

LEG. FINANCE - BILLS 1983 - 1984 1995

HJR 57 cont. - SR 5 1995

DRAFT
Law

1 before the voters of the state at the next general election in conformity
2 with art. XIII, sec. 1, Constitution of the State of Alaska, and the
3 election laws of the state.
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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HJR 57
 Title: proposing amendment to
Constitution re capital projects
 Sponsor: Rules
 Requestor: Governor
 Date of Request: March 5, 1984

FISCAL DETAIL

Agency Affected: Elections
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		1.0				
400 SUPPLIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		-0-				
800 MISCELLANEOUS		-0-				
TOTAL OPERATING		1.0				
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:

the cost of one page in the Election Pamphlet is 1.0

ANALYSIS: Attach a separate page for analysis

Prepared By: T.P.Thoma Information Officer Phone: 4611
 Division: Elections Date: _____

Approved by Commissioner: Sally L. Hanson Date: 3/5/84
 Agency: Dr. Mervin Steyer, McElzine

Distribution (by Agency preparing fiscal note):

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

12/1/83

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

DATE: March 8, 1984

TO: Representative Al Adams, Chairman
House Finance Committee

FROM: P. S. Dhillon, Economist *PSD*
Legislative Finance Division

SUBJ: State Revenues and the Major Projects Fund

Pursuant to your request, I have compiled some data which illustrates the annual distribution of State revenues between:

1. The Major Project Fund under CS SJR 32 and CS HJR 57;
2. the Permanent Fund;
3. Debt Service requirement; and,
4. the balance available for operating, capital and loan budgets.

The Department of Revenue's January 1984 projections (30% and 50% risk adjusted) have been used in this analysis. The assumptions relating to these projections are contained in the Revenue Source Book, January 1984, and Petroleum Production Revenue Forecast, December 1983.

In interpreting and using the data contained in Tables I and II, it should be noted that:

1. The actual funds available for operating, capital and loan budgets may differ from those shown in the tables due to carry-forwards (positive or negative) between fiscal years.
2. Gross revenues in the tables do not include earnings of the Permanent Fund; a portion of these earnings is deposited in the Undistributed Income account. The balance and earnings of this account are, strictly speaking, available for appropriation.
3. Earnings of unexpended balances in the Major Projects Fund would make available additional monies for this Fund.
4. It has been assumed that there will be no new G.O. Bond issues throughout the period under consideration. New G.O. Bond issues would reduce the available funds for operating, capital and loan budgets. Since the retirement schedule of School Bonds was unavailable, it has been assumed that School Bond debt service remains constant at the current \$95.0 million level.

TABLE I
 DISTRIBUTION OF GROSS REVENUES
 FY 84 to FY 99
 (30% Risk Adjusted, Millions of Nominal \$)

Fiscal Year	Gross Revenue (1)	--Major Projects Fund--		Permanent Fund Contribution (4)	Debt Service (5)	Balance Available for Operating, Capital & Loans	
		CS SJR 32 (2)	CS HJR 57 (3)			CS SJR 32	CS HJR 57
84	3566.6	302.9	257.1	319.2	261.4	2683.1	2728.9
85	3557.8	305.5	253.2	319.6	264.5	2668.2	2720.5
86	3694.3	319.3	264.1	335.3	258.2	2781.5	2836.7
87	4103.1	355.2	294.3	374.1	249.9	3123.9	3184.8
88	4113.3	354.6	292.6	402.2	242.9	3113.6	3175.6
89	4531.9	391.8	325.7	463.6	230.5	3446.0	3512.1
90	4319.8	370.5	305.2	439.6	215.3	3294.4	3359.7
91	3993.3	338.6	274.0	411.1	190.5	3053.1	3117.7
92	3949.2	332.7	265.9	413.4	163.2	3039.9	3106.7
93	3806.8	317.6	248.8	402.2	154.7	2932.3	3001.1
94	3681.7	303.9	234.5	391.6	128.9	2857.3	2926.7
95	3567.4	291.2	221.7	372.8	118.1	2785.3	2854.8
96	3395.1	272.9	201.8	362.4	116.5	2643.3	2714.4
97	3466.9	277.1	205.7	375.3	111.7	2702.8	2774.2
98	3548.3	292.0	208.7	389.5	109.4	2767.4	2840.7
99	<u>3611.3</u>	<u>285.0</u>	<u>210.2</u>	<u>400.0</u>	<u>104.0</u>	<u>2822.3</u>	<u>2897.1</u>
TOTAL	60906.8	5100.8	4063.5	6171.9	2919.7	46714.4	47751.7

1. Department of Revenue January, 1984 projections before Permanent Fund Contribution.
2. Ten percent of oil & gas income tax, severance tax (including conservation tax), oil & gas property tax, royalties, mineral lease payments (federal and state) and bonus payments.
3. Ten percent of severance tax (including conservation tax), royalties, mineral lease payments (state and federal), and bonus payments.
4. Department of Revenue January, 1984 projections.
5. Includes G.O. Bonds debt service and School Bond debt service. It is assumed that there will be no additional G.O. Bond issues; School Bond debt service is assumed to be \$95.0 million each year.

TABLE II
DISTRIBUTION OF GROSS REVENUES
FY 84 to FY 99
(50% Risk Adjusted, Million of Nominal \$)

Fiscal Year	Gross Revenue (1)	--Major Projects Fund--		Perm. Fund Contribution (4)	Debt Service (5)	Balance Available for Operating, Capital & Loans	
		CS SJR 32 (2)	CS HJR 57 (3)			CS SJR 32	CS HJR 57
84	3663.0	312.6	266.7	330.0	261.4	2759.0	2804.9
85	3782.7	328.0	275.7	346.8	264.5	2843.4	2895.7
86	4001.1	349.9	294.8	374.5	258.2	3018.5	3073.6
87	4478.6	392.7	331.8	422.0	249.9	3414.0	3474.9
88	4544.9	397.8	335.8	459.5	242.9	3444.7	3506.7
89	5003.1	438.9	382.8	542.8	230.5	3790.9	3847.0
90	5196.2	458.2	392.8	559.8	215.3	3962.9	4028.3
91	4761.1	415.4	350.8	513.1	190.5	3642.1	3706.7
92	4708.7	408.6	341.8	519.8	163.2	3617.1	3683.9
93	4706.6	407.5	338.8	531.6	154.7	3612.8	3681.5
94	4624.9	398.2	328.8	533.4	128.9	3564.4	3633.8
95	4408.6	375.3	305.8	506.5	118.1	3408.7	3478.2
96	4145.6	347.9	276.8	485.9	116.5	3195.3	3266.4
97	4268.0	357.2	285.8	509.7	111.7	3289.4	3360.8
98	4378.9	365.0	291.8	538.5	109.4	3366.0	3439.2
99	4447.7	368.7	293.8	554.5	104.0	3420.5	3495.4
TOTAL	71119.7	6121.9	5094.6	7728.4	2919.7	54349.7	55377.0

1. Department of Revenue January, 1984 projections; before Permanent Fund contribution.
2. Ten percent of oil and gas income tax, severance tax (including conservation tax), oil & gas property tax, royalties, mineral lease payments (federal and state) and bonus payments.
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4. Calculated by applying the percent contribution under the 30% projections case to the royalty and mineral lease payments projections under the 50% projections case.
5. Includes G.O. Bond debt service and School Bond debt service. It is assumed that there will be no additional G.O. Bond issues; School Bond debt service is assumed to be \$95.0 million each year.

SECTIONAL ANALYSIS OF CS HJR 57 (RESOURCES)

Section 1. Would amend the state constitution by adding a new section establishing the major projects fund (MPF or the fund). The MPF is for capital projects exceeding \$100 million in total cost. The fund can be invested like the permanent fund is invested.

The fund consists of: (a) 10% of revenue from severance tax, mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue sharing payments and bonuses; (b) interest earned each year from investing the fund; (c) revenue dedicated by the legislature to the fund from the revenue stream of a project; and (d) legislative appropriations.

The fund may not be used to finance a project unless: (a) the expenditure is authorized by the legislature; (b) the appropriation coupled with "any money committed to finance" the project is sufficient to provide for total construction costs; (c) the project will earn enough revenue in its useful life to repay money appropriated from the fund and to repay any other borrowed money; and (d) the project funded is owned by the state.

With a 2/3 vote in both Houses, the legislature can appropriate money from the fund to meet an emergency.

The first appropriation from the fund must be for Susitna unless the legislature, by 2/3 vote of each House, disapproves Susitna. The appropriation for Susitna cannot be vetoed by the Governor.

Notwithstanding the fact that Susitna comes first, 10% of the money paid into the MPF is reserved for power cost assistance to ensure that nowhere in the state will power costs exceed the mean cost of power in Anchorage, Fairbanks and Juneau.

Section 2. Adds the MPF to the allowable dedicated funds section of the constitution.

Section 3. Puts appropriations from the MPF outside the limitations of the spending limit.

Section 4. Provides for voter approval of the MPF at the next general election.

STATE OF ALASKA

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BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITAL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

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BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

cc 1481257

January 23, 1984

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

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a joint resolution which proposes an amendment to the Alaska Constitution creating a major projects fund.

As you know, the state treasury will continue to receive substantial petroleum revenues for many years to come. However, our best current estimates indicate that large annual cash surpluses above operating budget requirements will cease to be available by the early 1990's. There is still time to set aside enough for one or more major capital projects that can serve as foundations for Alaska's future economy, but the opportunity to do so will probably be gone within the next six or seven years. Examples of major projects are the Susitna hydroelectric project; road and port infrastructure projects in rural Alaska for support of mining, fishing, and other economic development activities; the Knik Arm Crossing; the Bradley Lake hydroelectric project; Eklutna water supply; and renovation and extension of the Alaska Railroad.

The major projects fund is needed to accumulate the revenue for these large projects. There are two reasons for this. First, for many of these large projects and especially for Susitna, there still is not enough clear information to warrant unequivocal commitment. Actual construction might not begin for a number of years because of the length of time necessary for engineering, environmental study, obtaining permits, and demonstration of economic feasibility.

It is difficult through our conventional capital budgeting procedures to secure large, direct appropriations for projects that will not enter the construction phase for a year or more, and to which the state is not yet willing to specifically commit itself. However, if setting aside the necessary money is delayed until construction is about to begin, the chances are that the revenue surpluses will have diminished by then. The proper response is not to rush into massive financial commitments before oil production goes into decline, but to systematically set aside the money needed to accomplish major projects, and draw down on the principal only when satisfied that a commitment is prudent.

The second reason that a continuation of conventional capital budgeting practices is not likely to meet the needs for major project funding is that the revenues available for annual capital expenditure tend to be split into many small pieces. If all of these revenues are made subject to an allocation system similar to that in recent years, accumulation of enough money for any major project over several years is unlikely.

The most plausible solution to these problems is the establishment of a major projects fund in which money can be stored for major projects that are not yet specified.

I believe that the major projects fund should be created through an amendment to the Alaska Constitution. A constitutionally dedicated fund will be protected from future uses that are not in keeping with the fund's original intent. Automatic deposits to the fund are mandated, as is automatic retention of the fund's interest earnings.

The key feature of this amendment is the dedication of 10 percent of the State's total petroleum revenue to the major projects fund. The stream of revenue to the fund through this dedication should be sufficient to finance the largest of the projects we foresee at the present time, Susitna River hydroelectric development.

Excluding interest, deposits of this magnitude should create a fund of approximately \$2.2 billion by fiscal year 1991. Assuming that nine percent interest is earned and redeposited in the fund, and that no disbursements are made until fiscal year 1991, the fund could have a principal sum of as much as \$3 billion by then.

Ten percent of total petroleum revenue approximates the proportion that is currently dedicated to the permanent fund. For fiscal year 1985, this would require a deposit to the major projects fund of approximately \$300 million, which allows an operating budget of \$2.1 billion, a regular capital budget of \$700 million, loan appropriations of \$260 million, and enough remaining money for debt service and other likely obligations.

There are several other significant features of the amendment.

(1) Deposits to the fund begin in fiscal year 1985 and continue through fiscal year 1990, in keeping with current expectations of future revenue availability.

(2) Disbursements from the fund for a project cannot be made until all sources of the money necessary to complete the project (or a stand-alone phase of a larger project) has been identified and the money committed.

(3) A cost threshold of \$100 million is set for projects to qualify for financing from the fund. This minimum allows reasonable flexibility for covering such projects as the Susitna and Bradley Lake dams, the Knik Crossing, and extension of the Alaska Railroad, without opening the fund to capital projects that can be effectively addressed in the regular capital budget process.

(4) Appropriation bills to spend from the fund must have a two-thirds majority vote in order to pass the legislature. The purpose of this requirement is to assure that projects have state-wide support at the time disbursements are made.

(5) Expenditures from the fund must be recovered and returned to the fund over the operational life of the project. The intent is to recover the principal of the fund from fees generated by the project.

(6) Neither deposits to the fund nor appropriations from the fund would be subject to the appropriation limit.

Among the alternatives available, I believe that a constitutional amendment is the most effective and direct method of achieving the objectives of the major projects fund. As you know, amendments to the Alaska Constitution must be ratified by the voters at a general election. The next general election will occur in November, 1984. I believe that if ratification of the amendment is delayed until November, 1986, it would come too late to capture enough money to accomplish the intended purposes of the fund.

I look forward to working with you and members of the legislature on this important piece of legislation.

Sincerely,


Bill Sheffield,
Governor

revenue projections under house resolution

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

OFFICE OF THE GOVERNOR

POUCH AD
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET

DIVISION OF STRATEGIC PLANNING

March 7, 1984

The Honorable Charlie Bussell
Alaska State House
Pouch V
Juneau, AK 99811

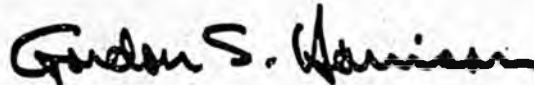
Dear Representative Bussell:

Attached to this letter are projections of State revenue and contributions to the Major Projects Fund as proposed in CSHJR 57. Contribution estimates are based on the assumption that ten percent of oil revenues, excluding corporate income tax on oil and gas producers and property tax on oil and gas production property, would be set aside in the Fund beginning in FY 1986.

These projections incorporate current royalty and severance tax revenue estimates published by the Department of Revenue. Other petroleum and non-petroleum revenue projections are those of OMB, but they are similar to the estimates used by the Department of Revenue internally.

We have analyzed the cash flow of the Major Projects Fund (CSHJR 57) with both 30th and 50th percentile estimates of severance tax and royalty income. Note that our estimates of unrestricted revenue are based on current law, and are not adjusted for deposits into the Fund.

Sincerely,



Gordon S. Harrison
Associate Director

mm/84I-57

50TH PERCENTILE
ROYALTIES, SEVERANCE TAXES,
AND FEDERAL MINERAL REVENUE SHARING PAYMENTS *
(\$ Million; Nominal)

FY	DOR <u>50%</u>	DOR <u>50%</u>	OMB <u>Estimate</u>	Total
	Gross Royalties	Severance Taxes	Federal Mineral Revenue Sharing	
1986	1,480	1,450	18	2,948
1987	1,670	1,630	18	3,318
1988	1,820	1,520	18	3,358
1989	2,080	1,730	18	3,828
1990	2,140	1,770	18	3,928
1991	1,950	1,540	18	3,508
1992	1,940	1,460	18	3,418
1993	1,940	1,430	18	3,388
1994	1,900	1,370	18	3,288
1995	1,770	1,270	18	3,058
1996	1,650	1,100	18	2,768
1997	1,700	1,140	18	2,858
1998	1,750	1,150	18	2,918

* The Major Projects Fund proposal for which this was prepared also specifies that ten percent of "mineral lease rentals" and "royalty sale proceeds" be set aside in the Fund. Estimates of royalty sale proceeds are included in the "Gross Royalties" reported above. Mineral lease rentals are a relatively minor source of income (less than Federal mineral revenue sharing payments) and long-range forecasts are not readily available.

OMB

3-7-84

30TH PERCENTILE
ROYALTIES, SEVERANCE TAXES,
AND FEDERAL MINERAL REVENUE SHARING PAYMENTS *
(\$ Million; Nominal)

FY	<u>DOR</u> <u>30%</u>	<u>DOR</u> <u>30%</u>	<u>OMB</u> <u>Estimate</u>	Total
	Gross Royalties	Severance Taxes	Federal Mineral Revenue Sharing	
1986	1,320	1,300	18	2,638
1987	1,470	1,440	18	2,928
1988	1,590	1,310	18	2,918
1989	1,770	1,460	18	3,248
1990	1,680	1,350	18	3,048
1991	1,560	1,150	18	2,728
1992	1,540	1,090	18	2,648
1993	1,470	990	18	2,478
1994	1,390	920	18	2,328
1995	1,300	880	18	2,198
1996	1,230	760	18	2,008
1997	1,260	770	18	2,048
1998	1,270	790	18	2,078

* The Major Projects Fund proposal for which this was prepared also specifies that ten percent of "mineral lease rentals" and "royalty sale proceeds" be set aside in the Fund. Estimates of royalty sale proceeds are included in the "Gross Royalties" reported above. Mineral lease rentals are a relatively minor source of income (less than Federal mineral revenue sharing payments) and long-range forecasts are not readily available.

OMB

3-7-84

CONTRIBUTIONS TO MPF
(\$ Million; Nominal)

<u>FY</u>	<u>At 50th Percentile</u>		<u>At 30th Percentile</u>	
	<u>Total Royalties, Severance Taxes, and FMRS *</u>	<u>10% to MPF</u>	<u>Total Royalties, Severance Taxes, and FMRS *</u>	<u>10% to MPF</u>
1986	2,948	295	2,638	264
1987	3,318	332	2,928	293
1988	3,358	336	2,918	292
1989	3,828	383	3,248	325
1990	3,928	393	3,048	305
1991	3,508	351	2,728	273
1992	3,418	342	2,648	265
1993	3,388	339	2,478	248
1994	3,288	329	2,328	233
1995	3,058	306	2,198	220
1996	2,768	277	2,008	201
1997	2,858	286	2,048	205
1998	2,918	292	2,078	208
TOTAL		4,261		3,332

* FMRS = Federal mineral revenue sharing payments.

OMB

3-7-84

CONTRIBUTIONS TO PERMANENT FUND
(\$ Million; Nominal)

FY	<u>At 50th Percentile</u>			<u>At 30th Percentile</u>		
	Non-Tax. Pet. Rev. (Excl. Bonuses)	Perm. Fund Contribution Rate	Perm. Fund Contributions	Non-Tax. Pet. Rev. (Excl. Bonuses)	Perm. Fund Contribution Rate	Perm. Fund Contributions
1986	1,498	.25	375	1,338	.25	335
1987	1,688	.25	422	1,488	.25	372
1988	1,838	.25	460	1,608	.25	402
1989	2,098	.25	525	1,788	.25	447
1990	2,158	.25	540	1,698	.25	425
1991	1,968	.25	492	1,578	.25	395
1992	1,958	.27	529	1,558	.27	421
1993	1,958	.27	529	1,488	.27	402
1994	1,918	.28	537	1,408	.28	394
1995	1,788	.28	501	1,318	.28	369
1996	1,668	.29	484	1,248	.29	362
1997	1,718	.30	515	1,278	.30	383
1998	1,768	.30	530	1,288	.30	386

ONB

3-7-84

UNRESTRICTED GENERAL FUND REVENUE: 50TH PERCENTILE
(\$ Million)

FY	50th Percentile Pet. Rev. * Minus P.F. Contr.	OMB	OMB	Unrestricted Gen. Fund Revenue	Unrestricted Gen. Fund Revenue (1985 dollars)
		<u>Estimate</u>	<u>Estimate</u>		
		Investment Income	Other (Non-Pet.) Revenue		
1986	3,124	250	272	3,646	3,440
1987	3,505	250	287	4,042	3,609
1988	3,518	250	303	4,071	3,421
1989	3,964	250	320	4,534	3,598
1990	4,042	250	337	4,629	3,454
1991	3,662	250	356	4,268	3,006
1992	3,557	250	376	4,183	2,789
1993	3,546	250	397	4,193	2,637
1994	3,444	250	420	4,114	2,434
1995	3,252	250	443	3,945	2,204
1996	2,945	250	469	3,664	1,928
1997	3,056	250	495	3,801	1,891
1998	3,120	250	524	3,894	1,828

* Includes corporate income tax on oil and gas producers and oil and gas production property tax, in addition to royalties, severance taxes, and federal mineral revenue sharing payments.

OMB

3-7-84

UNRESTRICTED GENERAL FUND REVENUE: 30TH PERCENTILE
 (\$ Million)

FY	30th Percentile Pet. Rev. * Minus P.F. Contr.	OMB	OMB	Unrestricted Gen. Fund Revenue	Unrestricted Gen. Fund Revenue (1985 dollars)
		<u>Estimate</u>	<u>Estimate</u>		
		Investment Income	Other (Non-Pet.) Revenue		
1986	2,854	250	272	3,376	3,185
1987	3,165	250	287	3,702	3,305
1988	3,136	250	303	3,689	3,100
1989	3,462	250	320	4,032	3,200
1990	3,277	250	337	3,864	2,884
1991	2,979	250	356	3,585	2,525
1992	2,895	250	376	3,521	2,347
1993	2,763	250	397	3,410	2,145
1994	2,627	250	420	3,297	1,951
1995	2,524	250	443	3,217	1,797
1996	2,307	250	469	3,026	1,593
1997	2,378	250	495	3,123	1,554
1998	2,424	250	524	3,198	1,501

* Includes corporate income tax on oil and gas producers and oil and gas production property tax, in addition to royalties, severance taxes, and federal mineral revenue sharing payments.

OMB

3-7-84

MPF CUMULATIVE BALANCE: 50TH PERCENTILE
(\$ Million)

<u>Deposit Date</u>	<u>Deposit Amount</u>	<u>9% Interest</u>	<u>Balance</u>	<u>Balance Date</u>	<u>Balance in \$ 1985 (6% inflation)</u>
1-1-86	295	27	322	12-31-86	304
1-1-87	332	59	713	12-31-87	637
1-1-88	336	94	1,143	12-31-88	961
1-1-89	383	137	1,163	12-31-89	1,320
1-1-90	393	185	2,241	12-31-90	1,672
1-1-91	351	233	2,825	12-31-91	1,989
1-1-92	342	285	3,452	12-31-92	2,301
1-1-93	339	341	4,132	12-31-93	2,599
1-1-94	329	401	4,862	12-31-94	2,877
1-1-95	306	465	5,633	12-31-95	3,147
1-1-96	277	532	6,442	12-31-96	3,391
1-1-97	286	606	7,334	12-31-97	3,649
1-1-98	292	686	8,312	12-31-98	3,902

Assumptions: 1) No expenditures from the fund.

2) MPF lump sum deposit in the middle of the fiscal year.

OMB

3-7-84

MPF CUMULATIVE BALANCE: 30TH PERCENTILE
(\$ Million)

<u>Deposit Date</u>	<u>Deposit Amount</u>	<u>9% Interest</u>	<u>Balance</u>	<u>Balance Date</u>	<u>Balance in \$ 1985 (6% inflation)</u>
1-1-86	264	24	288	12-31-86	272
1-1-87	293	52	633	12-31-87	565
1-1-88	292	83	1,008	12-31-88	847
1-1-89	325	120	1,453	12-31-89	1,153
1-1-90	305	158	1,916	12-31-90	1,430
1-1-91	273	197	2,386	12-31-91	1,680
1-1-92	265	239	2,890	12-31-92	1,927
1-1-93	248	282	3,420	12-31-93	2,151
1-1-94	233	329	3,982	12-31-94	2,356
1-1-95	220	378	4,580	12-31-95	2,559
1-1-96	201	430	5,211	12-31-96	2,743
1-1-97	205	487	5,903	12-31-97	2,937
1-1-98	208	550	6,661	12-31-98	3,127

OMB

3-7-84

Offered: 3/6/84
Referred: Judiciary and
Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE JOINT RESOLUTION NO. 57 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska creating a
7 fund to finance the construction of cap-
8 ital projects and to provide power cost
9 assistance.

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

11 * Section 1. Article IX, Constitution of the State of Alaska, is amend-
12 ed by adding a new section to read:

13 SECTION 17. MAJOR PROJECTS FUND. (a) There is created in the
14 State treasury a major projects fund. The purpose of the major proj-
15 ects fund is to finance capital projects which exceed \$100,000,000 in
16 cost. Money in the fund may be invested in the manner specified in
17 section 15 of this article for the Alaska Permanent Fund. The major
18 projects fund consists of

19 (1) an annual deposit of ten percent of state revenue
20 earned after June 30, 1985, from the following sources:

21 (A) severance tax;
22 (B) mineral lease rentals;
23 (C) royalties;
24 (D) royalty sale proceeds; and
25 (E) federal mineral revenue-sharing payments and
26 bonuses;

27 (2) interest earned each fiscal year from investment of
28 money in the major projects fund;

29 (3) revenue dedicated to the major projects fund in

1 accordance with (c) of this section; and

2 (4) appropriations made by the legislature.

3 (b) Money may not be expended from the major projects fund un-
4 less

5 (1) the expenditure is authorized in an appropriation bill
6 passed by the legislature;

7 (2) the appropriation, together with any other money com-
8 mitted to finance the capital project, is sufficient to provide for
9 all costs of constructing the capital project;

10 (3) the capital project is projected to earn enough revenue
11 during its useful life to repay the money appropriated from the major
12 projects fund and other borrowed money used to finance the project;
13 and

14 (4) the capital project being funded is owned by the state.

15 (c) The legislature shall dedicate by law sufficient revenue
16 earned by a capital project financed by the major projects fund to
17 ensure that the amount appropriated from the fund for the project is
18 repaid during the useful life of the project.

19 (d) Notwithstanding the dedication of revenue required by this
20 section, the legislature, by an affirmative vote of two-thirds of the
21 membership of each house, may appropriate revenue dedicated under this
22 section to meet a state of disaster declared by the governor as pre-
23 scribed by law.

24 (e) The first appropriation from the major projects fund shall
25 be for the Watana Dam portion of the Susitna River hydroelectric
26 project, unless the legislature, by a vote of two-thirds of the mem-
27 bership of each house, disapproves the project. Notwithstanding art.
28 II, sec. 15 of the Constitution of the State of Alaska, the appro-
29 priation made under this subsection may not be vetoed by the governor.

1 (f) Notwithstanding (b) and (e) of this section, ten percent of
2 the annual revenue paid into the fund is reserved for power cost
3 assistance in order to ensure that power costs in the state do not
4 exceed the mean cost per kilowatt hour in Anchorage, Juneau and
5 Fairbanks, and money reserved under this subsection may be appropri-
6 ated by the legislature for that purpose.

7 * Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska is
8 amended to read:

9 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
10 license shall not be dedicated to any special purpose, except as pro-
11 vided in sections [SECTION] 15 and 17 of this article or when required
12 by the federal government for state participation in federal programs.
13 This provision shall not prohibit the continuance of any dedication
14 for special purposes existing upon the date of ratification of this
15 section by the people of Alaska.

16 * Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska is
17 amended to read:

18 SECTION 16. APPROPRIATION LIMIT. Except for appropriations for
19 Alaska permanent fund dividends, appropriations from the major proj-
20 ects fund established by section 17 of this article, appropriations of
21 revenue bond proceeds, appropriations required to pay the principal
22 and interest on general obligation bonds, and appropriations of money
23 received from a non-State source in trust for a specific purpose, in-
24 cluding revenues of a public enterprise or public corporation of the
25 State that issues revenue bonds, appropriations from the treasury made
26 for a fiscal year shall not exceed \$2,500,000,000 by more than the
27 cumulative change, derived from federal indices as prescribed by law,
28 in population and inflation since July 1, 1981. Within this limit, at
29 least one-third shall be reserved for capital projects and loan

1 appropriations. The legislature may exceed this limit in bills for
2 appropriations to the Alaska permanent fund and in bills for appro-
3 priations for capital projects, whether of bond proceeds or otherwise,
4 if each bill is approved by the governor, or passed by affirmative
5 vote of three-fourths of the membership of the legislature over a veto
6 or item veto, or becomes law without signature, and is also approved
7 by the voters as prescribed by law. Each bill for appropriations for
8 capital projects in excess of the limit shall be confined to capital
9 projects of the same type, and the voters shall, as provided by law,
10 be informed of the cost of operations and maintenance of the capital
11 projects. No other appropriation in excess of this limit may be made
12 except to meet a state of disaster declared by the governor as pre-
13 scribed by law. The governor shall cause any unexpended and unappro-
14 priated balance to be invested so as to yield competitive market rates
15 to the treasury.

16 * Sec. 4. The amendments proposed by this resolution shall be placed
17 before the voters of the state at the next general election in conformity
18 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
19 tion laws of the state.

Introduced: 1/23/84
Referred: State Affairs,
Judiciary and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE JOINT RESOLUTION NO. 57

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

Proposing an amendment to the Constitu-

6

tion of the State of Alaska creating a

7

fund to finance the construction of cap-

8

ital projects.

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

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13 State treasury a major projects fund. The purpose of the major proj-
14 ects fund is to finance the construction of capital projects which
15 exceed \$100,000,000 in cost. Money in the fund may be invested in the
16 manner specified in section 15 of this article for the Alaska Perma-
17 nent Fund. The major projects fund consists of

18 (1) an annual deposit of ten percent of state revenue
19 earned during the period beginning July 1, 1984, and ending June 30,
20 1990, from the following sources:

21 (A) corporate income tax on oil and gas producers;

22 (B) severance tax;

23 (C) oil and gas production property tax;

24 (D) mineral lease rentals;

25 (E) royalties;

26 (F) royalty sale proceeds; and

27 (G) federal mineral revenue-sharing payments and
28 bonuses;

29 (2) interest earned each fiscal year from investment of

1 money in the major projects fund; and

2 (3) revenue dedicated to the major projects fund in accor-
3 dance with (c) of this section.

4 (b) No money may be expended from the major projects fund unless

5 (1) the expenditure is in accordance with an appropriation
6 bill passed by the affirmative vote of two-thirds of the membership of
7 each house of the legislature;

8 (2) the appropriation, together with any other money com-
9 mitted to finance the capital project, will provide for all costs of
10 constructing the capital project; and

11 (3) the capital project will earn enough revenue during the
12 life of the project to repay the money expended to finance the proj-
13 ect.

14 (c) The legislature shall dedicate by law sufficient revenue
15 earned by a capital project financed by the major projects fund so
16 that the amount expended from the fund to finance the project is re-
17 paid during the life of the project.

18 (d) Notwithstanding the dedication of revenue required by this
19 section, the legislature may appropriate revenue dedicated under this
20 section to meet a state of disaster declared by the governor as pre-
21 scribed by law.

22 * Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska is
23 amended to read:

24 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
25 license shall not be dedicated to any special purpose, except as pro-
26 vided in sections [SECTION] 15 and 17 of this article or when required
27 by the federal government for state participation in federal programs.
28 This provision shall not prohibit the continuance of any dedication
29 for special purposes existing upon the date of ratification of this

1 section by the people of Alaska.

2 * Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska is
3 amended to read:

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8 and interest on general obligation bonds, and appropriations of money
9 received from an non-State source in trust for a specific purpose, in-
10 cluding revenues of a public enterprise or public corporation of the
11 State that issues revenue bonds, appropriations from the treasury made
12 for a fiscal year shall not exceed \$2,500,000,000 by more than the
13 cumulative change, derived from federal indices as prescribed by law,
14 in population and inflation since July 1, 1981. Within this limit, at
15 least one-third shall be reserved for capital projects and loan appro-
16 priations. The legislature may exceed this limit in bills for appro-
17 priations to the Alaska permanent fund and in bills for appropriations
18 for capital projects, whether of bond proceeds or otherwise, if each
19 bill is approved by the governor, or passed by affirmative vote of
20 three-fourths of the membership of the legislature over a veto or item
21 veto, or becomes law without signature, and is also approved by the
22 voters as prescribed by law. Each bill for appropriations for capital
23 projects in excess of the limit shall be confined to capital projects
24 of the same type, and the voters shall, as provided by law, be in-
25 formed of the cost of operations and maintenance of the capital proj-
26 ects. No other appropriation in excess of this limit may be made ex-
27 cept to meet a state of disaster declared by the governor as pre-
28 scribed by law. The governor shall cause any unexpended and unappro-
29 priated balance to be invested so as to yield competitive market rates

1 to the treasury.

2 * Sec. 4. The amendments proposed by this resolution shall be placed
3 before the voters of the state at the next general election in conformity
4 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
5 tion laws of the state.

Offered: 3/6/84
Referred: Judiciary and
Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
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3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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28 money in the major projects fund;

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1 accordance with (c) of this section; and

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8 mitted to finance the capital project, is sufficient to provide for
9 all costs of constructing the capital project;

10 (3) the capital project is projected to earn enough revenue
11 during its useful life to repay the money appropriated from the major
12 projects fund and other borrowed money used to finance the project;
13 and

14 (4) the capital project being funded is owned by the state.

15 (c) The legislature shall dedicate by law sufficient revenue
16 earned by a capital project financed by the major projects fund to
17 ensure that the amount appropriated from the fund for the project is
18 repaid during the useful life of the project.

19 (d) Notwithstanding the dedication of revenue required by this
20 section, the legislature, by an affirmative vote of two-thirds of the
21 membership of each house, may appropriate revenue dedicated under this
22 section to meet a state of disaster declared by the governor as pre-
23 scribed by law.

24 (e) The first appropriation from the major projects fund shall
25 be for the Watana Dam portion of the Susitna River hydroelectric
26 project, unless the legislature, by a vote of two-thirds of the mem-
27 bership of each house, disapproves the project. Notwithstanding art.
28 II, sec. 15 of the Constitution of the State of Alaska, the appro-
29 priation made under this subsection may not be vetoed by the governor.

1 (f) Notwithstanding (b) and (e) of this section, ten percent of
2 the annual revenue paid into the fund is reserved for power cost
3 assistance in order to ensure that power costs in the state do not
4 exceed the mean cost per kilowatt hour in Anchorage, Juneau and
5 Fairbanks, and money reserved under this subsection may be appropri-
6 ated by the legislature for that purpose.

7 * Sec. 2. Article IX, sec. 7, Constitution of the State of Alaska is
8 amended to read:

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13 This provision shall not prohibit the continuance of any dedication
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22 and interest on general obligation bonds, and appropriations of money
23 received from an non-State source in trust for a specific purpose, in-
24 cluding revenues of a public enterprise or public corporation of the
25 State that issues revenue bonds, appropriations from the treasury made
26 for a fiscal year shall not exceed \$2,500,000,000 by more than the
27 cumulative change, derived from federal indices as prescribed by law,
28 in population and inflation since July 1, 1981. Within this limit, at
29 least one-third shall be reserved for capital projects and loan

1 appropriations. The legislature may exceed this limit in bills for
2 appropriations to the Alaska permanent fund and in bills for appro-
3 priations for capital projects, whether of bond proceeds or otherwise,
4 if each bill is approved by the governor, or passed by affirmative
5 vote of three-fourths of the membership of the legislature over a veto
6 or item veto, or becomes law without signature, and is also approved
7 by the voters as prescribed by law. Each bill for appropriations for
8 capital projects in excess of the limit shall be confined to capital
9 projects of the same type, and the voters shall, as provided by law,
10 be informed of the cost of operations and maintenance of the capital
11 projects. No other appropriation in excess of this limit may be made
12 except to meet a state of disaster declared by the governor as pre-
13 scribed by law. The governor shall cause any unexpended and unappro-
14 priated balance to be invested so as to yield competitive market rates
15 to the treasury.

16 * Sec. 4. The amendments proposed by this resolution shall be placed
17 before the voters of the state at the next general election in conformity
18 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
19 tion laws of the state.

COMMITTEE REPORT
SENATE

2/11/83

FURTHER:

Date: 2/25/83

Mr. President:

The Committee on Finance has had SENATE SPECIAL CONC. RES.1
Disapproving Executive Order No. 53

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

Do Pass

SENATE AMENDMENT

By Finance Committee

To: _____ SENATE BILL No. SSCR. 1

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 20 through 24

Delete lines 20 through 24 and insert in place thereof:

"WHEREAS Executive Order No. 53 does not adequately reflect legislative policy;"

Introduced: 2/11/83
Referred: Finance

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 SENATE SPECIAL CONCURRENT RESOLUTION NO. 1
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 Disapproving Executive Order No. 53.

6 WHEREAS the governor, under authority of art. III, sec. 23, of the
7 Constitution of the State of Alaska, has proposed to merge the division of
8 budget and management and the division of policy development and planning,
9 including the latter's office of coastal management, into an office of
10 management and budget within the Office of the Governor by Executive Order
11 No. 53; and

12 WHEREAS the governor has submitted Executive Order No. 53 to the
13 presiding officer of each house of the legislature as required by AS 24.-
14 30.130(b); and

15 WHEREAS art. III, sec. 23, of the Constitution of the State of Alaska
16 provides that unless disapproved within 60 days of a regular session by
17 resolution concurred in by a majority of the members of the legislature in
18 joint session, an executive order becomes effective at a date thereafter
19 designated by the governor; and

20 ~~WHEREAS it is not in the best interests of the state to merge the~~
21 ~~division of budget and management and the division of policy development~~
22 ~~and planning, including the latter's office of coastal management, into an~~
23 ~~office of management and budget within the Office of the Governor as pro-~~
24 ~~posed in Executive Order No. 53;~~ *Be Person 2/11/83*

25 BE IT RESOLVED by the Alaska State Legislature that Executive Order
26 No. 53 is disapproved.

*Amendment
Fischer
Adopted*

STATE OF ALASKA
FINAL* STATEMENT OF FISCAL IMPACT

Bill No: SSCR No. 1 Date on Bill: February 11, 1983
 Title: Disapproving Executive Order No. 53
 Sponsor: Senate Finance Committee
 Requestor: Governor - Office of Management and Budget

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			-0-	-0-	-0-			
Operating			-0-	-0-	-0-			
Total			-0-	-0-	-0-			

b. Revenues:

Revenue			-0-	-0-	-0-			
---------	--	--	-----	-----	-----	--	--	--

2. Source of funds to offset fiscal impact of bill:

No fiscal Impact.

3. Assumptions:

*This statement has been reviewed by the OMB in the Office of the Governor.

Prepared By: Glen Price *GP* Phone: 465-3568
 Division: Office of Management and Budget - Budget Review Date: 2/24/83

Approved by Commissioner: *[Signature]* Date: 2/24/83
 Department: OMB

Reviewed by OMB: *[Signature]* Date: 2-24-83
 Phone: 465-3568

5. Distribution:

- Original to Legislative Finance
- Copy to Department
- Copy to Sponsor
- Copy to Requestor

2/24/83

COMMITTEE REPORT

HOUSE

FURTHER:

2/7/83

Date: 2/14/83

Mr. Speaker:

The Committee on FINANCE has had CSSCR 2 (Rules)
Establishing a Joint Special Committee on Legislative Reform

under consideration and reports it back as follows:

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

**MEMBERS SIGNING
DO PASS**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature] - No Rec.

[Signature] - Do not Pass

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN

HOUSE JOURNAL

A M E N D M E N T

OFFERED IN THE HOUSE

BY THE FINANCE COMMITTEE

TO: CSSCR 2 (Rls)

Page 1, line 29:

After "procedures," Add "budget procedures,"

Page 2, line 9:

Add the following:

"FURTHER RESOLVED that the committee be directed to report its findings and recommendations concerning conflict of interest and ethics legislation to the full legislature by April 1, 1983; and be it"

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS SCR 2 (RULES)
 Title Establishing a Joint Special Cmttee. on Legislative Reform
 Requested by House Finance Committee Date 2/10/83

II. FISCAL DETAIL
 Agency Affected Legislature
 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
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 0

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 2/10/83 PREPARED BY Rep. Al Adams
 AGENCY House Finance Committee
 Original: Legislative Finance PHONE 465-3706
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

The following individual is expected to testify on
CS SCR 2 (Rules):

Senator Jan Faiks, Chair, Senate Rules Committee

After introduction of appropriate legislation, the committee will hold public hearings in Anchorage, Fairbanks, and Juneau, and through the teleconference network.

A final report reviewing the committee's deliberations, conclusions, and proposed legislation will be submitted to the legislature.

The committee will be dissolved on February 1, 1984, or upon submission of the final report, whichever comes sooner.

COMMITTEE BUDGET

Travel/Per Diem for public hearings	\$ 8,096.00
Contractual NCSL (\$41,949) * Telephone (\$1,250) Newspaper Ads (\$1,750)	44,949.00
Commodities xerox and postage	250.00
Contingency Fund (10%)	3,500.00
<u>TOTAL</u>	<u>\$ 56,795.00</u>

APPROXIMATELY ONE-THIRD OF THE TOTAL COMMITTEE BUDGET WILL BE PICKED UP BY NCSL.

* NCSL will pay \$19,302 of this cost. The total amount is to cover NCSL staff salaries and benefits, travel, word processing, and other office costs.

Alaska State Legislature

House of Representatives



Official Business

Al Adams
Chairman
Committee on Finance

February 14, 1983

WHILE IN SESSION
Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3706

OUT OF SESSION
P.O. Box 333
Korzebue, Alaska 99752
(907) 442-3320

1024 W. 6th
Anchorage, Alaska 99501
(907) 274-0615

MEMORANDUM

TO: House Finance Committee Members

FROM: Al Adams, Chair *AK*
House Finance Committee

SUBJ: CS SCR 2 (Rules)

CS SCR 2 (Rules) would create a joint ethics committee composed of three members from both the House and the Senate.

AREAS OF STUDY

The joint committee would study:

1. Proposals for ethics and conflict of interest legislation.
2. The legislative budget process.
3. General overview of the Uniform Rules.

STUDY PLAN

The study will be performed jointly between the legislature and the National Conference of State Legislators (NCSL). NCSL will pay approximately one third of the total cost of the study, and will provide extensive staff support.

NCSL staff will conduct interviews with past and present legislators and staff members as well as members of the public. This information will aid in the development of recommendations relative to the committee's areas of study.

Once NCSL research is completed, the committee will introduce legislation based on its response to NCSL recommendations.

Offered: 2/3/83

Original sponsor: Rules

1 IN THE SENATE BY THE RULES COMMITTEE
2 CS FOR SENATE CONCURRENT RESOLUTION NO. 2 (Rules)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 Establishing a Joint Special Committee
6 on Legislative Reform.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS the rules, customs, protocol, decorum and statutes governing
9 the work of the Legislature are of great importance to the people of Alaska
10 and the Legislature; and
11 WHEREAS broad public confidence in legislative practices can help
12 assure respect for the rule of law itself; and
13 WHEREAS there has already occurred a significant and widespread public
14 dialogue regarding legislative procedure, reflecting the desire of Alaskans
15 to further encourage confidence in the legislative process and to stream-
16 line expenditures and time spent in the legislative process, consistent
17 with the need for adequate consideration of public policy issues before the
18 Legislature, with provision for public participation; and
19 WHEREAS, while the Legislature has from time to time modified its
20 procedures, a comprehensive review of legislative procedures and practices
21 with public involvement is needed; and
22 WHEREAS the work of the Legislature takes place in a constantly chang-
23 ing technological and demographic context, which further warrants a review
24 of legislative procedures;
25 BE IT RESOLVED by the Alaska State Legislature that a Joint Special
26 Committee on Legislative Reform is established consisting of three members
27 of the Senate appointed by the President of the Senate and three members of
28 the House of Representatives appointed by the Speaker of the House to
29 analyze and review existing procedures, rules, customs, protocol, decorum,

1 court decisions, statutes, and practices, and to report its findings to the
2 Legislature concerning their adequacy and fitness, and to recommend such
3 changes or modifications, which in the judgment of the committee will
4 promote legislative responsiveness and accountability to the people and
5 encourage efficiency in the legislative branch of government; and be it

6 FURTHER RESOLVED that the committee, when constituted, be directed to
7 take appropriate steps consistent with existing rules to involve represen-
8 tative elements of the public in its deliberations; and be it

9 FURTHER RESOLVED that the committee is authorized to meet during the
10 session of the Legislature and is terminated on February 1, 1984 or upon
11 the submission of its final report, whichever comes first.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE - REVISED 3/15/83

I. REQUEST

Bill/Resolution No. SENATE CONCURRENT RESOLUTION NO. 3

Title Extending the life of the Blue Ribbon Commission on the State Personnel Act

Requested by Senator Bill Ray Date 03-15-83

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Legislative Council

(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES		87.0				
200 TRAVEL		10.6				
300 CONTRACTUAL		2.1				
400 COMMODITIES		1.1				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		100.8				

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		100.8				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME		2				
PART TIME						
TEMPORARY						

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

Continuation of present staff and activity:

One Administrative Assistant full-time and

One Secretary full-time with benefits

\$ 87,000

Travel - Staff & Commission

Estimate 10 members per meeting at \$530

travel and per diem per trip for two trips

\$ 10,600

Contractual - phone, public notices, etc.

\$ 2,100

Commodities - Office Supplies

\$ 1,100

TOTAL

\$100,800

IV. DATE 3/15/83

PREPARED BY Wally Harrison, Director, Admin. Svcs

AGENCY Legislative Affairs Agency

Original: Legislative Finance

PHONE 465-3850

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

The following individuals are expected to testify on SCR 3:

Senator Bill Ray, Chair, Blue Ribbon Commission on the State
Personnel Act may testify

Terry Cramer, Administrative Assistant to the Commission

Wally Harrison, Legislative Affairs Agency, will be available to
answer questions on the fiscal note

Appropriations for the Blue Ribbon Commission on the State
Personnel Act:

FY 79	\$ 57,300
FY 80	\$ 58,195
FY 81	\$ 93,700
FY 82	\$ 99,100
FY 83	\$100,000
FY 84 (proposed)	\$100,800

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT

M E M B E R S H I P

February, 1983

Senator Bill Ray, Chairman

Rep. Jack Fuller, Vice Chairman

Members and Alternates:

Myrton Charney, Executive Director, Legislative Affairs Agency

John Chenoweth, Ombudsman

Senator Richard Eliason

William Huston, Superintendent, S.E. Regional Correctional Institution

Lois Jund, Retired State Employee
(Dorothy Whitney)

Frank Raye, Director, Division of Personnel

Lynda McCurry, Personnel Officer, Department of Labor
(Roger Thayer, Personnel Officer, DOT)

Greg O'Claray, Inlandboatmen's Union - SIUNA

John Pugh, Director, Division of Social Services
(Robert Mourant, DOT)

Lisa Rudd, Commissioner, Department of Administration
(Director, Division of Labor Relations)
(Deputy Commissioner, Department of Administration)
(James Fisher, Director Division of EEO)

Cherie Shelley, Executive Director, APEA
(Darlene Livermore, APEA)
(Doryce Eggleston, APEA)
(Dianne Corso, APEA)

(Alternates)

Two vacancies



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

MEMORANDUM

March 10, 1983

TO: House Finance Committee

FROM: Teresa B. Cramer *Teresa B. Cramer*
Administrative Assistant

SUBJECT: SCR 3 - Extending the Life of the Blue Ribbon Commission

The Alaska State Legislature created the Blue Ribbon Commission on the State Personnel Act in 1978 and directed it to review the personnel system and make recommendations to improve it. Since then, the commission has worked on the issues it has identified, sponsoring legislation, making recommendations to appropriate state agencies and reporting its progress to the legislature each year.

In its first year, the commission studied the temporary employee issue extensively and sponsored a bill creating the nonpermanent employee system. The bill intended to curb the administrative practice of using temporary state employees to evade departmental accountability and mask poor planning. The legislation became effective on January 1, 1980.

The commission continued to address personnel issues and also addressed issues in collective bargaining during its second year. It studied and made recommendations to the Division of Personnel concerning the state's application process, testing practices, and identified and began discussion of problems which it was not able to act on because of time constraints. In its third year, the commission sponsored a comprehensive revision of the State Personnel Act as well as several other pieces of legislation in the personnel and retirement areas. The revision of the State Personnel Act became effective in 1982.

The commission reviewed the state's practices on employment of women and minorities during its fourth year. It recommended that a local hiring preference system be implemented particularly for state government positions in rural Alaska. It identified administrative changes to address issues presented to it and made recommendations to the Governor and to the Department of Administration. The legislature extended the existence of the commission until June 30, 1983, so that it could continue to perform the assignments made to it.

During the past year, the commission has considered a variety of issues and topics which were identified in public testimony and inquiries. It has sponsored legislation this session addressing seven of these issues, including amending the nepotism statute to provide statutory authorization for the current Personnel Rule, proposing a system of legislative review of labor agreements between the state and employee unions and associations, addressing issues in the retirement statutes, creating and protecting the state's interests in the discoveries and inventions of its employees when they are job-related, and resolving issues in the personnel system.

The commission is currently considering issues in the retirement and personnel fields which it has not had time to fully investigate and make recommendations on. These include questions concerning the appropriateness of some of the written tests used to evaluate applicants for state jobs, studying conflict of interest regulations which limit state employees' right to speak on public issues relating to their job duties, problems with disability retirement and other personnel issues.

The commission is composed of representatives from groups and persons most concerned about the state personnel system. In addition to legislators, the membership includes representatives from the unions and associations representing state employees, from the Department of Administration and the Division of Personnel, from the Ombudsman, other state agencies and the public. The breadth of expertise insures that a diversity of viewpoints is heard on the issues raised before the commission.

The commission has been unable to resolve all the questions it has considered. It therefore requests that the legislature authorize the Blue Ribbon Commission on the State Personnel Act to continue to perform the assignments delegated to it through June 30, 1984.

TBC:lmk

Introduced: 2/1/83
Referred: State Affairs and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 3

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 Extending the life of the Blue Ribbon
6 Commission on the State Personnel Act.

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

8 WHEREAS in 1978 the legislature through Legislative Resolve No. 27
9 authorized the Legislative Council, in cooperation with the director of
10 personnel, to form a "blue ribbon" commission to study the State Personnel
11 Act; and

12 WHEREAS the commission was formed as authorized by the resolution,
13 made its report to the First Session of the Eleventh Legislature, and, in
14 response to the commission's request for additional time to study problems
15 it had identified, was funded by the legislature for a second year; and

16 WHEREAS in 1980 the commission made its second report to the legisla-
17 ture, and the legislature through Legislative Resolve No. 38 authorized the
18 commission to continue to perform the assignments made to it by 1978 Legis-
19 lative Resolve No. 27; and

20 WHEREAS in 1981 the legislature, through Legislative Resolve No. 37,
21 found that additional time was needed for the commission to complete the
22 task to which it was assigned and authorized the commission to continue to
23 perform its assignments until June 30, 1982; and

24 WHEREAS in 1982 the legislature, through Legislative Resolve No. 17
25 found that additional time was needed for the commission to complete the
26 task to which it was assigned and authorized the commission to continue to
27 perform its assignments until June 30, 1983; and

28 WHEREAS the commission has now identified problems relating to person-
29 nel issues but is unable to adequately address those problems before

1 June 30, 1983;

2 BE IT RESOLVED by the Alaska State Legislature that the Blue Ribbon
3 Commission on the State Personnel Act is authorized to continue to perform
4 the assignments made to it by 1978 Legislative Resolve No. 27 through
5 June 30, 1984.

COMMITTEE REPORT
SENATE

FURTHER:

2/9/83

Date: 2/21/83

Mr. President:

The Committee on FINANCE has had SCR 3

Extending the life of the Blue Ribbon Commission on the State Personnel Act.

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

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

MEMBERS SIGNING
DO PASS

Joe Josephson

Bob M... ..

...

Jim Fike

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Jim Mayle

CHAIRMAN

Introduced: 2/1/83
Referred: State Affairs and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 3

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

Extending the life of the Blue Ribbon

6

Commission on the State Personnel Act.

7

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

8

WHEREAS in 1978 the legislature through Legislative Resolve No. 27

9

authorized the Legislative Council, in cooperation with the director of

10

personnel, to form a "blue ribbon" commission to study the State Personnel

11

Act; and

12

WHEREAS the commission was formed as authorized by the resolution,

13

made its report to the First Session of the Eleventh Legislature, and, in

14

response to the commission's request for additional time to study problems

15

it had identified, was funded by the legislature for a second year; and

16

WHEREAS in 1980 the commission made its second report to the legisla-

17

ture, and the legislature through Legislative Resolve No. 38 authorized the

18

commission to continue to perform the assignments made to it by 1978 Legis-

19

lative Resolve No. 27; and

20

WHEREAS in 1981 the legislature, through Legislative Resolve No. 37,

21

found that additional time was needed for the commission to complete the

22

task to which it was assigned and authorized the commission to continue to

23

perform its assignments until June 30, 1982; and

24

WHEREAS in 1982 the legislature, through Legislative Resolve No. 17

25

found that additional time was needed for the commission to complete the

26

task to which it was assigned and authorized the commission to continue to

27

perform its assignments until June 30, 1983; and

28

WHEREAS the commission has now identified problems relating to person-

29

nel issues but is unable to adequately address those problems before

1 June 30, 1983;

2 BE IT RESOLVED by the Alaska State Legislature that the Blue Ribbon
3 Commission on the State Personnel Act is authorized to continue to perform
4 the assignments made to it by 1978 Legislative Resolve No. 27 through
5 June 30, 1984.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SENATE CONCURRENT RESOLUTION NO. 3
 Title Extending the life of the Blue Ribbon Commission on the State
 Requested by Senator Ray | Personnel Act Date 2/4/83

II. FISCAL DETAIL
 Agency Affected Legislative Affairs Agency
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Legislative Council
 (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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	87.0	87.0				
200 TRAVEL	10.0	10.6				
300 CONTRACTUAL	2.0	2.1				
400 COMMODITIES	1.0	1.1				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	100.0	100.8				

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	100.0	100.8				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME	2	2				
PART TIME						
TEMPORARY						

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

Continuation of present staff and activity:
 One Administrative Assistant full-time and
 One Secretary full-time with benefits \$ 87,000

 Travel - Staff & Commission
 Estimate 10 members per meeting at \$530
 travel and per diem per trip for two trips \$ 10,600

 Contractual - phone, public notices, etc. \$ 2,100
 Commodities - Office Supplies \$ 1,100

 TOTAL ----- \$100,800

IV. DATE 2/7/83 PREPARED BY Wally Harrison, Director, Admin. Svcs.
 AGENCY Legislative Affairs Agency
 Original: Legislative Finance PHONE 465-3850
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

Rcd 2/7/83

February 16, 1983

SENATE CONCURRENT RESOLUTION #3 (extending the life of the Blue Ribbon Commission on the State Personnel Act)

2-1-83 - Introduced by the Rules Committee at the request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act).

Referred to Senate State Affairs/Finance/Rules

2-9-83 - Senate State Affairs passed the bill out and the majority recommended it "do pass" DP03: 2 no recommendation, Senators Kelly, and Sturgulewski.

SUMMARY: The Resolution would provide funding (100,800) for and extend the life of the Blue Ribbon Commission for one additional year.

The Division of Legislative Audit's "Performance Review of the Dept. of Administration/Div. of Personnel" and recommendations from the Ombudsman's office initiated legislation in 1978 to organize the Blue Ribbon Commission. The original resolve charged the commission with the responsibility;

- 1) to refine the State Personnel Act
- 2) to investigate the feasibility of decentralizing hiring
- 3) to investigate the feasibility of adjusting the salary schedule to commensurate with the private sector, and
- 4) To propose revision recommendations to the 11th Legislature.

The history of the Commission has proven that the reformation of the State Personnel Act has been an on-going process and several measures of the Commission have been incorporated into law through its recommendation.

The Commission membership: in back up.

Since the Commission is continuing the on-going review task of the State Personnel Act, they are seeking the extension of the life of the Blue Ribbon Commission.

M E M B E R S H I P

February, 1983

Senator Bill Ray, Chairman

Rep. Jack Fuller, Vice Chairman

Members and Alternates:

Myrton Charney, Executive Director, Legislative Affairs Agency

John Chenoweth, Ombudsman

Senator Richard Eliason

William Huston, Superintendent, S.E. Regional Correctional Institution

Lois Jund, Retired State Employee
(Dorothy Whitney)

Frank Raye, Director, Division of Personnel

Lynda McCurry, Personnel Officer, Department of Labor
(Roger Thayer, Personnel Officer, DOT)

Greg O'Claray, Inlandboatmen's Union - SIUNA

John Pugh, Director, Division of Social Services
(Robert Mourant, DOT)

Lisa Rudd, Commissioner, Department of Administration
(Director, Division of Labor Relations)
(Deputy Commissioner, Department of Administration)
(James Fisher, Director Division of EEO)

Cherie Shelley, Executive Director, APEA
(Darlene Livermore, APEA)
(Doryce Eggleston, APEA)
(Dianne Corso, APEA)

(Alternates)

Two vacancies



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

M E M O R A N D U M

February 7, 1983

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer *Teresa B. Cramer*
Administrative Assistant

SUBJECT: SCR 3 - Extending the Life of the Blue Ribbon Commission

The Alaska State Legislature created the Blue Ribbon Commission on the State Personnel Act in 1978 and directed it to review the personnel system and make recommendations to improve it. Since then, the commission has worked on the issues it has identified, sponsoring legislation, making recommendations to appropriate state agencies and reporting its progress to the legislature each year.

In its first year, the commission studied the temporary employee issue extensively and sponsored a bill creating the nonpermanent employee system. The bill intended to curb the administrative practice of using temporary state employees to evade departmental accountability and mask poor planning. The legislation became effective on January 1, 1980.

The commission continued to address personnel issues and also addressed issues in collective bargaining during its second year. It studied and made recommendations to the Division of Personnel concerning the state's application process, testing practices, and identified and began discussion of problems which it was not able to act on because of time constraints. In its third year, the commission sponsored a comprehensive revision of the State Personnel Act as well as several other pieces of legislation in the personnel and retirement areas. The revision of the State Personnel Act became effective in 1982.

The commission reviewed the state's practices on employment of women and minorities during its fourth year. It recommended that a local hiring preference system be implemented particularly for state government positions in rural Alaska. It identified administrative changes to address issues presented to it and made recommendations to the Governor and to the Department of Administration. The legislature extended the existence of the commission until June 30, 1983, so that it could continue to perform the assignments made to it.

During the past year, the commission has considered a variety of issues and topics which were identified in public testimony and inquiries. It has sponsored legislation this session addressing seven of these issues, including amending the nepotism statute to provide statutory authorization for the current Personnel Rule, proposing a system of legislative review of labor agreements between the state and employee unions and associations, addressing issues in the retirement statutes, creating and protecting the state's interests in the discoveries and inventions of its employees when they are job-related, and resolving issues in the personnel system.

The commission is composed of representatives from groups and persons most concerned about the state personnel system. In addition to legislators, the membership includes representatives from the unions and associations representing state employees, from the Department of Administration and the Division of Personnel, from the Ombudsman, other state agencies and the public. The breadth of expertise insures that a diversity of viewpoints is heard on the issues raised before the commission.

The commission has been unable to resolve all the questions it has considered. It therefore requests that the legislature authorize the Blue Ribbon Commission on the State Personnel Act to continue to perform the assignments delegated to it through June 30, 1984.

TBC:lmk

5/20/83

SENATE FINANCE COMMITTEE
Senate Resolution 5
May 19, 1983

My name is Martin Tirador and I represent Blue Cross of Washington and Alaska. Blue Cross supports Senate Resolution 5 and urges this committee and the entire legislature to act favorably on it.

Blue Cross of Washington and Alaska has long felt, and has so testified, that a well run, efficient Certificate of Need program is an essential part of a health care planning effort. In this age of ever increasing costs, planning and control are of maximum importance. The Certificate of Need program as part of planning is a vital tool in the cost control effort. Expenditures that are not made to a clear, specific and evident need in any community can become a millstone around the neck of the local hospital patient and to the taxpayers of the entire state.

Blue Cross fully recognizes there are a number of problems with the function, thresholds and administration of the current Certificate of Need program. Blue Cross also recognizes that positive steps are necessary to correct the problems. We also understand the federal government is considering changes in the Certificate of Need program that could well have impact on the various states. We feel these problems alone are sufficient to encourage positive action on this resolution.

The study proposed in the resolution is a very positive one. At last, there will be sufficient information and alternatives available for members of the legislature to make valid selections from the alternatives offered. Lower revenues and increasing costs require these alternatives be studied before a decision can really be reached. The impact on Alaskans could be severe.

Thank you.

COMMITTEE REPORT
SENATE

5/5/83

FURTHER:

Date: 5/20/83

Mr. President:

The Committee on Finance has had SR 5

Authorizing a study of the certificate of need program.

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

B. M. ...

H. ...

J. ...

P. ...

[Signature]

CHAIRMAN

Introduced: 5/5/83
Referred: Finance

1 IN THE SENATE

BY BENNETT

2

SENATE RESOLUTION NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

Authorizing a study of the certificate

6

of need program.

7 BE IT RESOLVED BY THE SENATE:

8 WHEREAS the certificate of need program is the only method by which
9 the state currently reviews and controls capital expenditures for health
10 care facilities in the state; and

11 WHEREAS a recent study has shown that state certificate of need pro-
12 grams effectively inhibit the unrestrained construction of health care
13 facilities; and

14 WHEREAS substantial federal funding is available to the state if the
15 state maintains a certificate of need program that is in compliance with
16 federal law; and

17 WHEREAS Congress is considering substantial changes in federal certif-
18 icate of need requirements; and

19 WHEREAS it would be imprudent to repeal or suspend the state certifi-
20 cate of need program at this time;

21 BE IT RESOLVED by the Alaska Senate that the Senate Finance Committee
22 conduct or contract for a comprehensive study of the state certificate of
23 need program to examine the feasibility of maintaining the program in some
24 form that is in compliance with federal law; and be it

25 FURTHER RESOLVED that if the certificate of need program is found to
26 be an ineffective method of insuring adequate state review of capital
27 expenditures for health care facilities and providing for rational and
28 systematic planning of a health care delivery system in the state, the
29 person conducting the study shall investigate and recommend alternatives

1 for achieving such goals; and be it

2 FURTHER RESOLVED that the study shall be submitted to the Senate not

3 later than January 30, 1984.