce and Economic Development
14 for the necessary expenses incurred in collecting loans made from that
15 fund.

16 (b) In accordance with AS 37.25.010, the unobligated and unexpended
17 part of each appropriation made by (a) of this section lapses at the end of
18 each fiscal year for which it was made.

19 (c) The cash balance of the tourism revolving fund, attributable to
20 loans made from that fund and remaining after the annual appropriation made
21 by (a) of this section, is appropriated from that fund to the general fund.

22 * Sec. 2. SMALL BUSINESS REVOLVING LOAN FUND. (a) The sum of \$200,000
23 is appropriated annually on June 30 for the next fiscal year from the cash
24 balance of the small business revolving loan fund (AS 45.95.060), attribut-
25 able to loans made from that fund, to the Department of Commerce and Eco-
26 nomic Development for the necessary expenses incurred in collecting loans
27 made from that fund.

28 (b) In accordance with AS 37.25.010, the unobligated and unexpended
29 part of each appropriation made by (a) of this section lapses at the end of

1 each fiscal year for which it was made.

2 (c) The cash balance of the small business revolving loan fund,
3 attributable to loans made from that fund and remaining after the annual
4 appropriation made by (a) of this section, is appropriated from that fund
5 to the general fund.

6 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

Introduced: 1/23/84
Referred: House Special Committee
on State Loans and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 536

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to continuing appropriations for
7 bond debt service; making special appropriations from
8 certain defunct revolving loan funds; and providing
9 for an effective date."

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

11 * Section 1. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.112. STANDBY CONTINUING DEBT SERVICE APPROPRIATION.
13 The amounts required annually to pay the principal of and interest on
14 all issued and outstanding state-guaranteed bonds issued by the corpo-
15 ration are appropriated each fiscal year from the general fund to the
16 corporation to make all payments by the state required under its
17 guarantee for principal and interest.

18 * Sec. 2. AS 37.15.012 is amended to read:

19 Sec. 37.15.012. CONTINUING DEBT SERVICE APPROPRIATION. The
20 amounts required annually to pay the principal, interest, and redemp-
21 tion premium on all issued and outstanding general obligation bonds of
22 the state are appropriated [ON JULY 1 OF] each fiscal year from the
23 general fund to the state bond committee to make all required payments
24 of principal, interest, and redemption premium.

25 * Sec. 3. AS 37.15 is amended by adding a new section to read:

26 Sec. 37.15.415. CONTINUING REVENUE BOND DEBT SERVICE APPRO-
27 PRIATION. The amounts required annually to pay the principal, inter-
28 est, and redemption premium on all issued and outstanding internation-
29 al airports revenue bonds of the state are appropriated each fiscal

1 year from the international airports revenue fund to the state bond
2 committee to make all required payments of principal, interest, and
3 redemption premium.

4 * Sec. 4. TOURISM REVOLVING FUND. (a) The sum of \$200,000 is appro-
5 priated from the cash balance of the tourism revolving fund (AS 45.90.010),
6 attributable to loans owned by that fund as of June 30 of each fiscal year,
7 to the Department of Commerce and Economic Development for the necessary
8 expenses incurred in collecting loans made by that fund.

9 (b) In accordance with AS 37.25.010, the unobligated and unexpended
10 part of each appropriation made by (a) of this section lapses at the end of
11 each fiscal year for which it was made.

12 (c) The cash balance of the tourism revolving fund, attributable to
13 loans owned by that fund as of June 30 of each fiscal year and remaining
14 after the appropriations made each year by (a) of this section, is appro-
15 priated from that fund to the general fund.

16 * Sec. 5. SMALL BUSINESS REVOLVING LOAN FUND. (a) The sum of \$200,000
17 is appropriated from the cash balance of the small business revolving loan
18 fund (AS 45.95.060), attributable to loans owned by that fund as of June 30
19 of each fiscal year, to the Department of Commerce and Economic Development
20 for the necessary expenses incurred in collecting loans made by that fund.

21 (b) In accordance with AS 37.25.010, the unobligated and unexpended
22 part of each appropriation made by (a) of this section lapses at the end of
23 each fiscal year for which it was made.

24 (c) The cash balance of the small business revolving loan fund,
25 attributable to loans owned by that fund as of June 30 of each fiscal year
26 and remaining after the appropriations made each year by (a) of this sec-
27 tion, is appropriated from that fund to the general fund.

28 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER:

5/4/84

Date 5/23/84

Mr. President

The Committee on FINANCE considered CSHB 536 (Fin)

continuing appropriations for bond debt service; making special annual appropriations from certain revolving loan fund; and.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
@ FIV 5/22/84
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

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

[Signature]

Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 05/22/84

REQUEST

Bill/Resolution No: CSHB 536(Fin)
 Title: Continuing debt service and
defunct loan appropriations.
 Sponsor: Rules by Governor
 Requestor: Senate Finance
 Date of Request: 05/22/84

FISCAL DETAIL

Agency Affected: State Bond Committee
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
 Division: Treasury

Phone: 465-2350
 Date: 05/22/84

Approved by Commissioner: Robert D. Heath
 Agency: Revenue

Date: 5/22/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Analysis of CSHB 536(Fin):

Technically no fiscal note is required for this bill since it is an appropriations bill. Sections 1 and 2 provide continuing appropriations of debt service on general obligation bonds, and international airport revenue bonds.

The amount of debt service on outstanding general obligation bonds and international airports revenue bonds for FY 85 is \$169,523,874 and \$5,545,637, respectively. These amounts are included as appropriations in the Governor's version of the general appropriations bill. If these amounts are, in fact, appropriated for FY 85, the continuing appropriations will serve only as back up or fail safe appropriations in the event additional bonds are issued or any error is made in the calculation of debt service.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

*Accompanied
bill into
committee*

REQUEST

Bill/Resolution No: HB 536
Title: Continuing debt service and
defunct loan appropriations
Sponsor: Rules by Governor
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: State Bond Committee
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: -

Technically no fiscal note is required for this bill since it is an appropriations bill. Sections 1 through 3 provide continuing appropriations of debt service on state guaranteed bonds, general obligation bonds, and international airport revenue bonds. Section 1, providing for state guaranteed bonds, is effective only in the event that Alaska Housing Finance Corporation defaults.

The amount of debt service on outstanding general obligation bonds and international airports revenue bonds for FY 85 is \$169,523,874 and \$5,545,637 respectively. These amounts are included as appropriations in the Governor's version of the general appropriations bill. If these amounts are in fact appropriated for FY 85, the continuing appropriations will serve only as back up or fail safe appropriations in the event additional bonds are issued or any error is made in the calculation of debt service.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: 1-4-84

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 1/9/84 REVENUE

026

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST
Bill/Resolution No.: HB 536
Title: Continued appropriation from Bond Debt Ser. & Spec. approp.
Sponsor: Rules Com./Governor
Requestor: _____
Date of Request: _____

FISCAL DETAIL
Agency Affected: Commerce & Econ. Development
Program Category Affected: Economic Development from defunct loan funds.
BRU, Program or Subprogram(s) Affected: Accounting & Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No fiscal impact on expenditures. Net zero fiscal impact on revenue with an increase to the general fund and a decrease to certain loan funds. See attached.

ANALYSIS:

The annual appropriations from the Small Business and Tourism Loan Funds would result in the payment to the general fund of (approximately):

	FY '85	FY '86	FY '87	FY '88	FY '89
Small Business	\$4,800.0	\$6,391.8	\$6,097.8	\$5,945.3	\$5,844.3
Tourism	<u>720.0</u>	<u>675.0</u>	<u>625.0</u>	<u>625.0</u>	<u>602.0</u>
TOTAL	\$5,520.0	\$7,066.8	\$6,722.8	\$6,570.3	\$6,446.3

Because many of the loans were made for \$100,000 - \$500,000, even a small increase in the number of defaults would cause a significant decrease in this cash flow.

Prepared By: Margaret I. Hamley Phone: 465-2555
Division: Accounting and Collections Date: 12/13/83

Approved by Commissioner: Richard A. Lyon Date: 12/13/83
Agency: Commerce and Economic Development



HB 536

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Joe Hayes
Speaker of the House
Pouch V
Juneau, AK 99811

January 23, 1984

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a continuing appropriation for international airport revenue bonds debt service and a standby continuing appropriation for state-guaranteed Alaska Housing Finance Corporation (AHFC) veterans' mortgage bonds debt service. The latter becomes operative only in the event of a default by AHFC. The bill also makes a minor clarification of the continuing appropriation for general obligation bonds debt service and appropriates from the funds of two defunct loan programs.

To provide backstop debt service appropriations for international airports revenue bonds and state-guaranteed AHFC veterans' loan bonds, secs. 1 and 3, respectively, of this bill add to the statutes "continuing appropriations." For the former, the appropriation is from the international airports revenue fund, whereas for the latter, it is from the general fund. (Sections 5 -- 9, ch. 35, SLA 1982 and ch. 81, SLA 1983 authorize the state-guaranteed bonds for veterans, subject to voter approval.) These new provisions are based on the current AS 37.15.012, which is applicable only to general obligation bonds. Although it could be argued that when the state's "full faith and credit" are pledged as security for the bonds (as in the case of the veterans' loan bonds and general obligation bonds) an appropriation is not necessary in order to make the payment, the state has a history of making appropriations for this purpose and these provisions remove any uncertainty as to the availability of the money. In addition, AS 37.15.012 is amended in sec. 2 by deleting the reference to July 1 so that there clearly will be coverage of debt service on any bonds issued during the fiscal year (after July 1).

Current law provides for the tourism revolving fund and the small business revolving loan fund (AS 45.90 and AS 45.95, respectively). However, in sec. 71, ch. 106, SLA 1980, the legislature terminated lending authority for those two funds and no new loans are being made from them. To prevent the buildup of money in those essentially defunct funds, secs. 4 and 5, respectively, of this bill appropriate to the general fund all money now in those funds that is attributable to loans owned by them, except for amounts needed for collection of outstanding loans, which are appropriated to the Department of Commerce and Economic Development. The bill also appropriates to the general fund and to the department money that borrowers will pay back in the future on presently outstanding loans that have been made from those funds.

Sincerely,

Bill Sheffield
Bill Sheffield
Governor

Offered: 4/27/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 536 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to continuing appropriations for
7 bond debt service; making special annual appropria-
8 tions from certain revolving loan funds; and provid-
9 ing for an effective date."

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

11 * Section 1. AS 37.15.012 is amended to read:

12 Sec. 37.15.012. CONTINUING DEBT SERVICE APPROPRIATION. The
13 amounts required annually to pay the principal, interest, and redemp-
14 tion premium on all issued and outstanding general obligation bonds of
15 the state are appropriated [ON JULY 1 OF] each fiscal year from the
16 general fund to the state bond committee to make all required payments
17 of principal, interest, and redemption premium.

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

19 Sec. 37.15.415. CONTINUING REVENUE BOND DEBT SERVICE APPRO-
20 PRIATION. The amounts required annually to pay the principal, inter-
21 est, and redemption premium on all issued and outstanding internation-
22 al airports revenue bonds of the state are appropriated each fiscal
23 year from the international airports revenue fund to the state bond
24 committee to make all required payments of principal, interest, and
25 redemption premium.

26 * Sec. 3. TOURISM REVOLVING FUND. The cash balance of the tourism
27 revolving fund, attributable to loans owned by that fund as of June 30 of
28 each fiscal year, is appropriated annually from that fund to the general
29 fund.

1 * Sec. 4. SMALL BUSINESS REVOLVING LOAN FUND. The cash balance of the
2 small business revolving loan fund, attributable to loans owned by that
3 fund as of June 30 of each fiscal year, is appropriated annually from that
4 fund to the general fund.

5 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
6 10.070(c).

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

BILL SHEFFIELD, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811
PHONE:

May 22, 1984

The Honorable Bob Mulcahy
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Mulcahy:

At the request of your staff, I am providing the following comments on CS HB 536 (Finance).

Section 1 amends the existing continuing appropriation for general obligation bond (GOB) debt service so that any bonds issued after the start of the fiscal year are covered as well as bonds outstanding at the beginning of the fiscal year.

Section 2 provides a continuing appropriation for international airports revenue bonds. As in the case of the GOB continuing appropriation, this action should have a favorable impact on rating agencies and bond buyers. In this case, of course, the funds come from the International Airports Revenue Fund.

It should be kept in mind with respect to sections 1 and 2 that the Legislature retains control of the State's debt service obligations through the requirement that GOB's and airport revenue bonds be authorized by law. Additionally, voter approval is required for GOB's, and sales of both types of bonds must be approved by the State Bond Committee.

Sections 3 and 4 provide continuing appropriations of cash in the tourism and small business revolving loan funds to the general fund. Pursuant to section 71, ch. 106, SLA 1980 these funds are no longer authorized to make loans. This bill would make past and future principal repayments on existing loans available for appropriation rather than leaving them as idle balances in these revolving loan funds.

Sincerely yours,



Milt Barker
Deputy Commissioner

MB/gb

cc Robert D. Heath

SECTIONAL ANALYSIS OF PROPOSED CS HB 536 (FINANCE)

Section 1. This section makes a technical language change to existing law authorizing annual appropriations for g.o. bond debt service. Fiscal year is inserted in place of July 1.

Section 2. Puts into law authorization for annual appropriations for debt service on international airport revenue bonds. This authorization is similar to existing law (amended in section 1) regarding annual appropriations for g.o. bond debt service.

Section 3. Provides that any funds left in the Tourism Revolving Fund will be returned to the general fund each year. Even though no new loans are being made from the fund, principal and interest payments are still coming in on outstanding loans. This section assures that those payments will be returned to the general fund. No amount is left in the fund to pay for collections since this is covered in the operating budget in FY 85, and should also be appropriated that way in subsequent years, if funding for collections is needed.

Section 4. This section is exactly the same as section 3, except that it applies to the Small Business Revolving Loan Fund.

Section 5. Immediate effective date.

SMALL BUSINESS REVOLVING LOAN FUND*

Department of Commerce and Economic Development, Division of Accounting and Collections
2nd QTR. FY 1984

Loans Outstanding To Date	
#	\$
583	\$63,199,500

DELINQUENCY AT THE END OF THE QUARTER (estimated)

1-30 DAYS		31-60 DAYS		61-90 DAYS		91 + DAYS	
#	\$	#	\$	#	\$	#	\$
58	\$6,300,000	17	\$1,800,000	11	\$1,264,000	58	\$6,300,000

LOANS IN DEFAULT**

#	\$
17	\$ 1,800,000

*The Small Business Loan Fund is inactive; the Division of Accounting and Collections continues to service the above loans.

**Loans in default are defined as delinquent loans that have been turned over to counsel for legal action.

TOURISM REVOLVING LOAN FUND*

Department of Commerce and Economic Development, Division of Accounting and Collections
2nd QTR. FY 1984

Loans Outstanding To Date	
#	\$
20	\$6,501,400

DELINQUENCY AT THE END OF THE QUARTER

1-30 DAYS		31-60 DAYS		61-90 DAYS		91 + DAYS	
#	\$	#	\$	#	\$	#	\$
1	\$330,000	1	\$330,000	0	0	1	\$330,000

LOANS IN DEFAULT**

#	\$
0	\$0

*The Tourism Revolving Loan Fund is inactive; the Division of Accounting and Collections still services the above loans.

**Loans in default are defined as delinquent loans that have been turned over to counsel for legal action.