

LEG. FINANCE - BILLS 1985 - 1986 2204

CSSB 209 cont. - SB 207 2204

1 governor or the legislature.

2 (b) The commission may

3 (1) conduct research, hold public hearings, and study
4 related issues in order to make recommendations for the improvement of
5 fire prevention and control in the state;

6 (2) accept unrestricted gifts, bequests, devises, grants,
7 matching funds and other consideration for use in promoting the com-
8 mission's work.

9 * Sec. 2. AS 39.25.120(c) is amended by adding a new paragraph to read:

10 (19) employees of the Alaska State Fire Commission.

11 * Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

12 (13) Alaska State Fire Commission -- June 30, 1990.

13 * Sec. 4. Notwithstanding AS 44.41.110, enacted by sec. 1 of this Act,
14 and AS 39.05.055, the following initial members of the Alaska State Fire
15 Commission shall serve the following terms:

16 (1) representatives of the construction industry and the field
17 of education, three years;

18 (2) member of the Alaska State Firefighters Association and the
19 representative of the insurance industry, two years;

20 (3) representatives of the transportation industry and the
21 Alaska Federation of Natives, one year.

22 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

Offered: 4/2/85
Referred: Finance

Original sponsor: Ziegler

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 209 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska State Fire Commission;
7 and providing for an effective date."

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

9 * Section 1. AS 44.19 is amended by adding new sections to read:

10 ARTICLE 15. ALASKA STATE FIRE COMMISSION.

11 Sec. 44.19.194. FIRE COMMISSION. The Alaska State Fire Commis-
12 sion is established in the Office of the Governor.

13 Sec. 44.19.195. MEMBERSHIP. (a) The governor shall appoint the
14 members of the commission without regard to political affiliation to
15 serve for terms of four years. Members shall have an understanding of
16 basic fire protection principles. A member may serve no more than two
17 consecutive full terms. Membership shall include a

- 18 (1) member of the Alaska Fire Chief's Association;
- 19 (2) member of the Alaska State Firefighters Association;
- 20 (3) member of the Alaska Municipal League;
- 21 (4) representative of the field of education;
- 22 (5) representative of the Alaska Federation of Natives;
- 23 (6) representative of the insurance industry;
- 24 (7) representative of the construction industry;
- 25 (8) representative of the petrochemical industry; and
- 26 (9) representative of the transportation industry.

27 (b) The attorney general and the commissioners of public safety,
28 labor, community and regional affairs, and natural resources or their
29 designated representatives are ex officio members of the committee.

1 (c) A vacancy on the commission shall be filled from the appro-
2 priate source. The appointee shall serve for the unexpired portion of
3 the term.

4 (d) Members serve without compensation but are entitled to
5 travel and per diem authorized for members of boards and commissions
6 under AS 39.20.180.

7 Sec. 44.19.196. PROCEDURES; STAFF. (a) The commission shall
8 meet each quarter. A quorum consists of five members and must include
9 either the chair or the vice-chair of the commission. Powers of the
10 commission may be exercised by an affirmative vote of a majority of
11 the commission. The commission shall determine the location of a
12 meeting in advance and shall publish notice of the meeting statewide
13 at least 30 days before the meeting date.

14 (b) Roberts Rules of Order shall govern commission meetings.

15 (c) The membership shall elect a chair and a vice-chair to serve
16 for terms of four years. An elected officer may serve for no more
17 than two successive full terms. The chair may appoint standing and
18 special committees and subcommittees.

19 (d) The chair, the governor, or three members of the commission
20 may call a special meeting.

21 (e) The commission shall hire an executive director and other
22 staff as necessary.

23 Sec. 44.19.197. POWERS AND DUTIES. (a) The commission shall

24 (1) develop and adopt a state master plan for fire preven-
25 tion and control and a state fire education and training plan;

26 (2) assist state and local fire prevention and control
27 agencies in improving fire prevention and control in the state;

28 (3) establish policy and operational guidelines for state
29 agencies with fire protection responsibilities and make

1 recommendations to private industry, local governments, and federal
2 agencies having fire protection programs;

3 (4) develop and maintain a liaison with all fire protection
4 agencies in the state, both public and private;

5 (5) recommend legislative and executive actions to enhance
6 effective and efficient fire prevention and suppression;

7 (6) adopt regulations under the Administrative Procedure
8 Act (AS 44.62) to enhance effective and efficient fire prevention and
9 suppression;

10 (7) develop and implement a standardized data collection
11 system for all fire protection agencies in the state;

12 (8) serve as a resource and technical information source
13 for local governments, state and federal agencies, the legislature and
14 persons in the state;

15 (9) submit an annual report to the governor, legislature,
16 and the fire service community on the activities, recommendations, and
17 accomplishments of the commission during the preceding fiscal year;

18 (10) take other actions necessary or proper to carry out its
19 duties.

20 (b) The commission may

21 (1) conduct research, hold public hearings, and study
22 related issues in order to make recommendations for the improvement of
23 fire prevention and control in the state;

24 (2) accept unrestricted gifts, bequests, devises, grants,
25 matching funds and other consideration for use in promoting the com-
26 mission's work.

27 * Sec. 2. AS 44.66.010(a) is amended by adding a new paragraph to read:

28 (13) Alaska State Fire Commission -- June 30, 1989.

29 * Sec. 3. Notwithstanding AS 44.19.195 enacted by sec. 1 of this Act,

1 the following initial members of the commission shall serve the following
2 terms:

3 (1) representatives of the construction industry and the field
4 of education, three years;

5 (2) member of the Alaska State Firefighters Association and the
6 representative of the insurance industry, two years;

7 (3) representatives of the transportation industry and the
8 Alaska Federation of Natives, one year.

9 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).

Introduced: 3/4/85
Referred: State Affairs
and Finance

1 IN THE SENATE

BY ZIEGLER

2

SENATE BILL NO. 209

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to creating the Alaska State Fire
7 Commission; and providing for an effective date."

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

9 * Section 1. AS 44.19 is amended by adding new sections to read:

10 ARTICLE 15. ALASKA STATE FIRE COMMISSION.

11 Sec. 44.19.194. FIRE COMMISSION. The Alaska State Fire Commis-
12 sion is established in the Office of the Governor.

13 Sec. 44.19.195. MEMBERSHIP. (a) The governor shall appoint the
14 members of the commission without regard to political affiliation to
15 serve for terms of four years. Members shall have an understanding of
16 basic fire protection principles. A member may serve no more than two
17 consecutive full terms. Membership shall include a

18 (1) member of the Alaska Fire Chief's Association;

19 (2) member of the Alaska State Firefighters Association;

20 (3) member of the Alaska Municipal League;

21 (4) representative of the field of education;

22 (5) representative of the Alaska Federation of Natives;

23 (6) representative of the insurance industry;

24 (7) representative of the construction industry;

25 (8) representative of the petrochemical industry; and

26 (9) representative of the transportation industry.

27 (b) The attorney general and the commissioner of public safety,
28 labor, community and regional affairs, and natural resources or their
29 designated representatives are ex officio members of the committee.

1 (c) A vacancy on the commission shall be filled from the appro-
2 priate source. The appointee shall serve for the unexpired portion of
3 the term.

4 (d) Members serve without compensation but are entitled to
5 travel and per diem authorized for members of boards and commissions
6 under AS 39.20.180.

7 Sec. 44.19.196. PROCEDURES; STAFF. (a) The commission shall
8 meet each quarter. A quorum consists of five members and must include
9 either the chair or the vice-chair of the commission. The commission
10 shall determine the location of a meeting in advance and shall publish
11 notice of the meeting statewide at least 30 days before the meeting
12 date.

13 (b) Roberts Rules of Order shall govern commission meetings.

14 (c) The membership shall elect a chair and a vice-chair to serve
15 for terms of four years. An elected officer may serve for no more
16 than two successive full terms. The chair may appoint standing and
17 special committees and subcommittees.

18 (d) The chair, the governor, or three members of the commission
19 may call a special meeting.

20 (e) The commission shall hire an executive director and other
21 staff as necessary.

22 Sec. 44.19.197. POWERS AND DUTIES. (a) The commission shall

23 (1) develop and adopt a state master plan for fire preven-
24 tion and control and a state fire education and training plan;

25 (2) assist state and local fire prevention and control
26 agencies in improving fire prevention and control in the state;

27 (3) establish policy and operational guidelines for state
28 agencies with fire protection responsibilities and make recommenda-
29 tions to private industry, local governments, and federal agencies

1 having fire protection programs;

2 (4) develop and maintain a liaison with all fire protection
3 agencies in the state, both public and private;

4 (5) recommend legislative and executive actions to enhance
5 effective and efficient fire prevention and suppression;

6 (6) adopt regulations under the Administrative Procedure
7 Act (AS 44.62) to enhance effective and efficient fire prevention and
8 suppression;

9 (7) develop and implement a standardized data collection
10 system for fire protection agencies in the state;

11 (8) serve as a resource and technical information source
12 for local governments, state and federal agencies, the legislature and
13 persons in the state;

14 (9) submit an annual report to the governor, legislature,
15 and the fire service community on the activities, recommendations, and
16 accomplishments of the commission during the preceding fiscal year;

17 (10) take other actions necessary or proper to carry out its
18 duties.

19 (b) The commission may

20 (1) conduct research, hold public hearings, and study
21 related issues in order to make recommendations for the improvement of
22 fire prevention and control in the state;

23 (2) accept unrestricted gifts, bequests, devises, grants,
24 matching funds and other consideration for use in promoting the com-
25 mission's work.

26 * Sec. 2. AS 44.66.010(a) is amended by adding a new paragraph to read:

27 (13) Alaska State Fire Commission -- June 30, 1989.

28 * Sec. 3. Notwithstanding AS 44.19.195 enacted by sec. 1 of this Act,
29 the following initial members of the commission shall serve the following

1 terms:

2 (1) representatives of the construction industry and the
3 field of education, three years;

4 (2) member of the Alaska State Firefighters Association and
5 the representative of the insurance industry, two years;

6 (3) representatives of the transportation industry and the
7 Alaska Federation of Natives, one year.

8 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
9 10.070(c).

Offered: 4/25/86
Referred: Rules

Original sponsor: Ziegler

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 209 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska State Fire Commission;

7 and providing for an effective date."

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

9 * Section 1. AS 44.41 is amended by adding new sections to read:

10 ARTICLE 2. ALASKA STATE FIRE COMMISSION.

11 Sec. 44.41.100. FIRE COMMISSION. The Alaska State Fire Commis-
12 sion is established in the Department of Public Safety.

13 Sec. 44.41.110. MEMBERSHIP. (a) The governor shall appoint the
14 members of the commission without regard to political affiliation to
15 serve for terms of four years. Members must have an understanding of
16 basic fire protection principles. A member may serve no more than two
17 consecutive full terms. Membership must include a

- 18 (1) member of the Alaska Fire Chief's Association;
- 19 (2) member of the Alaska State Firefighters Association;
- 20 (3) member of the Alaska Municipal League;
- 21 (4) representative of the field of education;
- 22 (5) representative of the Alaska Federation of Natives;
- 23 (6) representative of the insurance industry;
- 24 (7) representative of the construction industry;
- 25 (8) representative of the oil industry; and
- 26 (9) representative of the transportation industry.

27 (b) The attorney general and the commissioners of public safety,
28 labor, community and regional affairs, and natural resources or their
29 designated representatives are nonvoting members of the committee.

1 (c) A vacancy on the commission shall be filled from the appro-
2 priate source. The appointee shall serve for the unexpired portion of
3 the term.

4 (d) Members serve without compensation but are entitled to
5 travel and per diem authorized for members of boards and commissions
6 under AS 39.20.180.

7 Sec. 44.41.120. PROCEDURES; STAFF. (a) A quorum consists of
8 five members and must include either the chair or the vice-chair of
9 the commission.

10 (b) The membership shall elect a chair and a vice-chair to serve
11 for terms of one year. The chair may appoint standing and special
12 committees and subcommittees.

13 (c) The chair, the governor, or three members of the commission
14 may call a special meeting.

15 (d) The commission may hire staff as necessary. Employees of
16 the commission are in the partially exempt service under AS 39.25.120.

17 Sec. 44.41.130. POWERS AND DUTIES. (a) The commission shall

18 (1) develop and adopt a state master plan for fire preven-
19 tion, control, education, and training, and provide direction and
20 coordination for state fire-related programs;

21 (2) establish policy and operational guidelines for state
22 agencies with fire protection responsibilities and make recommenda-
23 tions to private industry, local governments, and federal agencies
24 having fire protection programs;

25 (3) adopt regulations under the Administrative Procedure
26 Act (AS 44.62) to enhance effective and efficient fire prevention and
27 suppression;

28 (4) make recommendations for local, federal, and private
29 fire-related programs; and

1 (5) report on commission activities when requested by the
2 governor or the legislature.

3 (b) The commission may

4 (1) conduct research, hold public hearings, and study
5 related issues in order to make recommendations for the improvement of
6 fire prevention and control in the state;

7 (2) accept unrestricted gifts, bequests, devises, grants,
8 matching funds and other consideration for use in promoting the com-
9 mission's work.

10 * Sec. 2. AS 39.25.120(c) is amended by adding a new paragraph to read:

11 (19) employees of the Alaska State Fire Commission.

12 * Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

13 (13) Alaska State Fire Commission -- June 30, 1990.

14 * Sec. 4. Notwithstanding AS 44.41.110 enacted by sec. 1 of this Act
15 and AS 39.05.055, the following initial members of the Alaska State Fire
16 Commission shall serve the following terms:

17 (1) representatives of the construction industry and the field
18 of education, three years;

19 (2) member of the Alaska State Firefighters Association and the
20 representative of the insurance industry, two years;

21 (3) representatives of the transportation industry and the
22 Alaska Federation of Natives, one year.

23 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

4/2/85

Date _____

Mr. President

The Committee on FINANCE considered SB 202

special appropriation to the Department of Transportation and Public Facilities for construction of the Eagle River Hiland Bridge; efd.

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
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FINANCE

FURTHER:

2/28/85

Date APRIL 1, 1985

Mr. President

The Committee on TRANSPORTATION considered SB 202
special appropriation to the Department of Transportation and Public
Facilities for construction of the Eagle River Hiland Bridge; efd.

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
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joe Josephson - No Recommendation

[Signature]
Chairman

[Signature]
Chairman recommendation

Introduced: 2/28/85
Referred: Transportation and Finance

Funding Information

General Fund	\$23,555,100
Other Funds	-0-
	<u>\$23,555,100</u>

1 IN THE SENATE

BY KELLY AND HALFORD

2 SENATE BILL NO. 202

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 construction of the Eagle River Hiland Bridge; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$23,555,100 is appropriated from the general
12 fund to the Department of Transportation and Public Facilities for right-
13 of-way acquisition, engineering, and construction of the Eagle River Hiland
14 Bridge.

15 * Sec. 2. The appropriation made by this Act is for a capital project
16 and is subject to AS 37.25.020.

17 * Sec. 3. This Act takes effect July 1, 1985.

ALASKA STATE LEGISLATURE

14TH... Legislature . FIRST Session

SENATE ..BILL..... NO. ..202..

By ...KELLY,..HALFORD.....

"An Act making a special appropriation to the Department of Transportation and Public Facilities for construction of the Eagle River Hilland Bridge; and providing for an effective date."

Introduced in the Senate ...2/28... 1985.

HISTORY IN THE SENATE

19 85

2 28

Read first time and referred to Committee on
TRANSPORTATION AND FINANCE
Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Introduced: 2/28/85
Referred: Transportation and Finance

Funding Information	
General Fund	\$23,555,100
Other Funds	-0-
	<hr/>
	\$23,555,100

1 IN THE SENATE BY KELLY AND HALFORD

2 SENATE BILL NO. 202

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 construction of the Eagle River Hiland Bridge; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$23,555,100 is appropriated from the general
12 fund to the Department of Transportation and Public Facilities for right-
13 of-way acquisition, engineering, and construction of the Eagle River Hiland
14 Bridge.

15 * Sec. 2. The appropriation made by this Act is for a capital project
16 and is subject to AS 37.25.020.

17 * Sec. 3. This Act takes effect July 1, 1985.

COMMITTEE REPORT
SENATE

FINANCE

FURTHER:

2/28/85

Date APRIL 1, 1985

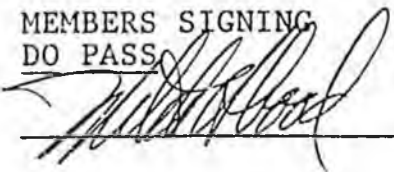
Mr. President

The Committee on TRANSPORTATION considered SB 202
special appropriation to the Department of Transportation and Public
Facilities for construction of the Eagle River Hiland Bridge; efd.

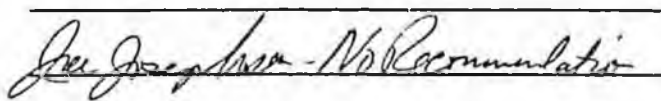
and (a majority of the committee) (the committee) reports it back with
the following recommendations:

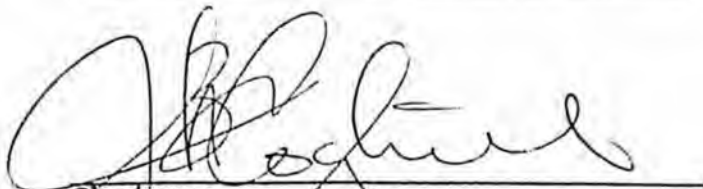
- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS



MEMBERS HAVING
OTHER RECOMMENDATIONS





Chairman

DO PASS

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

3/5/05

Date _____

Mr. President

The Committee on FINANCE considered SB 204

contracts for architectural, engineering, and land surveying services.

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 " DO PASS "
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
BE FN (A/B)
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Original sponsors: Sturgulewski and Rodey

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 204 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contracts for architectural,
7 engineering, and land surveying services; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 36.90 is amended by adding a new section to read:

11 Sec. 36.90.100. COMPLIANCE OF CONTRACTS WITH PROFESSIONAL REGIS-
12 TRATION REQUIREMENTS. The state or a political subdivision of the
13 state may not award a contract for architectural, engineering, or land
14 surveying services to

15 (1) an individual who is not registered under AS 08.48 to
16 perform the architectural, engineering, or land surveying services
17 required by the contract;

18 (2) a partnership that is not qualified under AS 08.48.251
19 to provide the architectural, engineering, or land surveying services
20 required by the contract; or

21 (3) a corporation that is not authorized under AS 08.48.241
22 to offer the architectural, engineering, or land surveying services
23 required by the contract.

24 * Sec. 2. AS 36.98 is amended by adding a new section to read:

25 Sec. 36.98.043. ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING
26 CONTRACTS. (a) Notwithstanding the provisions of AS 36.98.010(3) and
27 36.98.040, a state agency shall negotiate a contract with the most
28 qualified and suitable firm or person of demonstrated competence for
29 architectural, engineering, or land surveying services. The state

1 agency shall award a contract for those services at fair and reason-
2 able compensation as determined by the state agency, after considera-
3 tion of the estimated value of the services to be rendered, and the
4 scope, complexity, and professional nature of the services.

5 (b) If negotiations with the most qualified and suitable firm or
6 person under (a) of this section are not successful, the state agency
7 shall negotiate a contract with other qualified persons or firms of
8 demonstrated competence, in order of public ranking. The state agency
9 may reject all or part of a proposal.

10 (c) This section does not apply to contracts awarded in a situa-
11 tion of public necessity if the person responsible for execution of
12 the contract on behalf of the state agency certifies in writing that a
13 situation of public necessity exists.

14 (d) Notwithstanding the other provisions of this section, a
15 state agency may include price as a factor in selecting architectural,
16 engineering, and land surveying services when, in the judgment of the
17 state agency, the services required are repetitious in nature, and the
18 scope, nature, and amount of services required are sufficiently de-
19 fined by measurable and objective standards to reasonably enable firms
20 and individuals making proposals to compete with a clear understanding
21 and interpretation of the services required. In order to include
22 price as a factor in selection, the state agency shall involve in the
23 evaluation of the proposals at least one person who is registered in
24 the state to perform the architectural, engineering, or land surveying
25 services that are the primary services to be provided by the contract.

26 (e) This section does not apply to a contract that incorporates
27 both design and construction services.

28 * Sec. 3. This Act applies to requests for bids or proposals for archi-
29 tectural, engineering, and land surveying services issued after the

1 effective date of this Act.

2 * Sec. 4. This Act takes effect immediately in accordance with AS 07.-
3 10.070(c).
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STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 204
 Title : An Act Relating to Contracts for Arch., Engr., & Land Surveying Services
 Sponsor : Sturgulewski, Rodey
 Requestor : _____
 Date of Request : 3/18/85

FISCAL DETAIL

Agency Affected : DOT&PF, DEC, DNR, DOA
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

See Attachment

Prepared by : John O. Simpson Phone : 465-2951
 Division : Standards & Technical Services Date : December 17, 1985

Approved by Commissioner : [Signature] Date : 12/31/85
 Agency : Department of Transportation & Public Facilities

Distribution (by Agency preparing fiscal note) :

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

28

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 204

ANALYSIS - S B 204

NEW ANALYSIS:

It is not possible to estimate the fiscal impact of this bill on state agencies but it is believed to be insignificant. For the most part the provisions of the bill are very similar to those in current practice.

There may be a fiscal impact to some political subdivisions which receive grants or Transfer of Responsibility Agreements (TORA) from state agencies for projects that require engineering, architectural or land surveying services. To properly identify these costs the Alaska Municipal League or the Political Subdivisions should be contacted directly.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST Bill/Resolution No.: <u>CSSB 204 C&RA</u> Title: <u>Contracts for Architects, Engineers, Surveyors Sturgiewski & Rodey</u> Sponsor: _____ Requestor: _____ Date of Request: _____	FISCAL DETAIL Agency Affected: <u>A11</u> BRU: <u>A11</u> Components: _____ All those contracting for Architects, Engineers and Surveyors
---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
POSITIONS:	-0-	-0-	-0-	-0-	-0-	-0-
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No direct financial impact on the Department of Administration. It is difficult to calculate the increased cost of contracts for the services of architects, engineers and surveyors when price is removed from consideration in the award of their contracts, but there will be a definite premium paid without price competition.

Prepared By: Robert J. Link *RL* Phone: 465-2250
 Division: General Services & Supply *RL* Date: December 18, 1985
 Approved by Commissioner: Eleanor Andrews *E.A.* Date: _____
 Agency: Department of Administration

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ Page 1 of 1

REQUEST
 Bill/Resolution No.: SB 204
 Title: Contracts for Architects,
 Engineers, Surveyors
 Sponsor: Sturgulewski & Rodey
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: ALL
 Program Category Affected: ALL
 BRU, Program or Subprogram(s) Affected:
ALL THOSE CONTRACTING FOR ARCHITECTS,
 ENGINEERS AND SURVEYORS

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS: -0- -0- -0- -0- -0- -0-

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No direct financial impact on the Department of Administration. It is difficult to calculate the increased cost of contracts for the services of architects, engineers and surveyors when price is removed from consideration in the award of their contracts, but there will be a definite premium paid without price competition.

Prepared By: Robert J. Link *RL* Phone: 465-2250
 Division: General Services & Supply Date: March 7, 1985

Approved by Commissioner: Lisa Rudd *LR* Date: 3/18/85
 Agency: Department of Administration

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

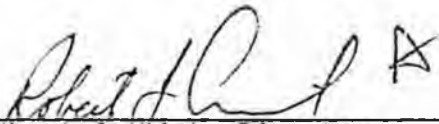
SB 204

Position Paper
SB 204

The Department of Administration is opposed to this bill.

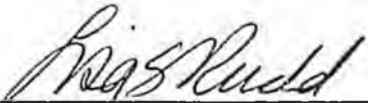
This legislation would require the State and political subdivisions to award contracts for architectural, engineering and surveying services in compliance with AS 36.98.010(3) and 36.98.040, except that price could not be considered as an award factor in the request for proposals. This effectively creates a separate class of Professional Services contractors.

Price is often a significant factor, among many, in determination of lowest responsible bidder cost. Without price constraints costs would likely rise as the criteria for selection would be increasingly subjective.



Robert J. Link, Director
Division of General Services & Supply
Department of Administration

3/16/85
Date



Commissioner Lisa Rudd
Department of Administration

3/18/85
Date

Analysis for Senate Bill 204

An Act relating to contracts for architectural, engineering, and land surveying services and providing for an effective date

Section 1

Adds a new section to the Miscellaneous Provisions chapter of Title 36 which covers Public Contracts. This section prohibits the state or a municipality from awarding a contract for architectural, engineering or land surveying services to an individual, partnership or corporation that is not licensed by the Board of Architects, Engineers and Land Surveyors.

Section 2

This section adds new language to the statute relating to Professional Services Contracts by creating a specific section on Architectural, Engineering and Land Surveying Contracts. It would require the state to negotiate contracts with:

- 1) the most qualified or competent architects, engineers and land surveyors and award the contract at fair and reasonable compensation. Reasonable compensation would be determined by the state after consideration of the estimated value of the services to be rendered as well as the scope and complexity of the work to be performed.
- 2) If negotiations were not successful with the first individual or firm designated as being most qualified, the state could enter into negotiations with other qualified persons or firms.
- 3) These provisions do not apply in cases of public necessity.
- 4) The state may include price as a factor in determining the selection of architectural, engineering and land surveying services. However, the scope and nature of the work must be sufficiently defined in order to allow individuals or firms to compete with an equal understanding. Price may not exceed 20% of the scoring formula used to select architectural, engineering or land surveying services.
- 5) These provisions do not apply to contracts that incorporate both design and construction services.

Section 3

This bill applies to requests for bids or proposals issued after the effective date of this act.

Section 4

Immediate effective date.

TO: SENATE FINANCE COMMITTEE
FROM: ELIZABETH J. HICKERSON
SUBJECT: OVERVIEW OF CONTRACTING PRACTICES OF ARCHITECTS & ENGINEERS
DATE: NOVEMBER 20, 1985

At the request of Senator Jan Faiks, I prepared the following memorandum which provides an overview of contracting practices of architects and engineers.

COMMON LAW TREATMENT

Historically, contracts between governments and architects and engineers were exempt from competitive bidding requirements. When contracting the client initially selected an engineer or architect on the basis of background and reputation, not price. After selection, a satisfactory fee arrangement was negotiated. If the negotiations were determined unsuccessful (the price was unacceptable), the client withdrew the original selection, approached another qualified architect or engineer, and negotiations began anew. This process continued until negotiations with qualified architects or engineers were successful.

The difference between the procedure used for architects and engineers and most other competitive source selections is the point at which price is considered. Justification for this special selection procedure has been supported because of the lack of a definitive scope of work for such services at the time the selection is made, and the importance of selecting the best qualified firm.

This method of selecting architects and engineers has been supported by their professional organizations. Until 1978, The Canon of Ethics of the National Society of Professional Engineers prohibited competitive bidding by its members. The United States Supreme Court held that this prohibition violated the Sherman Anti-trust Act. By the time this decision was rendered, the Brooks Bill had codified the traditional means of procuring architect and engineer services by the federal government. A copy of National Society of Professional Engineers v. United States is attached.

BROOKS BILL

Federal procurement of architectural and engineering services is governed by the Brooks Bill, which was enacted in 1972. The bill establishes a selection procedure for architects and engineers which is based on the traditional method. The procedure includes: notice of requirements for services, submission of annual qualification statements by architects and engineers, and the evaluation of qualifications for each project. Architects and engineers are ranked based on their qualifications and ability to perform the service. At least three firms are selected for each project. Negotiations are then held with the highest ranking firm to arrive at a fair and reasonable price. If agreement is not reached, negotiations are begun with the next most qualified firm.

STATE STATUTES

The United States Supreme Court has held that the federal anti-trust laws do not prevent states from enacting certain competitive restraints. The following statistics were compiled in 1982 by the American Consulting Engineers Council:

competitive bidding for architectural/engineering services is prohibited by law in two states, Tennessee and Texas;

architectural/engineering services are exempted from general bidding requirements in 14 states; and,

design firms are ranked according to their qualifications and fees negotiated only with top-ranked firms in 21 states.

An attached article, "More Low Bidding Ahead for Engineering Services?" provides specific information on these statistics.

ALASKA LAW

Procurement of professional services are governed under AS 36.98. Professional services contractors registers are maintained by the commissioners of administration and transportation and public facilities. A statement of qualifications and performance data relating to the contractor and other information are made part of the register record. When an agency proposes to enter into contracts for professional services, public notice soliciting proposals for the services must be published. The notice must include: a general description of the proposed project and the procedure by which a person or firm may make its proposal to the agency for consideration.

Evaluation of proposals must consist of assigning point values to factors considered by the agency in evaluating each proposal. Each proposal received must be evaluated using the same factors as those set out in the request for proposal. When the scope of the service requested can be defined, price is often one factor of the evaluation.

SUPPORT FOR BROOKS BILL LEGISLATION

Professional organizations have lobbied in support of state legislation similar to the federal Brooks Bill. The Alaska Chapter of the American Institute of Architects issued a statement of policy on the issue. The Chapter supports qualifications based procurement of A/E service because:

— the scope of work cannot be sufficiently defined so as to provide the basis upon which to make a price quotation;

— creative exercise of reasoning, judgment, and design cannot be reduced to dollars and cents price quotations; and,

when price and quality are considered together in selecting a firm all too often disproportionate weight is given the low price bidder at the expense of quality.

This statement summarizes the general arguments in support. A complete statement of policy is attached, as well as other supporting articles.

OPPOSITION TO BROOKS BILL LEGISLATION

Articles opposing legislation similar to the federal Brooks Bill have appeared in national publications. Most authors have had previous experience in federal and/or state procurement and conclude that the absence of requirements for competitive price negotiation in the A/E selection process causes excessive profits.

According to Paul J. Andrews, "the absence of price comparison results in a 600 to 700 percent price spread, in the cost of A/E services. . . . the Brooks Act alone insures that A/E services which could be obtained for \$50,000, will cost the federal government as much as \$350,000." Mr. Andrews also believes that price comparison for A/E services is the trend for the private sector. See attached article, "The 700% Solution-A Billion Dollar Ripoff".

The U. S. Department of Transportation reported on the audit of DOT Grant Funded Construction and found that:

some grantee A/E contract award practices provided little assurance that quality services were acquired at reasonable prices. Out of 102 A/E contracts reviewed, over half were priced without adequate cost estimates, analyses, or sufficient documentation to support reasonableness of price. Twenty-nine percent were awarded under conditions which precluded effective competition.

Attached is a copy of the complete report. The Deficit Reduction Act of 1984 calls for a study of procurement of professional services, including architects and engineers.

Opponents also point to the fact that architects and engineers are the only professionals that are exempted from competitive bidding.



Dept. of Transportation & Public Facilities

Position Paper

BILL NO: CS for SB 204 (C&RA)

APPROVED: *R. J. Knapp*
Commissioner

TITLE: An Act Relating to Contracts for
Architectural, Engineering and Land
Surveying Services

DATE: 1/22/86

The Department of Transportation and Public Facilities acknowledges the merits of the argument that competitive bid selection for selection of professional design services could lead to undesirable cost and operating efficiency problems. In certain cases the practice of bidding for such services could put the public in a position of paying for facilities which are not in their best interest even though substantial sums appear to have been saved in the design phase.

At the same time the Department has occasion to procure engineering and architectural services for classes of projects ranging from the most complex to the most simple and straight forward. To accommodate selection of these services for projects that cover the entire spectrum, flexible selection criteria, including price where applicable, is essential. There are numerous classes of design professional contracts wherein price consideration can continue to be of value to the state (architectural reviews for code compliance, projects which have a well defined design and construction scope, and various sorts of consulting services).

For the most part the bill's provisions for selection of engineering and architectural services are very similar to those used in current practice and the Department has no objections or suggested changes to offer.



Dept. of Transportation & Public Facilities

Position Paper

BILL NO: CS for SB 204 (C&RA)

APPROVED: *Wm S. Sp...*
R. J. Knapp
Commissioner

TITLE: An Act Relating to Contracts for Architectural, Engineering and Land Surveying Services.

DATE: 1-31-86

This bill specifies the basis on which the State would negotiate and award contracts for architectural, engineering and land surveying services.

The Department of Transportation and Public Facilities acknowledges the merits of the argument that competitive bid selection for selection of professional design services could lead to undesirable cost and operating efficiency problems. In certain cases the practice of bidding for such services could put the public in a position of paying for facilities which are not in their best interest even though substantial sums appear to have been saved in the design phase.

At the same time the Department has occasion to procure engineering and architectural services for classes of projects ranging from the most complex to the most simple and straight forward. To accommodate selection of these services for projects that cover the entire spectrum, flexible selection criteria, including price where applicable, is essential.


The bill provides this flexibility and its provisions for selection of engineering and architectural services are very similar to those used in current practice. Therefore the Department supports this bill.

Position Paper
CSSB 204

The Department of Administration supports this bill.

This legislation would require the State to award contracts for architectural, engineering and surveying services in compliance with AS 36.98.043 and 36.90.100.

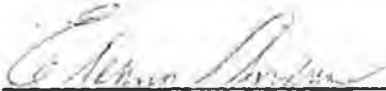
Except under the specified conditions, when seeking the services of an architectural, engineering, or land surveying firm, the requesting agency would rank competing firms. They would then negotiate with the highest ranked firm. If they did not feel the proposed contract price was fair they could move on to the next most qualified firm. If the price were made a consideration it could not be given a weight greater than 20%. For the selection of professional services contractors other than architects, engineers or land surveyors, the requesting agency would have no restrictions when considering price in making their ranking and selections.



Robert J. Link, Director
Division of General Services & Supply
Department of Administration

2/3/86

Date



Commissioner Eleanor Andrews
Department of Administration

2/17/86

Date

Offered: 4/19/85
Referred: Labor and Commerce

Original sponsors: Sturgulewski and Rodey

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 204 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to contracts for architectural,
7 engineering, and land surveying services; and provid-
8 ing for an effective date."

9

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

10

* Section 1. AS 36.90 is amended by adding a new section to read:

11

Sec. 36.90.100. COMPLIANCE OF CONTRACTS WITH PROFESSIONAL REGIS-

12

TRATION REQUIREMENTS. The state or a political subdivision of the

13

state may not award a contract for architectural, engineering, or land

14

surveying services to

15

(1) an individual who is not registered under AS 08.48 to

16

perform the architectural, engineering, or land surveying services

17

required by the contract;

18

(2) a partnership that is not qualified under AS 08.48.251

19

to provide the architectural, engineering, or land surveying services

20

required by the contract; or

21

(3) a corporation that is not authorized under AS 08.48.241

22

to offer the architectural, engineering, or land surveying services

23

required by the contract.

24

* Sec. 2. AS 36.98 is amended by adding a new section to read:

25

Sec. 36.98.043. ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING

26

CONTRACTS. (a) Notwithstanding the provisions of AS 36.98.010(3) and

27

36.98.040, a state agency shall negotiate a contract with the most

28

qualified and suitable firm or person of demonstrated competence for

29

architectural, engineering, or land surveying services. The state

1 agency shall award a contract for those services at fair and reason-
2 able compensation as determined by the state agency, after considera-
3 tion of the estimated value of the services to be rendered, and the
4 scope, complexity, and professional nature of the services.

5 (b) If negotiations with the most qualified and suitable firm or
6 person under (a) of this section are not successful, the state agency
7 shall negotiate a contract with other qualified persons or firms of
8 demonstrated competence, in order of public ranking. The state agency
9 may reject all or part of a proposal.

10 (c) This section does not apply to contracts awarded in a situa-
11 tion of public necessity if the person responsible for execution of
12 the contract on behalf of the state agency certifies in writing that a
13 situation of public necessity exists.

14 (d) Notwithstanding the other provisions of this section, a
15 state agency may include price as a factor in selecting architectural,
16 engineering, and land surveying services when, in the judgment of the
17 state agency, the scope, nature, and amount of services required are
18 sufficiently defined to reasonably enable firms and individuals making
19 proposals to compete with a substantially equal understanding and
20 interpretation of the services required. In order to include price as
21 a factor in selection, the state agency shall involve in the evalua-
22 tion of the proposals at least one person who is registered in the
23 state to perform the architectural, engineering, or land surveying
24 services that are the primary services to be provided by the contract.

25 (e) The consideration of price under (d) of this section as a
26 factor in the selection of architectural, engineering, and land sur-
27 veying services may not exceed 20 percent of the scoring formula used
28 in evaluating proposals. The state agency shall base the evaluation
29 of price on a previously established schedule that objectively

1 correlates price with points scored.

2 (f) This section does not apply to a contract that incorporates
3 both design and construction services.

4 * Sec. 3. This Act applies to requests for bids or proposals for archi-
5 tectural, engineering, and land surveying services issued after the effec-
6 tive date of this Act.

7 * Sec. 4. This Act takes effect immediately in accordance with AS 01.--
8 10.070(c).

9

Introduced: 3/1/85
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY STURGULEWSKI AND RODEY

2

SENATE BILL NO. 204

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to contracts for architectural,
7 engineering, and land surveying services; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 36.98 is amended by adding a new section to read:

11 Sec. 36.98.043. ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING
12 CONTRACTS. (a) Notwithstanding the provisions of AS 36.98.010(3) and
13 36.98.040, a state agency shall negotiate a contract with the most
14 qualified and suitable firm or person of demonstrated competence for
15 architectural, engineering, or land surveying services. The state
16 agency shall award a contract for those services at fair and
17 reasonable compensation as determined by the state agency, after
18 consideration of the estimated value of the services to be rendered,
19 and the scope, complexity, and professional nature of the services.

20 (b) If negotiations with the most qualified and suitable firm or
21 person under (a) of this section are not successful, the state agency
22 shall negotiate a contract with other qualified persons or firms of
23 demonstrated competence, in order of public ranking. The state agency
24 may reject all or part of a proposal.

25 (c) This section does not apply to contracts awarded in a situa-
26 tion of public necessity if the person responsible for execution of
27 the contract on behalf of the state agency certifies in writing that a
28 situation of public necessity exists.

29 (d) In this section "state agency" has the meaning given in

1 AS 36.98.080(5), but also includes political subdivisions of the state
2 when the political subdivision seeks architectural, engineering, or
3 land surveying services for a project that is funded entirely or
4 partially by state funds.

5 * Sec. 2. This Act applies to requests for bids or proposals for archi-
6 tectural, engineering, and land surveying services issued after the effec-
7 tive date of this Act.

8 * Sec. 3. This Act takes effect immediately in accordance with AS 01.--
9 10.070(c).

10

COMMITTEE REPORT

SENATE

Labor & Commerce

FURTHER: FINANCE

3/1/85

Date April 18, 1985

Mr. President

The Committee on C&RA considered SB 204

relating to contracts for architectural, engineering, and land surveying services; efd.

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 SB 204 (C&RA)
- 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

Arthur Stangulinski
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edo Weimer
 Chairman
Do Pass
 Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER:

4/2/86

Date _____

Mr. President

The Committee on FINANCE considered SB 205

providing for the issuance of general obligation bonds in the amount of \$31,880,000 for the purpose of paying the cost of community college land acquisition, design, and construction; efd.

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
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/1/85

Date _____

Mr. President

The Committee on HESS considered SB 205

issuance of general obligation bonds in the amount of \$31,880,000 for the purpose of paying the cost of community college land acquisition, design, and construction; efd.

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
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Introduced: 3/1/85
Referred: Health, Education and
& Social Services and Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 205

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$31,880,000 for the
8 purpose of paying the cost of community college land
9 acquisition, design, and construction; and providing
10 for an effective date."

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

12 * Section 1. For the purpose of paying the cost of community college
13 land acquisition, design, and construction, general obligation bonds of the
14 state in the principal amount of not more than \$31,880,000 shall be issued
15 and sold. The full faith, credit, and resources of the state are pledged
16 to the payment of the principal of and interest and redemption premium, if
17 any, on these bonds. These bonds shall be issued under the provisions of
18 AS 37.15 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "Commu-
21 nity College Fund" shall be established, to which shall be credited the
22 proceeds of the sale of the bonds described in sec. 1 of this Act except
23 for the accrued interest and premiums.

24 * Sec. 3. The amount of \$31,880,000 is appropriated from the "Community
25 College Fund" to the University of Alaska to be allocated in accordance
26 with the following projects and estimates subject to reallocation between
27 projects in accordance with AS 37.07.080(e):

28	Project	Amount
29	(1) Anchorage Community College	

5 COMMITTEE COPY

1	lab/administration building	\$18,000,000
2	(2) Northwest Community College	
3	land acquisition	400,000
4	(3) Tanana Valley Community College	
5	phase II design	2,000,000
6	(4) University of Alaska - Juneau	
7	site development and access roads	600,000
8	(5) Prince William Sound Community College	
9	administration/classroom building	4,600,000
10	(6) Matanuska-Susitna Community College	
11	classrooms	3,500,000
12	(7) University of Alaska -	
13	Matanuska-Susitna	
14	agriculture experiment station	
15	research lab	980,000
16	(8) Kenai Community College -	
17	Soldotna Campus	
18	phase III classrooms	1,800,000

* Sec. 4. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of \$111,580 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 5. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed to the fund from the proceeds of the sale of

1 bonds authorized by this Act.

2 * Sec. 6. The question whether the bonds authorized in this Act are to
3 be issued shall be submitted to the qualified voters of the state at the
4 next general election and shall read substantially as follows:

5 Proposition

6 State General Obligation Community

7 College Bonds \$31,880,000

8 Shall the State of Alaska issue its general obligation
9 bonds in the principal amount of not more than \$31,880,000
10 for the purpose of paying the cost of community college
11 land acquisition, design, and construction?

12 Bonds Yes []

13 Bonds No []

14 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

ALASKA STATE LEGISLATURE

14th Legislature FIRST Session

SENATE BILL NO. 205

By KITTULA

"An Act providing for the issuance of general obligation bonds in the amount of \$31,880,000 for the purpose of paying the cost of community college land acquisition, design, and construction; and providing for an effective date."

Introduced in the Senate 3/1, 19..05

HISTORY IN THE SENATE

19 05

3 1
19 86
4 2

Read first time and referred to Committee on

HESS and Finance
HESS
Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution no: SB 205
 Title: Community College General
Obligation Bonds
 Sponsor: Kerttula
 Requestor: Senate HESS
 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 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	5188.4	5188.4	5188.4	5188.4
<u>TOTAL OPERATING</u>	-	-	5188.4	5188.4	5188.4	5188.4
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	5188.4	5188.4	5188.4	5188.4
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	5188.4	5188.4	5188.4	5188.4

POSITIONS:

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

ANALYSIS: Debt service calculated on 10 year maturity at 10% interest.

Prepared By: Milt Barker
 Division: Treasury

Phone: 465-2350
 Date: March 6, 1985

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 3/8/85

Distribution (by Agency preparing fiscal note):

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

Introduced: 3/1/85
Referred: Health, Education and
& Social Services and Finance

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 205

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$31,880,000 for the
8 purpose of paying the cost of community college land
9 acquisition, design, and construction; and providing
10 for an effective date."

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

12 * Section 1. For the purpose of paying the cost of community college
13 land acquisition, design, and construction, general obligation bonds of the
14 state in the principal amount of not more than \$31,880,000 shall be issued
15 and sold. The full faith, credit, and resources of the state are pledged
16 to the payment of the principal of and interest and redemption premium, if
17 any, on these bonds. These bonds shall be issued under the provisions of
18 AS 37.15 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "Communi-
21 nity College Fund" shall be established, to which shall be credited the
22 proceeds of the sale of the bonds described in sec. 1 of this Act except
23 for the accrued interest and premiums.

24 * Sec. 3. The amount of \$31,980,000 is appropriated from the "Community
25 College Fund" to the University of Alaska to be allocated in accordance
26 with the following projects and estimates subject to reallocation between
27 projects in accordance with AS 37.07.080(e):

28	Project	Amount
29	(1) Anchorage Community College	

1	lab/administration building	\$18,000,000
2	(2) Northwest Community College	
3	land acquisition	400,000
4	(3) Tanana Valley Community College	
5	phase II design	2,000,000
6	(4) University of Alaska - Juneau	
7	site development and access roads	600,000
8	(5) Prince William Sound Community College	
9	administration/classroom building	4,600,000
10	(6) Matanuska-Susitna Community College	
11	classrooms	3,500,000
12	(7) University of Alaska -	
13	Matanuska-Susitna	
14	agriculture experiment station	
15	research lab	980,000
16	(8) Kenai Community College -	
17	Soldotna Campus	
18	phase III classrooms	1,800,000

19 * Sec. 4. If the issuance of these bonds is authorized by the qualified
20 voters of the state, the amount of \$111,580 or as much of that amount as is
21 found necessary is appropriated from the general fund of the state to the
22 state bond committee to carry out the provisions of this Act and to pay
23 expenses incident to the sale and issuance of the bonds authorized in this
24 Act. The amounts expended from the appropriation authorized by this sec-
25 tion shall be reimbursed to the general fund from the proceeds of the sale
26 of the bonds authorized by this Act.

27 * Sec. 5. The amount withdrawn from the public facility planning fund
28 for the purpose of advance planning for the improvements financed under
29 this Act shall be reimbursed to the fund from the proceeds of the sale of

1 bonds authorized by this Act.

2 * Sec. 6. The question whether the bonds authorized in this Act are to
3 be issued shall be submitted to the qualified voters of the state at the
4 next general election and shall read substantially as follows:

5 Proposition

6 State General Obligation Community

7 College Bonds \$31,880,000

8 Shall the State of Alaska issue its general obligation
9 bonds in the principal amount of not more than \$31,880,000
10 for the purpose of paying the cost of community college
11 land acquisition, design, and construction?

12 Bonds Yes []

13 Bonds No []

14 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

Offered: 4/12/85
Referred: Rules

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 207 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to calculation of the cost-of-living and pay step differentials for the compensation and retirement benefits of certain public employees; classification system; limiting the state's power to change the cost to the state of compensation for certain positions; and providing for an effective date."

7

8

9

10

11

12

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

14

* Section 1. AS 23.40 is amended by adding a new section to read:

15

Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties

16

may not negotiate terms contrary to the limitations on state personnel

17

actions under AS 37.07.085 or on pay step differential calculations

18

under AS 39.27.020(d).

19

* Sec. 2. AS 37.07 is amended by adding new sections to read:

20

Sec. 37.07.085. LIMITATIONS ON STATE PERSONNEL ACTIONS. (a)

21

Unless the budget specifically provides or the legislature approves,

22

the state may not

23

(1) reclassify a position to a higher salary range after

24

September 1, 1985 unless the reclassification is consistent with

25

policies established in AS 39.25.150(1) for a position classification

26

plan;

27

(2) change the salary range of a job class unless the

28

change is required to comply with AS 18.80.220(a)(5), AS 39.25.010 or

29

39.25.150(2); or

1 (3) promote a person to the next step of a flexibly staffed
2 position if the person was first hired in the flexibly-staffed posi-
3 tion after the effective date of this section.

4 (b) In this section, "state" means the executive, legislative
5 and judicial branches of state government and includes the University
6 of Alaska.

7 Sec. 37.07.087. LISTING OF PERMANENT POSITIONS. (a) On or
8 before September 15 of each year, each department shall deliver to the
9 division of budget review in the Office of Management and Budget a
10 list of permanent positions in the department on July 31 of that year.
11 The list shall include for each position the position control number
12 (PCN), title, salary range, pay step, location, time status, bargain-
13 ing unit if any, and position funding source. A department shall
14 remove from the list a PCN that is not funded and shall revise the
15 listing of other PCN's to be consistent with the positions authorized
16 in the budget. The department shall report to the legislature each
17 year the positions removed from its list.

18 (b) After conforming the list of permanent positions to the
19 budget, a department may not establish a new permanent PCN or change
20 the salary range, pay step, location, or time status of an existing
21 PCN unless the division of budget review concurs.

22 (c) A department shall maintain the master list of the depart-
23 ment's positions as an automated position accounting control system
24 file in accordance with instructions from the Office of Management and
25 Budget.

26 * Sec. 3. AS 39.25.010(b) is amended to read:

27 (b) The merit principle of employment includes the following:

28 (1) recruiting, selecting, and advancing employees on the
29 basis of their relative ability, knowledge, and skills, including open

1 consideration of qualified applicants for initial appointment;

2 (2) regular integrated salary programs based on the nature
3 of the work performed;

4 (3) retention of employees with permanent status on the
5 basis of the adequacy of their performance, reasonable efforts of
6 temporary duration for correction in inadequate performance, and
7 separation for cause;

8 (4) equal treatment of applicants and employees with regard
9 only to consideration within the merit principles of employment; [AND]

10 (5) selection and retention of an employee's position
11 secure from political influences; and

12 (6) classification and pay plans designed to provide pay
13 equity by using judgments and factors free of biases based on race or
14 sex and determining job worth for all job classifications based on a
15 single set of criteria.

16 * Sec. 4. AS 39.27.020 is amended by adding a new subsection to read:

17 (d) If an employee's basic annual salary is no more than
18 \$30,000, the pay step differential shall be calculated using the
19 employee's basic salary. If the employee's basic annual salary is
20 greater than \$30,000, then the employee's pay step differential shall
21 be calculated on the differential for a basic salary of \$30,000.

22 * Sec. 5. AS 39.35 is amended by adding a new section to read:

23 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN
24 COMPENSATION AND BENEFITS. (a) An employee shall make contributions
25 to the system based on compensation including a cost-of-living differ-
26 ential.

27 (b) The amount of a cost-of-living differential may not be in-
28 cluded in the employee's compensation for purposes of calculating
29 benefits paid under this chapter unless the employee has received a

1 cost-of-living differential in a comparable amount or of at least that
2 many steps for at least 50 percent of the employee's credited service.

3 (c) When an employee receives a benefit, and if the employee's
4 compensation for purposes of calculating the benefit does not include
5 a cost-of-living differential, then the administrator shall refund to
6 the employee the amount of contributions the employee made based on
7 the differential.

8 (d) In this section "cost-of-living differential" means an
9 adjustment to salary based on the cost of living in the geographic
10 region where the employee works and includes a pay step differential
11 under AS 39.27.020.

12 * Sec. 6. AS 39.35.680(8) is amended to read:

13 (8) "compensation" means the total remuneration earned by
14 an employee for personal services rendered, including cost-of-living
15 differentials only as provided in AS 39.35.675, payments for leave
16 that is actually used by the employee, the amount by which the em-
17 ployee's wages are reduced under AS 39.30.150(c), and any amount
18 deferred under an employer-sponsored deferred compensation plan, but
19 does not include retirement benefits, welfare benefits, per diem,
20 expense allowances, workers' compensation payments or payments for
21 leave not used by the employee whether those leave payments are sched-
22 uled payments, lump-sum payments, donations, or cash-ins;

23 * Sec. 7. The legislature shall review the pay step differentials
24 provided under AS 39.27.020 and under collective bargaining contracts
25 between the state and employee bargaining organizations following the
26 release of a comprehensive study of the geographic differentials by the
27 state.

28 * Sec. 8. By September 15, 1985, the division of budget review in the
29 Office of Management and Budget shall develop a master position control

1 system with the capability of matching permanent positions listed in an
2 automated position accounting control system against the state's master
3 payroll record.

4 * Sec. 9. The amendments made by secs. 5 and 6 of this Act apply only
5 to members first hired under the Public Employees' Retirement System on or
6 after the effective date of secs. 5 and 6 of this Act.

7 * Sec. 10. Nothing in this Act terminates or modifies a collective
8 bargaining agreement in existence on the effective date contained in
9 sec. 13 of this Act.

10 * Sec. 11. If any provision of this Act, or the application thereof to
11 any person or circumstance is held invalid, the remainder of this Act and
12 the application to other persons or circumstances shall not be affected
13 thereby.

14 * Sec. 12. Sections 5, 6, and 9 of this Act take effect January 1,
15 1987.

16 * Sec. 13. Sections 1 - 4, 7, 8, 10, and 11 of this Act take effect
17 immediately in accordance with AS 01.10.070(c).

Position Paper
CSSB 207 (Fin)

This Bill deals with four distinct topics. This position paper deals with those topics by discussing the various sections of the Bill that deal with a topic under the topic heading. Notation is made of fiscal impacts which are further detailed in two fiscal notes. In general, the Department of Administration supports the intent of the legislation. We believe, however, that there are several areas that should receive more attention.

Limitation on Actions

Sections 1, 2, 8, 10, 11, and 13 deal with placing certain limitations on the executive, legislative, and judicial branches and the University of Alaska. Section 2 of the Bill adds two sections to the Executive Budget Act (AS 37.07.010-.130). Proposed AS 37.07.085 limits: reclassification of positions unless the action is provided for in the budget, approved by the legislature, or consistent with the policies established under AS 39.25.150(1); changes in a salary range unless provided in the budget, approved by the legislature, or required for compliance with AS 18.80.220(a)(5), AS 39.25.010, or AS 39.25.150(2); and promotion of an incumbent, hired after the effective date, of a flexibly staffed position unless provided in the budget, or approved by the legislature. Proposed AS 37.07.087 provides a mechanism for annually reconciling departmental listings of positions with positions authorized in the budget. After the reconciliation, "a department may not establish a new permanent PCN or change the salary range, pay step, location, or time status of an existing PCN unless the division of budget review concurs."

Section 8 requires the Division of Budget Review to develop an automated system for the above reconciliation, with the capability of matching against payroll records, by September 15, 1985.

Section 10 "grandparents" current collective bargaining agreements from changes otherwise required by the Bill.

Section 1 prohibits future collective bargaining agreements from containing terms contrary to proposed AS 37.07.085.

Section 11 is a severability clause added by CSSB 207 (Fin) based on our testimony, discussed below, that a specific provision may violate the separation of powers doctrine.

Section 13 makes the limitation on actions provisions effective immediately.

Position

The Department of Administration supports the concept of reconciling budget and position information. The Department also supports the requirement that actions to reclassify positions or change salary ranges be taken in accordance with existing statutes, policies, and regulations.

Position Paper
CSSB 207 (Fin)

The Department believes that the provision in proposed AS 37.07.085(a)(3) (p.2, ll. 1-3) is an undue infringement of the legislative branch into decisions of the executive branch. The decision to promote an employee is a fundamental decision of an appointing authority. The proposed requirement of legislative or budget approval for such actions, in our view, violates the separation of powers doctrine. The appointing authority for the three branches of government and the University of Alaska is contained in AS 39.25.070. Proposed AS 37.07.085(a)(3) shifts some of the authority of the Governor, the Chief Justice and the Board of Regents to the legislature. We believe this subsection should be deleted.

The Department also has a concern about proposed AS 37.07.087(b) (p.2, ll. 18-21). This subsection would require the Division of Budget Review's concurrence before a department could change a salary range, award a merit increase (pay step) or relocate a position. While the intent of proposed AS 37.07.087 appears to be the maintenance of an accurate system of position accounting for budget purposes, the language in subsection (b) appears to place on the Division of Budget Review a requirement to review and act on substantive decisions normally made by departments. This conflicts with proposed AS 37.07.085(a)(1) and (2) where the State may reclassify positions and change salary ranges consistent with statute. It puts a limitation on the authority of the principal executive officer of agencies found in Title 44.

We believe proposed AS 37.07.087 should be amended to reflect the authority of the Division of Budget Review to control changes to the automated position accounting system, but not the actions of agencies taken under proper authority.

Our suggested language follows: "(b) After conforming the list of permanent positions to the budget, a department may not add a position to the list or change information about a position on the list which affects the cost of the position unless the division of budget review concurs."

Limit on Geographic Differential

Sections 1, 4, 7, 10, and 13 deal with limiting the payment of geographic differential to the first \$30,000 of an employee's salary. Section 4 contains the substance of the proposed law. Section 10 again "grandparents" current collective bargaining agreements, while Section 1 requires future agreements to comply with this proposed law. Section 13 makes the provision effective immediately for those not currently covered by a collective bargaining agreement. Section 7 provides a commitment by the legislature to review geographic differentials following the release of a comprehensive study of the subject.

Position

There is a strong argument for paying the same dollar differential to all employees at a duty station. Since cost-of-living differences tend to stem

Position Paper
CSSB 207 (Fin)

from geographic price differences in basic commodities and services, their effect on employees is not in direct relation to earning levels. A quart of milk, a kilowatt hour of electricity, and a gallon of gasoline cost the same for every employee in a duty station, regardless of income. Consequently, there is a strong equity argument for paying every affected employee a differential which is separate and apart from the employee's earning level. The State uses one method of doing so in its collective bargaining contract with the Labor, Trades and Crafts bargaining unit.

The Department of Administration supports Section 4. We further support the commitment of the legislature to review the issue once the study of geographic differential funded by the legislature in 1984 is available. We believe that would be an appropriate time to address the question of an inflation/deflation factor for the \$30,000 limit.

The Department has a concern with the effective date of Section 4. It is impossible to put the provisions into effect the day after the Governor signs the Bill. Computer system changes will take time. The prospect of manually adjusting the pay for each employee affected immediately would require additional staff beyond the needs shown in the fiscal note. The alternative prospect of maintaining two automated systems, one for those affected immediately and one for those affected with future collective bargaining agreements, is also more costly. Finally, there is an equity consideration. Only approximately 93 employees will be affected immediately. The vast bulk of employees, those in the General Government and Supervisory bargaining units, will not be affected until January 1, 1987, under current collective bargaining agreements. By that time, the legislature will have probably reviewed the issue under Section 7. The Department urges the adoption of an effective date for Section 4 that will allow uniform and well-planned implementation of this provision. An effective date of January 1, 1987, would be most equitable. However, January 1, 1986, would allow sufficient time for an orderly implementation.

The Department also has a concern about specifying a specific dollar limit. At the present time, there is no range and step on any schedule that corresponds to exactly \$30,000 per year. It would be administratively cumbersome to work from a fixed dollar amount versus using existing pay schedules as the State's automated pay processes are programmed to use existing schedules. We therefore recommend that the second sentence of Section 4 be amended to read: "If the employee's basic annual salary is greater than \$30,000, then the employee's pay step differential shall be calculated on the highest range and step that does not exceed \$30,000."

Merit Principle

Sections 3 and 13 deal with the merit principle of employment. Section 3 adds a sixth specific factor included within the merit principle. Section 13 provides an immediate effective date.

Position Paper
.CSSB 207 (Fin)

Position

Section 3 provides that the merit principle of employment includes classification and pay plans free of race or sex biases and a single set of classification criteria. The Department of Administration supports this provision. The legislature provided \$500,000 in funding in 1983 for development of a new classification system. Recommendations will be made to Governor Sheffield in August for the implementation of a classification system using a single set of factors.

Retirement Changes

Sections 5, 6, 9 and 12 propose amendments to the Public Employees' Retirement System.

The amendments in Sections 5 and 6 are to calculate retirement benefits using salaries including geographic differentials only if 50% or more of the credited service was at a location where a comparable geographic differential was paid. Only State employees are affected (there are no known geographic differentials within the participating political subdivisions). These Sections would also provide for refunding any contributions paid on area differential if the salary used for benefit calculation does not include area differential.

Section 9 makes the provision applicable only to employees hired after the effective date of the amendments. Section 12 makes the effective date January 1, 1987.

Position

Sections 5 and 6 would not affect current employees; therefore the immediate impact will be relatively small. The long-term impact will be greater because of the requirement to calculate retirement benefits differently for employees hired after the effective date of this Bill.

The computer programs of the Public Employees' Retirement System will need revision to accommodate the proposed changes to the method of calculating retirement benefits and refunds for employees hired before the effective date of this Bill. These costs would be substantial relative to the perceived cost savings; the net effect would be a small cost to the State. (See Division of Retirement and Benefits' Fiscal Note.)

In terms of computing retirement benefits, Section 5 would require the State to track retirement contributions on base salaries separately from contributions related to the cost-of-living differential only. The current benefit calculation is performed manually and requires the State to identify the number of years of creditable service and the three highest paid years for determining benefit amounts. Amending these retirement sections would significantly complicate the system and would actually increase employer costs, not reduce costs.

Position Paper
CSSB 207 (Fin)

The Department maintains a neutral position on the retirement provisions; however, we recognize that amending these retirement sections would significantly complicate the system without achieving cost savings or a significant program impact.

Frank Raye
Frank Raye, Director
Division of Personnel

4/24/85
Date

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

4/24/85
Date

Ken Bischoff
Kenneth Bischoff, Director
Division of Finance

4/24/85
Date

Lisa Rudd
Commissiher Lisa Rudd
Department of Administration

4/26/85
Date

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1985

SUBJECT: Sectional analysis of CSSB 207 (Fin)

TO: Senator Jan Faiks and Senator John Sackett
Co-chair, Senate Finance Committee

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for a sectional analysis of CSSB 207 (Fin), relating to public employees.

Section 1 forbids the state, including the executive, legislative, judicial branches and the University of Alaska, from making changes to positions, job classes, or salaries as listed in the section. As explained in my memo of March 13, the regulation of employment practices may be viewed as a legislative infringement on the power of the governor, the chief justice of the Supreme Court, and the board of regents.

Section 37.07.087 requires departments to provide information on PCN's to the Office of Management and Budget and to revise that information based on current budget authorization. The departments may not change the list unless the division of budget review in OMB concurs.

Section 2 includes determination of job worth based on a single set of criteria within the merit principle of employment.

Section 3 limits the amount that an employee may receive as a pay step differential. The maximum differential would be calculated on a basic salary of \$30,000.

Section 4 and 5 require an employee to make contributions to the Public Employment Retirement System based on the employee's entire compensation including a cost-of-living differential. However, the employee's benefits will be

based on the entire compensation only if the employee received a comparable cost-of-living differential for at least 50 percent of the employee's credited service. If the employee does not receive benefits based on salary including cost-of-living differentials, then the division must refund the amount of contributions the employee made for the differentials. These sections raise equal protection questions. (See memo of April 1, 1985.)

Section 6 requires that the legislature review geographic pay step differentials after release of a state study on the subject.

Section 7 requires the division of budget review in OMB to develop a master position control system that can match permanent positions against the state's master payroll record.

Section 8 provides that the amendments to the Public Employees' Retirement System only apply to members first hired after the effective date of the sections amending the PERS. (January 1, 1987.)

Section 9 provides that the bill does not terminate or modify a collective bargaining agreement that was in effect on the effective date established in section 11.

Section 10 is an effective date for sections 4, 5, and 8.

Section 11 provides that the bill, except for sections 4, 5, and 8, takes effect immediately.

If I may be of further assistance, please advise.

TC:ojb
J13/081

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

March 13, 1985

SUBJECT: Sectional analysis of SB.207

TO: Senator Jan Faiks and Senator John Sackett
Co-chair, Senate Finance Committee

FROM: Teresa B. Cramer *ABC*
Legislative Counsel

You have asked for a sectional analysis of SB 207, relating to public employees.

Section 1 amends the Public Employment Relations Act to prohibit including geographic cost-of-living adjustments in basic salary when calculating overtime compensation or other salary adjustments.

Section 2 limits the amount that an employee may receive as a pay step differential. The maximum differential would be calculated on a basic salary of \$30,000.

Sections 3 and 9 require that overtime compensation for state employees be calculated on an employee's basic salary before the addition of any adjustments, including pay step differentials or shift differentials. Section 9 provides that section 3 takes effect on January 1, 1987.

Section 4 and 5 require an employee to make contributions to the Public Employment Retirement System on the employee's entire compensation including a cost-of-living differential. However, the employee's benefits will be based on the entire compensation only if the employee received a comparable cost-of-living differential for at least 50 percent of the employee's credited service. If the employee does not receive benefits based on salary including cost-of-living differentials, then the division must refund the amount of contributions the employee made for the differentials.

Senator Jan Faiks
Senator John Sackett
Co-chair, Senate Finance Committee
Page 2
March 13, 1985

Section 6 forbids the state, including the executive, legislative, judicial branches and the University of Alaska, from making changes to positions, job classes, or salaries as listed in the section.

The regulation of employment detailed in section 6 may be viewed as a legislative infringement on the executive power of the governor, the power to administer courts assigned to the chief justice of the Supreme Court, and the power to govern the University of Alaska given to the board of regents.

The legislature clearly can limit the amount of money that these coordinate branches of government may spend on personal services. Whether the legislature can limit the way in which this money is spent as extensively as this section provides is open to question.

There is also a problem about implementing the limitation on merit increases. Under the contracts negotiated by the state and the Alaska Public Employees' Association for the General Government Unit and the Supervisory Unit, the state may be required to provide a system of "performance incentives" for employees in those units. Article IV, section 2, of each of those contracts contains language on "performance incentives":

Performance incentives shall be based upon the appointing authority's evaluation of an employee's performance. A performance incentive of one step in the salary range may be given to an Employee who has received an overall performance evaluation of "Acceptable" or better on the Employee's merit anniversary date.

and

The Employer will not establish a quota or percentage system to determine the number of performance increases granted, but the parties agree to accept the standards provided in GG 77-36 dated September 27, 1979, for determining the granting or not granting of performance increases.

The text cited, GGU 77-36, is a memorandum from Sandra Withers, director of the division of personnel and labor

Senator Jan Faiks
Senator John Sackett
Co-chair, Senate Finance Committee
Page 3
March 13, 1985

relations, to all personnel officers. It addresses the standards that arbitrators had found to be improper reasons for denying a merit increase and heads the list with "lack of funds."

Under the second part of the contract language cited, it could be argued that denying all performance increases constituted a percentage system for determining the number of increases granted and therefore violated that clause of the collective bargaining contract. The reference to the memorandum and the memorandum's reference to "lack of funds" as an invalid basis for denying a merit increase supports that argument.

While collective bargaining contracts are specifically subject to legislative appropriation under AS 23.40.210, the legislature is not free to renegotiate the contract in making appropriations. The legislature can determine the amount of money available for state salaries, but the state is bound to pay its employees according to the terms of the contracts it negotiates. Insufficient funds would be a basis for layoffs but not for unilaterally changing the terms of the contracts.

Section 7 provides that the amendments to the Public Employees' Retirement System only apply to members first hired after the effective date of the sections amending the PERS. (They carry an immediate effective date.)

Section 8 provides that the bill does not terminate or modify a collective bargaining agreement that was in effect on the effective date established in section 10.

Section 10 provides that the bill, except for section 3, takes effect immediately.

If I may be of further assistance, please advise.

TC:mkr
096:WKJ12

STATE OF ALASKA
THE LEGISLATURE

FOURTH STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 13, 1985

SUBJECT: Sectional analysis of SB.207

TO: Senator Jan Faiks and Senator John Sackett
Co-chair, Senate Finance Committee

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for a sectional analysis of SB 207, relating to public employees.

Section 1 amends the Public Employment Relations Act to prohibit including geographic cost-of-living adjustments in basic salary when calculating overtime compensation or other salary adjustments.

Section 2 limits the amount that an employee may receive as a pay step differential. The maximum differential would be calculated on a basic salary of \$30,000.

Sections 3 and 9 require that overtime compensation for state employees be calculated on an employee's basic salary before the addition of any adjustments, including pay step differentials or shift differentials. Section 9 provides that section 3 takes effect on January 1, 1987.

Section 4 and 5 require an employee to make contributions to the Public Employment Retirement System on the employee's entire compensation including a cost-of-living differential. However, the employee's benefits will be based on the entire compensation only if the employee received a comparable cost-of-living differential for at least 50 percent of the employee's credited service. If the employee does not receive benefits based on salary including cost-of-living differentials, then the division must refund the amount of contributions the employee made for the differentials.

Senator Jan Faiks
Senator John Sackett
Co-chair, Senate Finance Committee
Page 2
March 13, 1985

Section 6 forbids the state, including the executive, Legislative, judicial branches and the University of Alaska, from making changes to positions, job classes, or salaries as listed in the section.

The regulation of employment detailed in section 6 may be viewed as a legislative infringement on the executive power of the governor, the power to administer courts assigned to the chief justice of the Supreme Court, and the power to govern the University of Alaska given to the board of regents.

The legislature clearly can limit the amount of money that these coordinate branches of government may spend on personal services. Whether the legislature can limit the way in which this money is spent as extensively as this section provides is open to question.

There is also a problem about implementing the limitation on merit increases. Under the contracts negotiated by the state and the Alaska Public Employees' Association for the General Government Unit and the Supervisory Unit, the state may be required to provide a system of "performance incentives" for employees in those units. Article IV, section 2, of each of those contracts contains language on "performance incentives":

Performance incentives shall be based upon the appointing authority's evaluation of an employee's performance. A performance incentive of one step in the salary range may be given to an Employee who has received an overall performance evaluation of "Acceptable" or better on the Employee's merit anniversary date.

and

The Employer will not establish a quota or percentage system to determine the number of performance increases granted, but the parties agree to accept the standards provided in GG 77-36 dated September 27, 1979, for determining the granting or not granting of performance increases.

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While collective bargaining contracts are specifically subject to legislative appropriation under AS 23.40.210, the legislature is not free to renegotiate the contract in making appropriations. The legislature can determine the amount of money available for state salaries, but the state is bound to pay its employees according to the terms of the contracts it negotiates. Insufficient funds would be a basis for layoffs but not for unilaterally changing the terms of the contracts.

Section 7 provides that the amendments to the Public Employees' Retirement System only apply to members first hired after the effective date of the sections amending the PERS. (They carry an immediate effective date.)

Section 8 provides that the bill does not terminate or modify a collective bargaining agreement that was in effect on the effective date established in section 10.

Section 10 provides that the bill, except for section 3, takes effect immediately.

If I may be of further assistance, please advise.

TC:mkr
096:WKJ12

COMMITTEE REPORT
SENATE

FURTHER:

1/15/83

Date _____

Mr. President

The Committee on _____ considered _____

Committee on public employees pay

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
- reports it back without recommendation
- recommends referral to _____ Committee

*2 FN A/B
35% Adm
2.2% PERS
36.0 cap*

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman _____

Chairman recommendation _____

SENATE AMENDMENT

SAC-85
4/11/55
Revised
for incorp
within
85 (Fin)
207

By SACKETT

To: amend SENATE BILL No. 207

To: _____ HOUSE BILL No. _____

PAGE: 5 LINE: 5 add a new section to read:

SEVERABILITY.

If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application to other persons or circumstances shall not be effected thereby.

RENUMBER REMAINING SECTIONS ACCORDINGLY.

+ Collective Bargaining Change, p. 3
+ Severability Amendment (Backst)
Incorporated into CS(Fin)

Cramer
4/11/85 ✓

Original sponsor: Finance Committee

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IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 207 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to calculation of the cost-of-living and pay step differentials for the compensation and retirement benefits of certain public employees; classification system; limiting the state's power to change the cost to the state of compensation for certain positions; and providing for an effective date."

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

* Section 1. AS 37.07 is amended by adding new sections to read:

Sec. 37.07.085. LIMITATIONS ON STATE PERSONNEL ACTIONS. (a)

Unless the budget specifically provides or the legislature approves, the state may not

(1) reclassify a position to a higher salary range after September 1, 1985 unless the reclassification is consistent with policies established in AS 39.25.150(1) for a position classification plan;

(2) change the salary range of a job class unless the change is required to comply with AS 18.80.220(a)(5), AS 39.25.010 or 39.25.150(2); or

(3) promote a person to the next step of a flexibly staffed position if the person was first hired in the flexibly-staffed position after the effective date of this section.

(b) In this section, "state" means the executive, legislative and judicial branches of state government and includes the University

1 of Alaska.

2
3 Sec. 37.07.087. LISTING OF PERMANENT POSITIONS. (a) On or
4 before September 15 of each year, each department shall deliver to the
5 division of budget review in the Office of Management and Budget a
6 list of permanent positions in the department on July 31 of that year.
7 The list shall include for each position the position control number
8 (PCN), title, salary range, pay step, location, time status, bargain-
9 ing unit if any, and position funding source. A department shall
10 remove from the list a PCN that is not funded and shall revise the
11 listing of other PCN's to be consistent with the positions authorized
12 in the budget. The department shall report to the legislature each
13 year the positions removed from its list.

14 (b) After conforming the list of permanent positions to the
15 budget, a department may not establish a new permanent PCN or change
16 the salary range, pay step, location, or time status of an existing
17 PCN unless the division of budget review concurs.

18 (c) A department shall maintain the master list of the depart-
19 ment's positions as an automated position accounting control system
20 file in accordance with instructions from the Office of Management and
21 Budget.

22 * Sec. 2. AS 39.25.010(b) is amended to read:

23 (b) The merit principle of employment includes the following:

24 (1) recruiting, selecting, and advancing employees on the
25 basis of their relative ability, knowledge, and skills, including open
26 consideration of qualified applicants for initial appointment;

27 (2) regular integrated salary programs based on the nature
28 of the work performed;

29 (3) retention of employees with permanent status on the
basis of the adequacy of their performance, reasonable efforts of

1 temporary duration for correction in inadequate performance, and
2 separation for cause;

3 (4) equal treatment of applicants and employees with regard
4 only to consideration within the merit principles of employment; [AND]

5 (5) selection and retention of an employee's position
6 secure from political influences; and

7 (6) classification and pay plans designed to provide pay
8 equity by using judgments and factors free of biases based on race or
9 sex and determining job worth for all job classifications based on a
10 single set of criteria.

11 * Sec. 3. AS 39.27.020 is amended by adding a new subsection to read:

12 *collective bargaining statute*
13 *AS 39.27.020*
14 *AS 39.27.020*
15 *AS 39.27.020*
16 *AS 39.27.020*

13 (d) If an employee's basic annual salary is no more than
14 \$30,000, the pay step differential shall be calculated using the
15 employee's basic salary. If the employee's basic annual salary is
16 greater than \$30,000, then the employee's pay step differential shall
17 be calculated on the differential for a basic salary of \$30,000.

18 * Sec. 4. AS 39.35 is amended by adding a new section to read:

19 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN
20 COMPENSATION AND BENEFITS. (a) An employee shall make contributions
21 to the system based on compensation including a cost-of-living differ-
22 ential.

23 (b) The amount of a cost-of-living differential may not be in-
24 cluded in the employee's compensation for purposes of calculating
25 benefits paid under this chapter unless the employee has received a
26 cost-of-living differential in a comparable amount or of at least that
27 many steps for at least 50 percent of the employee's credited service.

28 (c) When an employee receives a benefit, and if the employee's
29 compensation for purposes of calculating the benefit does not include
a cost-of-living differential, then the administrator shall refund to

1 the employee the amount of contributions the employee made based on
2 the differential.

3 (d) In this section "cost-of-living differential" means an
4 adjustment to salary based on the cost of living in the geographic
5 region where the employee works and includes a pay step differential
6 under AS 39.27.020.

7 * Sec. 5. AS 39.35.680(8) is amended to read:

8 (8) "compensation" means the total remuneration earned by
9 an employee for personal services rendered, including cost-of-living
10 differentials only as provided in AS 39.35.675, payments for leave
11 that is actually used by the employee, the amount by which the em-
12 ployee's wages are reduced under AS 39.30.150(c), and any amount
13 deferred under an employer-sponsored deferred compensation plan, but
14 does not include retirement benefits, welfare benefits, per diem,
15 expense allowances, workers' compensation payments or payments for
16 leave not used by the employee whether those leave payments are sched-
17 uled payments, lump-sum payments, donations, or cash-ins;

18 * Sec. 6. The legislature shall review the pay step differentials
19 provided under AS 39.27.020 and under collective bargaining contracts
20 between the state and employee bargaining organizations following the
21 release of a comprehensive study of the geographic differentials by the
22 state.

23 * Sec. 7. By September 15, 1985, the division of budget review in the
24 Office of Management and Budget shall develop a master position control
25 system with the capability of matching permanent positions listed in an
26 automated position accounting control system against the state's master
27 payroll record.

28 * Sec. 8. The amendments made by secs. 4 and 5 of this Act apply only
29 to members first hired under the Public Employees' Retirement System on or
CSSB 207(Fin)

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after the effective date of secs. 4 and 5 of this Act.

* Sec. 9. Nothing in this Act terminates or modifies a collective bargaining agreement in existence on the effective date of secs. 1 - 3, 6 and 7 of this Act.

* Sec. 10. Sections 4, 5, and 8 of this Act take effect January 1, 1987.

* Sec. 11. Sections 1 - 3, 6, 7 and 9 of this Act take effect immediately in accordance with AS 01.10.070(c).