

LEG. FINANCE - BILLS 1985 - 1986 2387

HB 239 cont. - HB 242

2387

14,300

OLDER ALASKANS SURVEY
OCTOBER 1984

3/5/85

9706.00

1. AGE		RANDOM * SAMPLE		MARCH 4, 1985 ** DATA ANALYSIS	
	MEAN	= 71.915	1. 55-69	41.9	
	MEDIAN	= 70.565	2. 70-74	29.0	
	MODE	= 66	3. 75-79	15.7	
	MINIMUM	= 55	4. 80-85	8.7	
	MAXIMUM	= 102	5. 86+	3.7	
2. SEX	1 MALE	51.6%		48.0	.9 Missing Value
	2 FEMALE	48.4%		51.5	
3. MARITAL STATUS (current)					.4 Missing Value
	1. Married	60.6%		—	
	2. Divorced	8.7		—	
	3. Separated	1.2		—	
	4. Widowed	25.6		—	
	5. Never Married	3.9		—	
4. Ethnic/racial background					
	1. White/Caucasian	73.4%		73.3	
	2. Native Alaskan	21.4		20.4	
	3. American Indian	1.4		1.6	
	4. Black	.5		1.7	
	5. Asian/Pacific Islander	2.3		1.7	
	6. Other	.5		.9	.5 Missing Value
5. Hispanic Background					
	1. YES	1.3%		—	
	2. NO	98.7%		—	
6. BORN IN ALASKA					
	1. YES	25.0%		—	
	2. NO	75.0		—	
7. YEAR CAME TO ALASKA (See data page 9)					
	CODE = YEAR				
	RANGE = 1908 TO 1983				
	MEAN = 1952				
	MODE = 1947				
	(PEAK PERIOD IS DURING WORLD WAR II AND PARTICULARLY THE POST WAR YEARS)				
	THE PERCENTAGE INCREASE HAS NOT EXCEEDED 2.2 SINCE 1960				
8. HOUSING ARRANGEMENTS					
	1. HOUSE	78.6%		74.4	
	2. APARTMENT	17.1		18.7	
	3. GROUP QUARTERS (Nursing home, Pioneer home, etc.)	4.3		5.8	
					1.0 Missing Value

* RANDOM SAMPLE OF 1000 RESPONDENTS. APPLICATIONS OF THIS DATA SHOULD BE LIMITED IN SCOPE.

** BASED UPON A 222 USABLE RESPONDERS

9. HOUSING SATISFACTION

1. EXCELLENT	34.5%	36.2
2. GOOD	43.5	42.1
3. FAIR	16.8	15.2
4. POOR	4.2	3.5
5. BAD	1.0	1.3
		1.7 Missing Value

10. MONTHLY HOUSING COST
INCLUDING UTILITIES (see data page 15)

CODE = MONTHLY COST	1. \$ 0-50	5.0
MEAN = \$447.04	2. \$51-200	14.9
MEDIAN = 399.66	3. \$201-300	16.3
MODE = 500.00	4. \$301-450	18.6
	5. \$451-650	18.5
	6. \$651-2000	16.0
		10.7 Missing Value

11. LIVING WITH SPOUSE

1. YES	58.9%
2. NO	7.9
3. NO RESPONSE	33.2

12. PEOPLE LIVING WITH RESPONDENT

1. PARENTS	
NONE	94.0%
ONE OR MORE	5.9
2. CHILDREN	
NONE	73.4%
ONE OR MORE	26.5
3. BROTHERS	
NONE	97.8%
ONE OR MORE	2.2
4. SISTERS	
NONE	96.5%
ONE OR MORE	3.6
5. GRANDCHILDREN	
NONE	84.8%
ONE OR MORE	15.3
6. OTHER RELATIVES	
NONE	92.1%
ONE OR MORE	7.9
7. OTHER PEOPLE	
NONE	89.3%
ONE OR MORE	10.6

13. TOTAL NUMBER OF PEOPLE LIVING WITH RESPONDENT (see data page 33)

	RANDOM SAMPLE
CODE = Number	
NONE	25.7%
ONE	46.9
TWO	10.8
THREE	6.2
FOUR OR MORE	10.3

14. NUMBER OF CHILDREN LIVING NEAR YOU

NONE	37.1%
ONE	29.2
TWO	17.4
THREE	8.3
FOUR	2.8
FIVE OR MORE	5.1

15. NUMBER OF SIBLINGS OR CLOSE RELATIVES LIVING NEAR YOU

NONE	72.9%
ONE	10.9
TWO	5.5
THREE	3.4
FOUR	1.6
FIVE OR MORE	5.8

16. NUMBER OF CLOSE RELATIVES THAT DO NOT LIVE NEAR YOU

SIBLINGS	NONE	41.1%
	ONE	17.3
	TWO	15.4
	THREE	9.4
	FOUR	7.5
	FIVE	3.5
	SIX	2.4
	SEVEN OR MORE	3.4

CHILDREN	NONE	43.4%
	ONE	20.7
	TWO	14.4
	THREE	9.8
	FOUR	5.3
	FIVE	2.4
	SIX	2.0
	SEVEN OR MORE	2.0

OTHER RELATIVES	NONE	53.1%
	ONE	7.6
	TWO	5.5
	THREE	3.5
	FOUR	4.0
	FIVE	3.6
	SIX	2.2
	SEVEN OR MORE	20.5

RANDOM
SAMPLE

MARCH 4, 1985
DATA ANALYSIS

17. DISABILITY COMPARED TO COHORTS

1. Much more disabled	11.3%	9.4
2. Somewhat more	15.3	15.6
3. About the same	28.7	29.0
4. Less	21.4	19.4
5. Much Less	23.4	22.4
		4.2 Missing Value

18. DEGREE OF HELP NEEDED WITH
NECESSARY TASKS

1. Much help	10.9%	—
2. More than a little	12.4	—
3. A little help	34.8	—
4. No help needed	41.9	—

19. DEPENDENCE UPON OTHERS FOR DAILY TASKS

1. Very dependent	10.9%	10.7
2. Somewhat	19.2	18.0
3. Slightly	26.1	25.9
4. Not dependent at all	43.7	43.0
		2.4 Missing Value

20. NUMBER OF DAYS SPENT IN A HOSPITAL
IN THE PAST YEAR (see data page 43)

CODE = Number of days		
MEAN = 3.840 days		
NONE	74.7%	—
ONE	1.9	—
TWO	3.1	—
THREE	2.6	—
FOUR	1.7	—
FIVE	1.8	—
SIX	1.2	—
SEVEN DAYS AND MORE	13.0	—

21. NUMBER OF TIMES SEEN BY A PHYSICIAN
OR OTHER HEALTH PRACTITIONER DUE TO
ILLNESS OR INJURY IN THE PAST YEAR

CODE = NUMBER OF TIMES		
MEAN = 5.146 TIMES		
NONE	25.2%	—
ONE	14.1	—
TWO	13.8	—
THREE	6.9	—
FOUR	8.9	—
FIVE	5.5	—
SIX	5.7	—
SEVEN OR MORE	19.9	—

22. DAYS SICK IN BED AT HOME DURING THE PAST YEAR (see data page 47)

RANDOM
SAMPLE

MARCH 4, 1985
DATA ANALYSIS

CODE = NUMBER OF DAYS
MEAN = 11.711 DAYS IN BED

NONE	55.6%
ONE	2.8
TWO	4.2
THREE	3.1
FOUR	3.3
FIVE	3.4
SIX	1.7
SEVEN OR MORE	28.9

—
—
—
—
—
—
—

23. HEALTH RATING

1. PERFECT	4.1%
2. VERY GOOD	19.2
3. GOOD	41.0
4. FAIR	27.4
5. NOT GOOD AT ALL	8.3

4.1
20.4
39.8
27.0
7.5
1.1 Missing Value

THE AVERAGE RESPONDENT RATED THEIR HEALTH AS GOOD

24. HEALTH COMPARED TO COHORTS

1. MUCH BETTER THAN MOST	14.5%
2. BETTER	18.6
3. ABOUT THE SAME	44.9
4. SOMEWHAT WORSE	16.5
5. DEFINITELY WORSE	5.5

—
—
—
—

THE AVERAGE RESPONDENT RATED THEIR HEALTH AS SLIGHTLY WORSE THAN OTHERS OF THEIR AGE AND SEX

25. LEVEL OF SCHOOLING COMPLETED

1. FOURTH GRADE OR LESS	14.3%
2. FIFTH TO EIGHT GRADE	19.3
3. SOME HIGH SCHOOL	14.4
4. HIGH SCHOOL GRADUATE	19.9
5. SOME COLLEGE	15.9
6. COLLEGE GRADUATE	7.6
7. GRADUATE OR PROFESSIONAL SCHOOL	8.7

—
—
—
—
—
—
—

26. SPOUSE ALSO RECEIVING ALB

1. YES	40.7
2. NO	26.7
3. NOT MARRIED	32.6

—
—
—

27. PERSONS RECEIVING INCOME FROM THE FOLLOWING SOURCES
(see data)

RANDOM
SAMPLE

MARCH 4, 1985
DATA ANALYSIS

	YES	NO
1. SAVINGS, INVESTMENTS STOCKS, BONDS	62.0%	38.0%
2. SOCIAL SECURITY	93.3	6.7
3. SSI	26.7	73.3
4. ADULT PUBLIC ASSISTANCE	25.6	74.4
5. RETIREMENT BENEFITS	57.8	42.2
6. WORK/JOB	21.9	78.1
7. OTHER	25.9	74.1

28. TOTAL INCOME

1. LESS THAN \$5,000	19.2	17.3
2. \$5,000 - 9,999	31.5	31.8
3. \$10,000 - 14,999	20.5	18.7
4. \$15,000 - 19,999	13.0	11.6
5. \$20,000 and over	15.9	16.8
		3.8 Missing Value

29. CURRENTLY EMPLOYED

YES -	10.8%
FULL TIME	4.8%
PART TIME	4.2
SEASONALLY	1.8
NO -	89.1%
RETIRED	69.1%
UNEMPLOYED AND LOOKING FOR WORK	1.4
NOT USUALLY EMPLOYED	18.6

30. JOB OR OCCUPATION (see data page 112)

31. PROBLEM IN PERFORMING THE FOLLOWING TASKS

	NEED NO HELP	NEED SOME HELP	NEED A LOT OF HELP	TOTAL NEEDING HELP
Bathing	89.5%	7.7%	2.8%	10.5%
Toilet	96.6	2.0	1.4	3.4
Dressing	94.0	4.6	1.4	6.0
Moving in/out bed/chairs	93.5	5.1	1.4	6.5
Eating	96.2	2.9	.8	3.7
Buying or getting food	77.8	15.0	7.2	22.2
Telephone	86.3	9.5	4.2	13.7
Transportation	70.8	17.1	12.2	29.3
Cooking	81.4	12.8	5.7	18.5
Taking Medications	89.5	7.7	2.8	10.5
Housework	74.4	17.8	7.8	25.6
Managing money	86.0	9.9	4.1	14.0

32. HEALTH PROBLEM SEVERITY

	NO IMPAIRMENT	LITTLE PROBLEM NO LIMITATIONS	MODERATE PROBLEM SOME LIMITATIONS	SERIOUS PROBLEM
Hearing	45.1%	32.6%	17.1%	5.2%
Eyes	32.5	43.9	17.1	6.5
Back	49.2	26.1	17.0	7.7
Feet or legs	44.5	27.3	18.9	9.3
Lungs	65.6	16.9	9.7	7.8
Arthritis	41.2	31.3	18.7	8.8
Bladder or Bowel	76.6	15.1	5.9	2.3
Diabetes	89.0	5.1	3.4	2.6
Teeth/Dentures	61.6	26.0	8.6	3.8
Memory	64.7	24.3	7.5	3.4
Speech	87.5	9.1	2.3	1.1
Heart	65.3	18.4	11.0	5.3
Alzheimers	96.0	2.7	.6	.7

33. FREQUENCY OF USE OF SERVICES DURING
THE PAST MONTH

	NONE	1-2 DAYS	3-10 DAYS	11-31 DAYS
HOSPITAL	85.8%	5.9%	5.6%	2.7%
NURSING HOME *** (90.1)	98.6 (.1)	.1	(.2)	.3 (1.3)
PIONEER HOME (88.1)	97.3 (.1)	0	(.1)	0 (3.4)
ALASKA PSYCHIATRIC INSTITUTE	100.0	0	0	0
MENTAL HEALTH CLINICS	99.6	.3	0	.1
NUTRITION PROGRAM	90.9	2.0	3.9	3.2
HOME DELIVERED MEALS	95.8	.4	2.0	1.8
SENIOR CITIZEN CENTER	81.3	7.4	7.1	4.2
HOMEMAKER/CHORE (85.8)	95.5 (1.5)	1.5	(2.2)	1.4 (1.9)
HOME HEALTH AIDE/NURSE (85.7)	93.2 (2.8)	3.7	(1.5)	2.0 (1.3)
SENIOR TRANSPORTATION	88.8	4.0	4.1	3.1
PUBLIC TRANSPORTATION	86.9	6.4	4.5	2.2
DENTAL CARE	89.3	7.2	3.0	.5
ALCOHOL AND DRUG TREATMENT	99.3	.2	.2	.2
SENIOR HOUSING (87.3)	96.2 (.3)	.2	(.1)	.1 (3.8)
ALASKA LEGAL SERVICES CORP.	97.1	2.1	.6	.2
ADULT PROTECTIVE SERVICES	99.4	.4	0	.1
ADULT DAY CARE	99.3	.2	.2	.2
PHYSICIAN	64.6	20.9	10.2	4.4
VILLAGE CLINIC	90.1	6.5	2.5	.9
PUBLIC HEALTH CENTER	93.0	5.7	.9	.4
FOOT CARE	96.3	3.1	.2	.4
SENIOR CITIZEN OMBUDSMAN	98.5	.8	.6	.2

*** Numbers shown on this page in parenthesis represent values from the March 4, 1985 data analysis. All others were obtained from the random sample.



LAWS OF ALASKA

1972

Source

Chapter No.

FCCS HCS CSSB 211

205

AN ACT

Providing for an Alaska longevity bonus; and providing for an effective date.

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

* Section 1. AS 47 is amended by adding a new chapter to read:

CHAPTER 45. ALASKA LONGEVITY BONUS.

Sec. 47.45.010. PERSONS WHO MAY QUALIFY FOR LONGEVITY BONUS. (a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of \$100.

(b) When the commissioner of administration determines that an applicant qualifies under this chapter he shall immediately begin payment of the bonus.

(c) A person who otherwise qualifies to receive a bonus provided for in this chapter may continue to do so only as long as he continuously retains a domicile in the state.

Sec. 47.45.020. CONTINUOUS ELIGIBILITY PROCEDURES. After qualification, monthly applications for bonuses may be made in person to any office of the Department of Administration. Mailed monthly applications shall also be considered by the Department of Administration. In-person or mailed applications shall be made on forms provided by the Department of Administration and shall conform to the conditions as provided by regulation. The commissioner may make exceptions to those residents who are

isolated in rural areas and cannot mail a monthly application; however, they shall mail an application at least once every six months.

Sec. 47.45.030. ABSENCE FROM THE STATE. A recipient shall notify the commissioner of administration when he expects to be absent from the state if the absence is for a continuous period that exceeds 30 days. After such notification, the recipient shall no longer receive bonuses from the Department of Administration after his last regularly approved monthly application. Upon his return to the state he may again make application for a bonus. Whenever the absence is for a continuous period that exceeds 180 days the recipient shall be disqualified from receiving bonuses for the next 12 calendar months after his return to the state. However, when the commissioner of administration determines a period of absence is beyond the control of the recipient, he may not be disqualified, if he still otherwise qualifies upon his return to the state. Continual absences from the state, even though reported, and failure to notify the commissioner of an expected absence may be grounds for disqualification.

Sec. 47.45.040. DISQUALIFICATION. Disqualification under this chapter shall rest solely with the commissioner of administration and shall be outlined in the regulations promulgated under sec. 100(1) of this chapter.

Sec. 47.45.050. DEPARTMENT HEARING. The Department of Administration may hold a departmental hearing upon the request of any applicant or recipient who has been disqualified. Previous to this hearing the department shall by certified mail notify an applicant or recipient in plain and comprehensive language the exact reason for his disqualification. Form letters using only referral to state statutes or department regulations, or otherwise vague in detail, shall not be considered compliance by the department with this section.

Sec. 47.45.060. LEGAL REMEDY. Legal remedy from disqualification may be sought by an applicant or recipient in any court of competent jurisdiction in the state. The burden of proof shall rest solely upon the applicant or recipient and any costs related to a disqualification verdict determined against the applicant or recipient may be recoverable by the attorney general from that person, or from any agency representing that person supported in whole, or in part, with state appropriations.

Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is one who

(1) does not meet the age or residence requirements as provided for under this chapter;

(2) meets the age and residence requirements of this chapter but is confined in a state or federal mental health institution or facility and is certified by the state as unable to manage his own affairs; however, if such a person was at the time of his commitment the principal support of a spouse, the commissioner of

administration may determine to pay the confined person's bonus to his spouse until the spouse is qualified for a bonus;

(3) is otherwise qualified but confined in a penal or correctional institution or facility; upon completion of sentence or upon the conferral of a pardon, parole or probation, the person may make application; confinement outside the state shall be considered as residence in the state if a person was convicted and sentenced from a court in Alaska; revocation of parole or probation shall be cause for immediate disqualification until release from confinement is again effected;

(4) leaves the state of his own volition and remains absent from the state for a continuous period of more than 180 days.

Sec. 47.45.080. ACCRUAL OF BONUSES. No recipient may, for any reason, receive an accrual of bonuses in excess of two monthly payments. No interest may be paid on accrued bonuses. Upon the death of a recipient the commissioner of administration shall pay to the beneficiary of the recipient any accrued bonuses not to exceed two monthly payments.

Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. (a) There is the Alaska longevity bonus fund created for the purpose of paying the monthly bonuses provided for in this chapter. The fund consists of all money made available by appropriations of the state legislature, and from other appropriated funds, all contributions from whatever source, and income and interest derived from the investment of money.

(b) The commissioner of administration is the administrator of the fund.

Sec. 47.45.100. POWERS AND DUTIES OF THE ADMINISTRATOR. The commissioner of administration shall

(1) promulgate regulations necessary to carry out the provisions of this chapter;

(2) make expenditures from the fund necessary to administer this chapter;

(3) establish and maintain an adequate system of accounts for the fund;

(4) publish annually a report showing the financial condition of the fund.

Sec. 47.45.110. CUSTODY OF FUNDS. The commissioner of revenue is the treasurer of the system and his powers and duties for this purpose including but not limited to the following:

(1) to act as official custodian of the cash and securities belonging to the fund;

(2) to receive all items of cash belonging to the fund.

Sec. 47.45.120. EXEMPTION FROM TAXATION AND PROCESS. Bonuses received under this chapter are exempt from all state and political subdivision taxes except sales and use taxes and are not subject to execution, attachment, garnishment or other process. No bonus received under this chapter may be exempt from a federal tax requirement.

Sec. 47.45.130. DEATH OR CESSATION OF RESIDENCY. The commissioner of administration shall establish procedures to stop a bonus when a recipient under this chapter no longer qualifies. When a recipient dies or discontinues his residency in the state his qualification for a bonus shall stop at the time of his last approved monthly application.

Sec. 47.45.140. PENALTY FOR FALSE STATEMENTS. A person who wilfully or knowingly makes a false statement, or falsifies or permits to be falsified any record required by this chapter, is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than \$500, or by imprisonment for not more than six months, or by both, forfeits all rights under this chapter, and shall make adequate restitution for any bonuses illegally received.

Sec. 47.45.150. DEFINITIONS. In this chapter

(1) "bonus" means a monthly Alaska longevity bonus payment made to a person or his beneficiary who qualifies under this chapter;

(2) "domicile" means the place with which a person has a settled connection for determination of his civil status or other legal purposes because it is actually or legally his permanent and principal home.

Sec. 47.45.160. APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT. The Administrative Procedure Act (AS 44.62) does not apply to this chapter.

Sec. 47.45.170. PURPOSE. The sole purpose of this chapter is to offer and provide all law-abiding Alaskans capable of managing their own affairs who have maintained a domicile in the state for at least 25 years and have reached a retirement age of 65, an incentive to continue uninterrupted residency in the state. Under no circumstances shall this chapter be considered a form, type, or manner, of public relief. Bonuses made under this chapter are not predicated on need even though they may appear to provide supplemental income to some qualified persons who would otherwise be forced to become responsibilities of the state. The legislature further finds and states that this legislation recognizes the economic hardships suffered by many elderly Alaskans, Alaskans who through their tenacity and perseverance molded Alaska as we know it through skillful application of their talents. These pioneers are the same Alaskans, who in the prime of their life were in effect treated as second-class citizens by the federal government who paid much of their hard-earned income to a government in which they did not have the right to participate through the power of the ballot. The legislature also is aware of the fact that many of

these pioneers have been forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering in many cases, the loss of familial relationship with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans the benefit of their wisdom and experience. This legislation hopefully will provide our pioneers with the economic means to remain in and continue to serve their state and to enjoy the opportunity of aiding the new Alaskan in making this state truly "The Great Land".

* Sec. 2. AS 01.10.030 does not apply to this Act. If any provision of this Act, or the application of a provision of this Act to any person or circumstance is held invalid, this entire Act shall be considered invalid.

* Sec. 3. This Act takes effect January 1, 1973.

HB 592 The Health, Welfare and Education Committee has had HOUSE BILL NO. 592 (making a supplemental appropriation to the University of Alaska; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Naughton, Whittaker, Specking, Moore and Moses.

HOUSE BILL NO. 592 was referred to the Finance Committee.

HB 602 The Health, Welfare and Education Committee has had HOUSE BILL NO. 602 (appropriating to the Department of Education; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Naughton, Whittaker, Specking, Moore and Moses.

HOUSE BILL NO. 602 was referred to the Finance Committee.

HB 640 The Health, Welfare and Education Committee has had HOUSE BILL NO. 640 (providing for the issuance of general obligation bonds in the amount of \$19,500,000 for the purpose of paying the cost of acquiring, constructing and equipping 13 state secondary schools; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 640 (providing for the issuance of general obligation bonds in the amount of \$30,000,000 for the purpose of paying the cost of acquiring, constructing and equipping state secondary schools; and providing for an effective date) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 640 do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Naughton, Whittaker, Moore and Moses. Not concurring was Specking who has no recommendation.

HOUSE BILL NO. 640 was referred to the Finance Committee.

The Speaker stated that without objection, the reading of the Health, Welfare and Education Committee Chairman's report on HOUSE BILL NO. 640 and subsequent reports would not be read and they would be printed in the Journal. There being no objection, it was so ordered. The reports appear following the bill to which each pertains:

"Health, Welfare and Education Committee Report

on

Committee Substitute for House Bill 640

It is the intention of the Health, Welfare and Education Committee that the Department of Education use an overall basic design for the educational facilities authorized under this Act, with the architectural and design cost held to a minimum.

It is further intended that wherever possible, local labor be used in the construction phase.

HB
640

Genie Chance
Genie Chance, Chairman"

The Health, Welfare and Education Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 211 (providing for an Alaska longevity bonus; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 211 (same title) and that HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 211 do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Whittaker, Specking and Moore. Not concurring were Moses and Naughton who have no recommendations.

SEN
211

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 211 was referred to the Finance Committee.

"HEALTH, WELFARE AND EDUCATION COMMITTEE

REPORT ON CSSR 211

The Health, Welfare and Education Committee, in cooperation with subcommittees from the Judiciary and the State Affairs committees, held two work sessions on CSSR 211. Participating in the work sessions also were representatives from the Department of Law, the Department of Administration, the Department of Revenue and the Department of Health and Social Services.

There were three basic questions we were trying to answer: (1) How to provide that those presently receiving assistance would receive the bonus in addition to their present assistance; (2) Is CSSR 211 constitutional; and (3) What would be the most appropriate method of funding.

The first question was answered by adding a statement of legislative intent to CSSR 211 directed at the Department of Health and Social Services, which is responsible for the administrative action necessary to assure that present recipients benefit from the Alaska Longevity Bonus. This statement of intent will become a footnote to the statute, according to the revisor of statutes.

The second question was never fully answered by the Attorney General, who cited recent U.S. Supreme Court decisions related to residency requirements, and who concluded his letter by stating that the Alaska Longevity Bonus Act would be more difficult to defend in court than it would have been two years ago. However, in the absence of a statement from the Attorney General that it was, in fact, unconstitutional, the committee accepted the fact that it could be presumed constitutional until and if it is struck down by a future court ruling.

The third question is actually a prerogative of the Finance Committee. However, the Health, Welfare and Education Committee investigated the subject thoroughly with the assistance of the Departments of Administration, Revenue and Law.

CSSB
211

The Department of Revenue pointed out that removing \$100 million from the general fund would cause additional losses to the general fund in the form of interest earned, which in turn would be re-invested and earn additional interest. This would result in an estimated loss of investment income to the general fund of more than \$6 million. The majority of the committee is deeply concerned about the immediate effect an appropriation of \$100 million from the general fund would have on both investment revenue and the liquidity balances of the fund.

The committee is also committed to the necessity of assuring that the Alaska Longevity Bonus Fund be established in such a manner that it be continually viable and not be threatened with repeal if and when the time arrives that the state might need the \$100 million and its earnings for broader applications. Consequently, the committee reviewed alternative methods of funding the Alaska Longevity Bonus Fund which were presented by the Department of Revenue.

Of the available alternatives, the majority of the committee recommends a 0.55% tax on wages and salaries of individuals within Alaska, which would produce \$5,500,000 per year, with an effective date of July 1, 1972.

An additional change was made in CSSB 211 at the request of Department of Revenue. This was to replace the restrictive language in Section 47.45.120 (custody and investment) with the language presently included under AS 37.10.070, which gives greater flexibility for investment and would provide greater earnings to the Alaska Longevity Bonus Fund.

Genie Chance

Genie Chance
Chairman"

CSSB 211 The Speaker stated that without objection, the Health, Welfare and Education Committee referral on the companion bill to COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 211, SENATE BILL NO. 392 (appropriating to the Department of Administration; and providing for an effective date) would be voided and it would be referred directly to the Finance Committee. There being no objection, it was so ordered.

HB 647 The Health, Welfare and Education Committee has had HOUSE BILL NO. 647 (relating to state aid for health care facilities; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 647 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 647 do pass. The report was signed by Mrs. Chance, Chairman, and concurred in by Chance, Naughton, Whittaker, Specking, Moses and Moore.

HOUSE BILL NO. 647 was referred to the Finance Committee.

The Resources Committee has had HOUSE BILL NO. 687 (relating to commercial fishing) under consideration and a majority of 687 the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 687 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 687 do pass. The report was signed by Mr. Farrell, Chairman, and concurred in by Farrell, McGill, Colletta, Moore, Holm, Swanson, Specking, Peratrovich and Tillion.

HOUSE BILL NO. 687 was referred to the Judiciary Committee.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 63 by the Resources Committee HCR
63

Requesting an immediate change in the method of issuance for subsistence fishing permits for red salmon dip netting in the upper Copper River

was introduced, read the first time and referred to the Committee on Resources.

HOUSE JOINT RESOLUTION NO. 133 by the Commerce Committee HJR
133

Relating to the establishment of airline excursion fares from Anchorage to Europe

was introduced, read the first time and referred to the Committee on State Affairs.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE BILLS

HOUSE BILL NO. 796 by the Rules Committee by request of the Governor, entitled: HB
796

"An Act making a supplementary appropriation to the Joint Federal-State Land Use Planning Commission For Alaska; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Resources and Finance.

The Speaker stated that without objection, the reading of the Governor's transmittal letter on HOUSE BILL NO. 796 and HOUSE BILL NO. 797 would be waived and it would be printed in the journal. There being no objection, it was so ordered. The letter appears as follows:

Introduced: 2/25/85
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

HOUSE BILL NO. 239

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 the longevity bonus program; and

7

providing for an effective date."

8

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

9

* Section 1. AS 47.45.010 is amended by adding a new subsection to

10 read:

11

(d) Notwithstanding (a) of this section, on July 1, 1991, the

12

age requirement for eligibility for a longevity bonus shall be in-

13

creased to 66 years of age. On July 1 of each succeeding year the age

14

requirement shall be increased by one year.

15

* Sec. 2. Section 11, ch. 38, SLA 1984 is repealed.

16

* Sec. 3. This Act takes effect immediately in accordance with AS 01.-

17

10.070(c).

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/27/85

Date: 4-23-86

The Committee on FINANCE has had HB 241

"An Act relating to fiscal procedures of the University of Alaska; and providing for an effective date."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 241 (FIN) same title new title
and recommends do pass

AND attaches a "Letter of Intent" New Fiscal Note
 reports it back without recommendation Zero Fiscal Note Attached

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

AA Alberts
JR [Signature]
~~_____~~
JD [Signature]
RL [Signature]
PP [Signature]
SR [Signature]
JB [Signature]

MS [Signature]
RU [Signature]
SC [Signature] 10 p.m.

Alberts
CHAIRMAN

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

4/18/86

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB-241 (Finance)
 Title: An Act relating to fiscal procedures of the University of Alaska; effective date.
 Sponsor: Rules/Governor
 Requestor: House Finance
 Date of Request: 4/17/86

FISCAL DETAIL

Agency Affected: University of Alaska
 BRU: _____

 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

CAPITAL		0	0	0	0	0
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REVENUE		0	0	0	0	0
----------------	--	---	---	---	---	---

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS : Attach a separate page if necessary

Section 6 of the bill establishes a Risk Management Collateral Fund in the general fund, which may be capitalized by the legislature at some time in the future. Other sections have no cost to the state.

Prepared by: Brian Rogers Phone: 474-7593
 Division: University of Alaska Date: 4/18/86

Approved by Commissioner: Brian Rogers for Sherman Carter Date: 4/18/86
 Agency: University of Alaska

Distribution (by Agency preparing fiscal note):

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

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 241 (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 fiscal procedures of the Univer-
7 sity of Alaska; and providing for an effective date."

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

9 * Section 1. AS 14.40.170(b) is amended to read:

10 (b) The Board of Regents may

11 (1) adopt reasonable rules, orders, and plans with reason-
12 able penalties for the good government of the university and for the
13 regulation of the Board of Regents;

14 (2) determine and regulate the course of instruction in the
15 university with the advice of the president;

16 (3) set student tuition and fees;

17 (4) receive and spend university receipts in accordance
18 with the Executive Budget Act (AS 37.07).

19 * Sec. 2. AS 14.40.210 is amended to read:

20 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. The
21 president of the University of Alaska may

22 (1) give general direction to the work of the University of
23 Alaska in all its departments subject to the approval of the Board of
24 Regents; [.]

25 (2) appoint the deans, heads of departments, professors,
26 assistants, instructors, tutors, and other officers of the University
27 of Alaska to the positions established by the Board of Regents;

28 (3) establish procedures for receipt, expenditure, and
29 fiscal year reporting of university receipts.

1 * Sec. 3. AS 14.40.250 is amended to read:

2 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER MONEY
3 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPROPRIA-
4 TION]. The Board of Regents may receive, manage, and invest money or
5 other real, personal, or mixed property [IN ANY MANNER RECEIVED FROM
6 SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRIATION] for
7 the purpose of the University of Alaska, its improvement or adornment,
8 or the aid or advantage of students or faculty, and, in general, may
9 act as trustee on behalf of the University of Alaska for any of these
10 purposes. The [HOWEVER, THE] regents shall make a written report to
11 the legislature, in accordance with AS 14.40.190, as to the adminis-
12 tration and disposition of money [FUNDS] received under this section.

13 * Sec. 4. AS 14.40 is amended by adding a new section to read:

14 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
15 Regents determines that there is a surplus of money, received in the
16 form of state and federal appropriations, above the amount sufficient
17 to meet current and projected cash expenditure needs of the universi-
18 ty, the surplus must be invested in the same instruments set out in
19 AS 37.10.070 approved for investment of state treasury surplus.
20 Interest income earned on investments made under this section may be
21 retained by the university and expended in accordance with the Execu-
22 tive Budget Act (AS 37.07).

23 * Sec. 5. AS 14.40 is amended by adding a new section to read:

24 Sec. 14.40.325. REALLOCATION OF STATE APPROPRIATIONS. Notwith-
25 standing the provisions of AS 37.07.080(e), each appropriation to the
26 University of Alaska is subject to reallocation by the university
27 administration under procedures established by the Board of Regents
28 and the division of budget review in the Office of the Governor.
29 Transfers may not be made between appropriations except as provided in

1 an Act making transfers between appropriations.

2 * Sec. 6. AS 14.40 is amended by adding a new section to article 3 to
3 read:

4 Sec. 14.40.455. UNIVERSITY RISK MANAGEMENT FUND. (a) There is
5 established in the general fund the University of Alaska risk manage-
6 ment fund. The fund consists of money appropriated by the legislature
7 for the purpose of providing a nonlapsing collateral fund for payment
8 of uninsured losses of the University of Alaska in excess of pre-
9 established loss assumption levels.

10 (b) The fund may be used only for the purposes of making pay-
11 ments as a result of

12 (1) civil suits;

13 (2) claims, damages, or losses to real and personal proper-
14 ty owned by or in the actual or constructive possession of the Univer-
15 sity of Alaska;

16 (3) losses of income from real and personal property; and

17 (4) expenses, attorney fees, and claims investigation costs
18 associated with claims or losses.

19 (c) The legislature may appropriate into the fund earnings
20 derived from temporary investment of collateral fund assets, recover-
21 ies of losses previously charged to the fund, and restoration of funds
22 utilized for specified claims. The amount of the fund may not exceed
23 the amount necessary and prudent based on independent actuarial deter-
24 minations. The University of Alaska may request that University of
25 Alaska funds be deposited into the risk management collateral fund
26 under AS 37.07.080(h).

27 (d) The Department of Administration and the University of
28 Alaska shall determine the loss assumption levels at the beginning of
29 each fiscal year for the purpose of assessing the risk management

1 collateral fund. The loss assumption levels shall be established at
2 the amount necessary and prudent based on independent actuarial deter-
3 minations.

4 (e) An annual report of the activity of the fund and loss as-
5 sumption levels shall be submitted by the Department of Administration
6 to the Office of Management and Budget and the Legislative Budget and
7 Audit Committee.

8 * Sec. 7. AS 14.40 is amended by adding a new section to read:

9 Sec. 14.40.490. DEFINITION FOR AS 14.40.120 - 14.40.490. For
10 purposes of AS 14.40.120 - 14.40.490, "university receipts" includes

- 11 (1) student fees, including tuition;
- 12 (2) receipts from university auxiliary services;
- 13 (3) recovery of indirect costs of university activities;
- 14 (4) sales and rentals of university property;
- 15 (5) gifts, grants, and contracts;
- 16 (6) sales, rentals, and services of educational activities.

17 * Sec. 8. AS 37.25.010 is amended by adding new subsections to read:

18 (c) University receipts received on or before June 30 of a
19 fiscal year in excess of the amount expended for that year may be
20 expended in the succeeding fiscal year if an appropriation of univer-
21 sity receipts has been made for the succeeding fiscal year. The
22 amount of university receipts expended in a fiscal year may not exceed
23 the amount of university receipts appropriated for that year.

24 (d) The University of Alaska shall report the amount of univer-
25 sity receipts received in one year and expended in the succeeding
26 fiscal year to the Department of Administration and the Legislative
27 Budget and Audit Committee by September 30 of the succeeding fiscal
28 year.

29 (e) In this section, "university receipts" has the meaning given

1 in AS 14.40.490.

2 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
3 10.070(c).
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A M E N D M E N T

Offered in the HOUSE

By the Finance Committee

TO: CSHB 241 (Finance)

Page 2, line 19, delete "." and insert:

"except that funds may not be invested in a corporation or other business firm that does business in or with (1) the Republic of South Africa until the Board of Regents determines that oppression of its black citizens by the Republic of South Africa has ended, or (2) the Union of Soviet Socialist Republics until the Board of Regents determines that oppression of its residents by the Union of Soviet Socialist Republics has ended."

Offered: 3/27/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 241 (Judiciary)
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 fiscal procedures of the Univer-
7 sity of Alaska; and providing for an effective date."

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

9 * Section 1. AS 14.40.170(b) is amended to read:

10 (b) The Board of Regents may

11 (1) adopt reasonable rules, orders, and plans with reason-
12 able penalties for the good government of the university and for the
13 regulation of the Board of Regents;

14 (2) determine and regulate the course of instruction in the
15 university with the advice of the president;

16 (3) set student tuition and fees;

17 (4) receive and spend university receipts in accordance
18 with the Executive Budget Act (AS 37.07).

19 * Sec. 2. AS 14.40.210 is amended to read:

20 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. The
21 president of the University of Alaska may

22 (1) give general direction to the work of the University of
23 Alaska in all its departments subject to the approval of the Board of
24 Regents;[.]

25 (2) appoint the deans, heads of departments, professors,
26 assistants, instructors, tutors, and other officers of the University
27 of Alaska to the positions established by the Board of Regents;

28 (3) establish procedures for receipt, expenditure, and
29 fiscal year reporting of university receipts.

1 * Sec. 3. AS 14.40.250 is amended to read:

2 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER MONEY
3 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPROPRIA-
4 TION]. The Board of Regents may receive, manage, and invest money or
5 other real, personal, or mixed property [IN ANY MANNER RECEIVED FROM
6 SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRIATION] for
7 the purpose of the University of Alaska, its improvement or adornment,
8 or the aid or advantage of students or faculty, and, in general, may
9 act as trustee on behalf of the University of Alaska for any of these
10 purposes. The [HOWEVER, THE] regents shall make a written report to
11 the legislature, in accordance with AS 14.40.190, as to the adminis-
12 tration and disposition of money [FUNDS] received under this section.

13 * Sec. 4. AS 14.40 is amended by adding a new section to read:

14 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
15 Regents determines that there is a surplus of money, received in the
16 form of state and federal appropriations, above the amount sufficient
17 to meet current and projected cash expenditure needs of the universi-
18 ty, the surplus must be invested in the same instruments set out in
19 AS 37.10.070 approved for investment of state treasury surplus, except
20 that funds may not be invested in a corporation or other business firm
21 that does business in or with (1) the Republic of South Africa until
22 the Board of Regents determines that oppression of its black citizens
23 by the Republic of South Africa has ended, or (2) the Union of Soviet
24 Socialist Republics until the Board of Regents determines that op-
25 pression of its residents by the Union of Soviet Socialist Republics
26 has ended. If interest income earned on investments made under this
27 section exceeds appropriations derived from that source, the excess
28 may be expended only in accordance with the procedures set out in
29 AS 37.07.080(h).

1 * Sec. 5. AS 14.40.296(a) is amended to read:

2 (a) There is established in the treasury of the University of
3 Alaska the University of Alaska working capital reserve fund. The
4 fund consists of money appropriated by the legislature. If the legis-
5 lature has made a general appropriation of federal or other program
6 receipts that exceeds the amounts appropriated specifically, the
7 university may deposit interest income earned from investments
8 authorized by AS 14.40.255 in the fund in accordance with the proce-
9 dures set out in AS 37.07.080(h). The working capital reserve fund is
10 established for the purpose of providing nonlapsing current working
11 capital for the University of Alaska and is not available for appro-
12 priation by the Board of Regents.

13 * Sec. 6. AS 14.40 is amended by adding a new section to read:

14 Sec. 14.40.325. REALLOCATION OF STATE APPROPRIATIONS. Notwith-
15 standing the provisions of AS 37.07.080(e), each appropriation to the
16 University of Alaska is subject to reallocation by the university
17 administration under procedures established by the Board of Regents
18 and the division of budget review in the Office of the Governor.
19 Transfers may not be made between appropriations except as provided in
20 an Act making transfers between appropriations.

21 * Sec. 7. AS 14.40 is amended by adding a new section to read:

22 Sec. 14.40.490. DEFINITION FOR AS 14.40.120 - 14.40.490. For
23 purposes of AS 14.40.120 - 14.40.490, "university receipts" includes

- 24 (1) student fees, including tuition;
25 (2) receipts from university auxiliary services;
26 (3) recovery of indirect costs of university activities;
27 (4) sales and rentals of university property;
28 (5) federal receipts;
29 (6) gifts, grants, and contracts;

1 (7) sales, rentals, and services of educational activities.

2 * Sec. 8. AS 37.25.010 is amended by adding a new subsection to read:

3 (c) The unexpended balance of an appropriation of university
4 receipts existing on June 30 of a year is automatically reappropriated
5 for the fiscal year beginning on the succeeding July 1 if the unex-
6 pended balance is reported to the Department of Administration and the
7 legislative budget and audit committee by September 30 of the succeed-
8 ing fiscal year. In this subsection, "university receipts" has the
9 meaning given in AS 14.40.490.

10 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

Introduced: 2/12/86
Referred: Health, Education and
and Social Services
and Finance

1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 399

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the risk management collateral
7 fund for the University of Alaska; and providing for
8 an effective date."

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

10 * Section 1. AS 14.40 is amended by adding a new section to article 3
11 to read:

12 Sec. 14.40.455. UNIVERSITY RISK MANAGEMENT FUND. (a) There is
13 established in the general fund the University of Alaska risk manage-
14 ment fund. The fund consists of money appropriated by the legislature
15 for the purpose of providing a nonlapsing collateral fund for payment
16 of uninsured losses of the University of Alaska in excess of pre-
17 established loss assumption levels.

18 (b) The fund may be used only for the purposes of making pay-
19 ments as a result of

20 (1) civil suits;

21 (2) claims, damages, or losses to real and personal proper-
22 ty owned by or in the actual or constructive possession of the Univer-
23 sity of Alaska;

24 (3) losses of income from real and personal property; and

25 (4) expenses, attorney fees, and claims investigation costs
26 associated with claims or losses.

27 (c) The legislature may appropriate into the fund earnings
28 derived from temporary investment of collateral fund assets, recover-
29 ies of losses previously charged to the fund, and restoration of funds

1 utilized for specified claims. The amount of the fund may not exceed
2 the amount necessary and prudent based on independent actuarial deter-
3 minations. The University of Alaska may request that University of
4 Alaska funds be deposited into the risk management collateral fund
5 under AS 37.07.080(h).

6 (d) The Department of Administration and the University of
7 Alaska shall determine the loss assumption levels at the beginning of
8 each fiscal year for the purpose of assessing the risk management
9 collateral fund. The loss assumption levels shall be established at
10 the amount necessary and prudent based on independent actuarial deter-
11 minations.

12 (e) An annual report of the activity of the fund and loss as-
13 sumption levels shall be submitted by the Department of Administration
14 to the Office of Management and Budget and the Legislative Budget and
15 Audit Committee.

16 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Introduced: 2/27/85
Referred: Health, Education &
Social Services, Judiciary
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 241

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 fiscal procedures of the Univer-
7 sity of Alaska; and providing for an effective date."

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

9 * Section 1. AS 14.40.170(b) is amended to read:

10 (b) The Board of Regents may

11 (1) adopt reasonable rules, orders, and plans with reason-
12 able penalties for the good government of the university and for the
13 regulation of the Board of Regents;

14 (2) determine and regulate the course of instruction in the
15 university with the advice of the president;

16 (3) set student tuition and fees;

17 (4) receive and spend university receipts.

18 * Sec. 2. AS 14.40.210 is amended to read:

19 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. The
20 president of the University of Alaska may

21 (1) give general direction to the work of the University of
22 Alaska in all its departments subject to the approval of the Board of
23 Regents;[.]

24 (2) appoint the deans, heads of departments, professors,
25 assistants, instructors, tutors, and other officers of the University
26 of Alaska to the positions established by the Board of Regents;

27 (3) establish procedures for receipt, expenditure, and
28 fiscal year reporting of university receipts.

29 * Sec. 3. AS 14.40.250 is amended to read:

1 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER MONEY
2 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OF FEDERAL APPROPRIA-
3 TION]. The Board of Regents may receive, manage, and invest money or
4 other real, personal, or mixed property [IN ANY MANNER RECEIVED FROM
5 SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRIATION] for
6 the purpose of the University of Alaska, its improvement or adornment,
7 or the aid or advantage of students or faculty, and, in general, may
8 act as trustee on behalf of the University of Alaska for any of these
9 purposes. The [HOWEVER, THE] regents shall make a written report to
10 the legislature, in accordance with AS 14.40.190, as to the adminis-
11 tration and disposition of money [FUNDS] received under this section.

12 * Sec. 4. AS 14.40 is amended by adding a new section to read:

13 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
14 Regents determines that there is a surplus of money, received in the
15 form of state and federal appropriations, above the amount sufficient
16 to meet current and projected cash expenditure needs of the universi-
17 ty, the surplus must be invested in the same instruments set out in
18 AS 37.10.070 approved for investment of state treasury surplus. If
19 interest income earned on investments made under this section exceeds
20 appropriations derived from that source, the excess may be expended in
21 accordance with the procedures set out in AS 37.07.080(h).

22 * Sec. 5. AS 14.40 is amended by adding a new section to read:

23 Sec. 14.40.490. DEFINITION FOR AS 14.40.120 -- 14.40.490. For
24 purposes of AS 14.40.120 -- 14.40.490, "university receipts" includes

- 25 (1) student fees, including tuition;
26 (2) receipts from university auxiliary services;
27 (3) recovery of indirect costs of university activities;
28 (4) sales and rentals of university property;
29 (5) federal receipts;

- 1 (6) gifts, grants, and contracts;
2 (7) sales, rentals, and services of educational activities.

3 * Sec. 6. AS 14.40.296(a) is amended to read:

4 (a) There is established in the treasury of the University of
5 Alaska the University of Alaska working capital reserve fund. The
6 fund consists of money appropriated by the legislature. The universi-
7 ty may deposit interest income earned from investments authorized by
8 AS 14.40.255 in the fund in accordance with the procedures set out in
9 AS 37.07.080(h). The working capital reserve fund is established for
10 the purpose of providing nonlapsing current working capital for the
11 University of Alaska and is not available for appropriation by the
12 Board of Regents.

13 * Sec. 7. AS 14.40 is amended by adding a new section to read:

14 Sec. 14.40.325. REALLOCATION OF STATE APPROPRIATIONS. Notwith-
15 standing the provisions of AS 37.07.080(e), each appropriation to the
16 University of Alaska is subject to reallocation by the university
17 administration under procedures established by the Board of Regents
18 and the division of budget review in the Office of the Governor.
19 Transfers may not be made between appropriations except as provided in
20 an Act making transfers between appropriations.

21 * Sec. 8. AS 37.25.010 is amended by adding a new subsection to read:

22 (c) The unexpended balance of an appropriation of university
23 receipts existing on June 30 of a year is automatically reappropriated
24 for the fiscal year beginning on the succeeding July 1 if the unex-
25 pended balance is reported to the Department of Administration by
26 September 30 of the succeeding fiscal year. As used in this subsec-
27 tion, "university receipts" means the same as in AS 14.40.490.

28 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER:

4/30/86

Date 5/6/86

Mr. President

The Committee on FINANCE considered CSHB 241(Fin)am relating to fiscal administration of the University of Alaska; 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 SCS for CS HB 241 (Fin)
- new title
- same title and recommends "DO PASS"
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
@ UFA
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

Rick Haddad

Paul Fink

DeLisson

Hackett

MEMBERS HAVING

OTHER RECOMMENDATIONS

J. Kottick No. Pass

J. Ferguson NR

Paul Fink
Chairman

Do pass
Chairman recommendation

STATE OF ALASKA. 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSAB 241 (Fin)
 Title: "An Act relating to the fiscal procedures ..."
 Sponsor: Rules/Governor
 Requestor: _____
 Date of Request: 2/22/85

FISCAL DETAIL

Agency Affected: University of Alaska
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 CRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				
CAPITAL						
REVENUE		0				

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME		N/A				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary See Attached

Prepared By: Sherman Carter, Executive Vice President Phone: 474-7593
 Division: University of Alaska Date: _____

Approved by Commissioner: Sherman Carter Date: 2/21/85
 Agency: _____

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

STATEMENT OF FISCAL IMPACT

AS 282

Agency Comments

No additional funding will be required as a result of this legislation. This bill codifies present investment and operating procedures and provides additional flexibility in fiscal planning which will allow the University of Alaska to better cope with adverse financial conditions during periods of revenue instability.

It will permit increased efficiency; and, by providing full disclosure will not decrease the governor's or legislature's control over the university. The Board of Regents endorsed this legislation as indicated in the following resolution: "The Board of Regents reaffirms its endorsement of the legislation to clarify fiscal procedures of the University of Alaska and urges adoption of a bill to do this to be introduced by the governor."

Offered: 4/24/86
For Today's Calendar

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SCS CS FOR HOUSE BILL NO. 241 (Finance) am
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 fiscal administration of the
7 University of Alaska; and providing for an effective
8 date."

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

10 * Section 1. AS 14.40.170(b) is amended to read:

11 (b) The Board of Regents may

12 (1) adopt reasonable rules, orders, and plans with reason-
13 able penalties for the good government of the university and for the
14 regulation of the Board of Regents;

15 (2) determine and regulate the course of instruction in the
16 university with the advice of the president;

17 (3) set student tuition and fees;

18 (4) receive and spend university receipts in accordance
19 with the Executive Budget Act (AS 37.07).

20 *Sec. 2. AS 14.40.210 is amended to read:

21 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. The
22 president of the University of Alaska may

23 (1) give general direction to the work of the University of
24 Alaska in all its departments subject to the approval of the Board of
25 Regents; [.]

26 (2) appoint the deans, heads of departments, professors,
27 assistants, instructors, tutors, and other officers of the University
28 of Alaska to the positions established by the Board of Regents;

29 (3) establish procedures for receipt, expenditure, and

1 fiscal year reporting of university receipts.

2 * Sec. 3. AS 14.40.250 is amended to read:

3 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER MONEY
4 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPROPRIA-
5 TION]. The Board of Regents may receive, manage, and invest money or
6 other real, personal, or mixed property [IN ANY MANNER RECEIVED FROM
7 SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRIATION] for
8 the purpose of the University of Alaska, its improvement or adornment,
9 or the aid or advantage of students or faculty, and, in general, may
10 act as trustee on behalf of the University of Alaska for any of these
11 purposes. The [HOWEVER, THE] regents shall make a written report to
12 the legislature, in accordance with AS 14.40.190, as to the adminis-
13 tration and disposition of money [FUNDS] received under this section.

14 * Sec. 4. AS 14.40 is amended by adding a new section to read:

15 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
16 Regents determines that there is a surplus of money, received in the
17 form of state and federal appropriations, above the amount sufficient
18 to meet current and projected cash expenditure needs of the unive:si-
19 ty, the surplus must be invested in the same instruments set out in
20 AS 37.10.070 approved for investment of state treasury surplus, ~~except~~
21 ~~that funds may not be invested in the stocks, bonds, securities or~~
22 ~~other obligations of a corporation or other business firm that has~~
23 ~~outstanding loans with, or is engaged directly or indirectly in man-~~
24 ~~ufacturing, assembling, warehousing, or other substantial business~~
25 ~~operations (1) within the Republic of South Africa until the Board of~~
26 ~~Regents determines that apartheid in the Republic of South Africa has~~
27 ~~been eliminated, or (2) within the Union of Soviet Socialist Republics~~
28 ~~until the Board of Regents determines that oppression in the Union of~~
29 ~~Soviet Socialist Republics has been eliminated. Interest income earned~~

1 on investments made under this section may be retained by the univer-
2 sity and expended in accordance with the Executive Budget Act
3 (AS 37.07).

4 * Sec. 5. AS 14.40 is amended by adding a new section to read:

5 R.H → Sec. 14.40.325. REALLOCATION ^{WITHIN} ~~OF~~ STATE APPROPRIATIONS. Notwith-
6 standing the provisions of AS 37.07.080(e), each appropriation to the
7 University of Alaska is subject to reallocation by the university
8 administration under procedures established by the Board of Regents
9 and the division of budget review in the Office of the Governor.
10 Transfers may not be made between appropriations except as provided in
11 an Act making transfers between appropriations.

12 * Sec. 6. AS 14.40 is amended by adding a new section to article 3 to
13 read:

14 Sec. 14.40.455. UNIVERSITY RISK MANAGEMENT FUND. (a) There is
15 established in the general fund the University of Alaska risk manage-
16 ment fund. The fund consists of money appropriated by the legislature
17 for the purpose of providing a nonlapsing collateral fund for payment
18 of uninsured losses of the University of Alaska in excess of pre-
19 established loss assumption levels.

20 (b) The fund may be used only for the purposes of making pay-
21 ments as a result of

22 (1) civil suits;

23 (2) claims, damages, or losses to real and personal proper-
24 ty owned by or in the actual or constructive possession of the Univer-
25 sity of Alaska;

26 (3) losses of income from real and personal property; and

27 (4) expenses, attorney fees, and claims investigation costs
28 associated with claims or losses.

29 (c) The legislature may appropriate into the fund earnings

1 derived from temporary investment of collateral fund assets, recover-
2 ies of losses previously charged to the fund, and restoration of funds
3 utilized for specified claims. The amount of the fund may not exceed
4 the amount necessary and prudent based on independent actuarial deter-
5 minations. The University of Alaska may request that University of
6 Alaska funds be deposited into the risk management collateral fund
7 under AS 37.07.080(h).

8 (d) The Department of Administration and the University of
9 Alaska shall determine the loss assumption levels at the beginning of
10 each fiscal year for the purpose of assessing the risk management
11 collateral fund. The loss assumption levels shall be established at
12 the amount necessary and prudent based on independent actuarial deter-
13 minations.

14 (e) An annual report of the activity of the fund and loss as-
15 sumption levels shall be submitted by the Department of Administration
16 to the Office of Management and Budget and the Legislative Budget and
17 Audit Committee.

18 * Sec. 7. AS 14.40 is amended by adding a new section to read:

19 Sec. 14.40.490. DEFINITION FOR AS 14.40.120 - 14.40.490. For
20 purposes of AS 14.40.120 - 14.40.490, "university receipts" includes

- 21 (1) student fees, including tuition;
- 22 (2) receipts from university auxiliary services;
- 23 (3) recovery of indirect costs of university activities;
- 24 (4) sales and rentals of university property;
- 25 (5) gifts, grants, and contracts;
- 26 (6) sales, rentals, and services of educational activities.

27 * Sec. 8. AS 37.25.010 is amended by adding new subsections to read:

28 (c) University receipts received on or before June 30 of a
29 fiscal year in excess of the amount expended for that year may be

1 expended in the succeeding fiscal year if an appropriation of univer-
2 sity receipts has been made for the succeeding fiscal year. The
3 amount of university receipts expended in a fiscal year may not exceed
4 the amount of university receipts appropriated for that year.

5 (d) The University of Alaska shall report the amount of univer-
6 sity receipts received in one year and expended in the succeeding
7 fiscal year to the Department of Administration and the Legislative
8 Budget and Audit Committee by September 30 of the succeeding fiscal
9 year.

10 (e) In this section, "university receipts" has the meaning given
11 in AS 14.40.490.

12 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

James ✓
5/7/86

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 241 (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 fiscal administration of the
7 University of Alaska; and providing for an effective
8 date."

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

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11 (b) The Board of Regents may

12 (1) adopt reasonable rules, orders, and plans with reason-
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14 regulation of the Board of Regents;

15 (2) determine and regulate the course of instruction in the
16 university with the advice of the president;

17 (3) set student tuition and fees;

18 (4) receive and spend university receipts in accordance
19 with the Executive Budget Act (AS 37.07).

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21 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. The
22 president of the University of Alaska may

23 (1) give general direction to the work of the University of
24 Alaska in all its departments subject to the approval of the Board of
25 Regents; [.]

26 (2) appoint the deans, heads of departments, professors,
27 assistants, instructors, tutors, and other officers of the University
28 of Alaska to the positions established by the Board of Regents;

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4 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPROPRIA-
5 TION]. The Board of Regents may receive, manage, and invest money or
6 other real, personal, or mixed property [IN ANY MANNER RECEIVED FROM
7 SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRIATION] for
8 the purpose of the University of Alaska, its improvement or adornment,
9 or the aid or advantage of students or faculty, and, in general, may
10 act as trustee on behalf of the University of Alaska for any of these
11 purposes. The [HOWEVER, THE] regents shall make a written report to
12 the legislature, in accordance with AS 14.40.190, as to the adminis-
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15 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
16 Regents determines that there is a surplus of money, received in the
17 form of state and federal appropriations, above the amount sufficient
18 to meet current and projected cash expenditure needs of the universi-
19 ty, the surplus must be invested in the same instruments set out in
20 AS 37.10.070 approved for investment of state treasury surplus.
21 Interest income earned on investments made under this section may be
22 retained by the university and expended in accordance with the Execu-
23 tive Budget Act (AS 37.07).

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25 Sec. 14.40.325. REALLOCATION WITHIN STATE APPROPRIATIONS.
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27 to the University of Alaska is subject to reallocation by the univer-
28 sity administration under procedures established by the Board of
29 Regents and the division of budget review in the Office of the

1 Governor. Transfers may not be made between appropriations except as
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8 for the purpose of providing a nonlapsing collateral fund for payment
9 of uninsured losses of the University of Alaska in excess of pre-
10 established loss assumption levels.

11 (b) The fund may be used only for the purposes of making pay-
12 ments as a result of

13 (1) civil suits;

14 (2) claims, damages, or losses to real and personal proper-
15 ty owned by or in the actual or constructive possession of the Univer-
16 sity of Alaska;

17 (3) losses of income from real and personal property; and

18 (4) expenses, attorney fees, and claims investigation costs
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20 (c) The legislature may appropriate into the fund earnings
21 derived from temporary investment of collateral fund assets, recover-
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24 the amount necessary and prudent based on independent actuarial deter-
25 minations. The University of Alaska may request that University of
26 Alaska funds be deposited into the risk management collateral fund
27 under AS 37.07.080(h).

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29 Alaska shall determine the loss assumption levels at the beginning of

1 each fiscal year for the purpose of assessing the risk management
2 collateral fund. The loss assumption levels shall be established at
3 the amount necessary and prudent based on independent actuarial deter-
4 minations.

5 (e) An annual report of the activity of the fund and loss as-
6 sumption levels shall be submitted by the Department of Administration
7 to the Office of Management and Budget and the Legislative Budget and
8 Audit Committee.

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20 fiscal year in excess of the amount expended for that year may be
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22 sity receipts has been made for the succeeding fiscal year. The
23 amount of university receipts expended in a fiscal year may not exceed
24 the amount of university receipts appropriated for that year.

25 (d) The University of Alaska shall report the amount of univer-
26 sity receipts received in one year and expended in the succeeding
27 fiscal year to the Department of Administration and the Legislative
28 Budget and Audit Committee by September 30 of the succeeding fiscal
29 year.

1 (e) In this section, "university receipts" has the meaning given
2 in AS 14.40.490.

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

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SECTIONAL ANALYSIS FOR CS HB 241 (Finance)am

An Act relating to fiscal administration of the University of Alaska and providing for an effective date

Section 1

Amends the chapter relating to the Duties of the Board of Regents. This sections adds language which states that the Board of Regents may:

- set student tuition and fees
- receive and spend university receipts in accordance with the Executive Budget Act

Section 2

Provides the President of the University with the authority to establish procedures for receipt and expenditure of university receipts.

Section 3

Under current law, the Board of Regents may invest all funds that are received by the University except those appropriated by the Legislature or Congress at the federal level. This section would eliminate that distinction and give the University control over all funds received.

Section 4

Would authorize the University to invest surplus funds consistent with the Executive Budget Act except that they could not invest in South Africa the Soviet Union.

Section 5

Gives the Board of Regents the specific authority to reallocate funds within a specific legislative appropriation.

Section 6

Establishes a Risk Management Fund for the University which would consist of money appropriated by the Legislature and be used as a collateral fund. It would cover the payment of uninsured losses of the University resulting from: civil suits, claims, damages or losses to real or personal property of the University, losses of income from real or personal property and expenses, attorney fees and claims investigation costs.

Section 7

Definitions section

Section 8

Amends that section of the Executive Budget Act which relates to lapsed funds and encumbrances. It adds another subsection which would give the University the authority to expend surplus monies in the succeeding fiscal year. It would also require the University to report to the Department of Administration and Legislative Budget and Audit Committee, the amount of University receipts and expenditures by September 30th of the succeeding fiscal year.

Section 9

Immediate effective date.

STATE OF ALASKA 1985 LEGISLATIVE SESSION HB 242
FISCAL NOTE

HB 242 #2

Revision Date: 155

REQUEST
Bill/Resolution No.:
Title: "An Act relating to the fiscal
procedures ..."
Sponsor: Rules/Governor
Requestor:
Date of Request: 2/22/85

FISCAL DETAIL
Agency Affected: University of Alaska
Program Category Affected:
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				
CAPITAL						
REVENUE		0				

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		N/A				
PART-TIME						
TEMPORARY						

ANALYSIS:

No additional funding will be required as a result of this legislation. This bill codifies present investment and operating procedures and provides additional flexibility in fiscal planning which will allow the University of Alaska to better cope with adverse financial conditions during periods of revenue instability.

It will permit increased efficiency; and, by providing full disclosure will not decrease the governor's or legislature's control over the university. The Board of Regents endorsed this legislation as indicated in the following resolution: "The Board of Regents reaffirms its endorsement of the legislation to clarify fiscal procedures of the University of Alaska and urges adoption of a bill to do this to be introduced by the governor."

Prepared By: Sherman Carter, Executive Vice President Phone: 474-7593
Division: University of Alaska Date: _____

Approved by Commissioner: Sherman Carter Date: 2/21/85
Agency: _____

A M E N D M E N T

Offered in the Senate

By P. Fischer

TO: CSHB 241 (Fin)

Page 5, after line 11, insert new bill sections to read:

"* Sec. 9. AS 39.27 is amended by adding a new section to read:

Sec. 39.27.042. SALARY LIMIT FOR UNIVERSITY EMPLOYEES. (a)
Notwithstanding the provisions of the Public Employment Relations Act (AS 23.40) and AS 39.27.040, the university may not pay an officer or employee, including an officer or employee in an academic or research position, a basic monthly salary that is greater than the monthly salary of the governor set out in AS 39.20.010.

(b) For purposes of this section, "basic monthly salary" is a person's monthly salary before the addition of adjustments including cost-of-living adjustments, overtime compensation, geographical differentials, length-of-service increases, hazardous duty pay, travel per diem, and travel allowances.

* Sec. 10. Nothing in this Act terminates or modifies a collective bargaining agreement or other contract if the agreement or contract is in effect on the effective date of this Act. An officer or employee who is receiving a basic monthly salary higher than the limit set out in AS 39.27.042 on the effective date of this Act is entitled to continue receiving the higher salary while employed in that position."

Renumber the following bill section accordingly.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill clarifying and codifying fiscal procedures for the University of Alaska.

This bill will settle three university fiscal issues:

- 1) administration of university receipts;
- 2) university authority to invest money and spend the interest earned on it; and
- 3) reallocation of state appropriations to the university.

1. Administration of university receipts:

Because it is a public, higher-education corporation established under the state constitution, the University of Alaska has several unique sources of revenue. Unlike the heads of other state agencies, members of the Board of Regents are trustees; they administer university money and property, and, while serving in that capacity, are accountable for all university receipts.

The university receives money from a variety of sources. In addition to state general fund appropriations, the university generates income from student tuition and fees; auxiliary enterprises; gifts, grants, and contracts; federal educational and research projects; sales and rentals of university educational properties; sales, rentals, and services of educational activities; and recovery of indirect costs of university activities.

Section 1 of the bill clarifies the Board of Regents' ability to receive and spend these sources of income. Section 2 requires the university president to establish procedures for receipt, expenditure, and reporting of university

receipts. Section 5 defines "university receipts." Section 8 allows the university to carry forward unexpended balances of these university receipts.

2. Investment of university money:

Unlike other state agencies, the university maintains a separate treasury, drawing cash from the state treasury in monthly installments. The university deposits money in interest-bearing accounts pending payment of payrolls and other obligations. While the university has received annual budget authority to receive and spend the interest earned, the attorney general has opined that the university has no statutory authority to do so.

The university and my administration agreed to clarify this statutory authority, using four fundamental principles:

- 1) the university should be encouraged to prudently manage its resources;
- 2) university cash balances should not sit idle, but should be temporarily deposited in interest-bearing accounts;
- 3) the university should be strictly accountable for money entrusted to it; and
- 4) there should be clear statutory rules for university investment.

Section 3 of the bill authorizes the university to invest money it receives, regardless of the source. Section 4 of the bill requires the university to invest certain surplus money, and restricts that investment to the same instruments provided for state general fund surplus under AS 37.10.070. If appropriated by the legislature, or approved under the revised program procedures of AS 37.07.080(h), the university may spend earnings from these investments.

Last year the legislature attempted to appropriate prior years' interest income to the University of Alaska working capital reserve fund (AS 14.40.296). I vetoed that appropriation because the statutory authority for both the receipt of interest income and its deposit to the working capital reserve fund were unclear. Amendments to the working capital reserve fund contained in sec. 6 of this bill would take care of last year's problem.

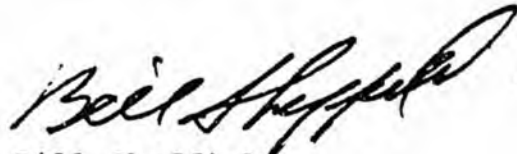
3. Reallocation of state appropriations:

AS 37.07.080(e) establishes procedures for the division of budget review, in the Office of the Governor, to reallocate

money authorized by legislative appropriations. In past years, the legislature has authorized the Office of the Governor to establish procedures for reallocations within university appropriations. Section 7 of this bill gives the division of budget review and the Board of Regents the authority to establish procedures for reallocation within appropriations. Transfers between appropriations would continue to require authorization by law.

The University of Alaska is working closely with my administration on budget and financial matters. This bill settles several issues that have damaged university-state relations in past years. Therefore, I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

3/15/85

Date: 4-23-85

The Committee on FINANCE has had HB 242

"An Act relating to automatic data processing; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 242 (Tele) same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Albert B. Adams
[Signature]
[Signature]
Robert H. Targem
Pat Fouchot
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

Albert B. Adams
CHAIRMAN

Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE
2 CS FOR HOUSE BILL NO. 242 (Telecommunications)
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 automatic data processing; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 44.21.160(b) is amended to read:
10 (b) To carry out (a) of this section the department may
11 (1) maintain a central staff of systems analysts, computer
12 programmers and other staff members sufficient to provide systems
13 analysis and computer programming support required by the executive,
14 legislative and judicial branches of state government;
15 (2) develop and maintain both short-range and long-range
16 data processing plans for state government and provide managerial
17 leadership in the use of automatic data processing;
18 (3) review all budget requests for automatic data process-
19 ing services and recommend to the governor approval, modification, or
20 disapproval;
21 (4) recommend implementation priorities of requested data
22 processing systems;
23 (5) determine and satisfy the data processing equipment and
24 supply requirements of all branches, departments and agencies of state
25 government;
26 (6) provide all facilities, equipment and staff required to
27 convert data to a form suitable for processing on automatic data pro-
28 cessing equipment;
29 (7) develop and publish systems analysis, computer

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to
3 encourage effectiveness, measure performance, and assure adherence to
4 the standards developed under AS 44.21.150 - 44.21.170;

5 (9) develop and conduct an automatic data processing train-
6 ing program designed to serve the technical and managerial needs of
7 state government;

8 (10) require each state agency to procure its automatic data
9 processing services from the department;

10 (11) charge a state agency or other governmental agency for
11 the cost of the automatic data processing services provided or pro-
12 cured by the department for the agency.

13 * Sec. 2. This Act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ Page 1 of 1

Automatic REQUEST
 Bill/Resolution No.: CS 18B242(e) FISCAL DETAIL
 Title: "An Act Relating to Data Processing; and Providing For An Effective Date" Agency Affected: Dept. of Administration
 Program Category Affected: General Government
 Sponsor: _____ BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____ Information Resource Management
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONNEL 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	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This Legislation has no fiscal impact to the State

Prepared By: John Valensi *John Valensi* Phone: 465-2-20
 Division: Information Resources Planning & Review Date: 2-11-85

Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 2-20-85
 Agency: Department of Administration *for*

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

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

*not in
O.S.* { The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

OFFICE OF THE COMMISSIONER

March 27, 1985

The Honorable Albert Adams
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

This letter contains information relative to House Bill 242.

In April, 1983 the 12th Legislature, in conjunction with the Executive Branch, terminated the major part of what had been functioning as a computing resource chargeback system for the following reasons:

- The amounts using agencies were budgeting to pay their resource charges were much higher than the amount computing resource providers needed to operate.
- Chargeback rates established by the Data Centers were artificially high to cover losses from agencies that consumed resources but did not pay their chargeback billings.

Once chargeback was eliminated, it was necessary to establish an operating budget for the Data Centers paid directly out of General Funds instead of Inter-Agency receipts. This was accomplished by taking the total Data Center budget and subtracting the amount of non-General Funded based income that would continue to be received through Inter-Agency transfers. (An additional amount of \$3100.0 was added to cover those operating expenses that had been paid from capital funds for a number of years.) As a result, the major portion of the FY84 Information Resources Management(IRM) budget was established and the Data Centers as well as the using agencies lost visibility and, therefore, the means of managing resource consumption.

It can be argued as to whether this loss of manageability or the surge in system's development was the primary

contributor, but 1983 and 1984 were the most dramatic years of expanded Data Center load in the history of Alaska. From December, 1982 to January, 1985 (two years) the Data Centers have had to upgrade their computers three times for an increase in capacity of nearly 300%.

This growth does not imply there has been a total abandonment of rational use. A number of excellent systems have been implemented in this period. However, it is felt that some portion of the current consumption level could be reduced through effective management.

For this reason, the idea of resource chargeback as a management tool is still supported by both the Legislature and the Administration in spite of problems with the old system. However, a new system must have new characteristics. Some of which are:

- Chargeback rates must be auditable directly back to the provider's budget.
- The system must be able to absorb unpredicted variations in agency usage estimates.
- The system must allow cause/effect changes in Data Center configurations at times which may be incompatible with budgetary approval schedules.

In July 1983 (FY84), a cost analysis of the Data Centers was commenced and a study of various packaged billing systems was undertaken to select one that would fit the State's needs. After approval of a \$74,000 capital project for FY85, a technique for calculating rates was developed and approved by all departments and the Boeing Computing Chargeback System (FACTS) was purchased and installed in the Juneau and Anchorage Data Centers as well as the University of Alaska. Commencing with October, 1984, simulated invoices were generated and provided to high-use departments for review.

At this time, the mechanics of a new chargeback system are in place and operating, but two major elements remain to make it fully operational - HB242 and Implementation.

The Telecommunications Committee substitute for House Bill 242 will allow IRM to collect funds directly from other agencies of government that may use state computing resources. For example, there are a number of local police agencies that use various elements of the Public Safety systems and certain agencies of the Federal Government here in Alaska have expressed an interest in using certain services. This is an opportunity to gain additional income for the state through the sale of resources at times that

would not interfere with state priorities.

The other remaining major element to make chargeback fully operational is implementation. This involves moving the existing IRM General Fund amounts which are subject to chargeback out of IRM's budget and into the right user budgets so the system can commence operating.

To accomplish this, IRM recommends that the full system be implemented over a two year span. In the first year (FY86), budgets would remain as they have been presented, the new rates would be published and used for new systems justifications, invoices would be generated to the entire user community, but actual payment of funds to IRM account would only occur from those agencies that have been making inter-agency payments through FY85 and any new accounts. This would give all other agencies an additional few months to prepare better budget estimates for their resource consumption and include their expected General Fund increases in the FY87 budget proposal. Commensurate with the user's increases in General Fund requests, IRM's General Fund request will go down equally, assuming there are no drastic increases in load. If there are such increases, IRM will be providing a total by agency as to the recommended funding level based on historical consumption. Any deviations will be justified by the consuming agency.

I encourage the committee to look favorably on this bill and will be available for testimony or conversation at any time.

Sincerely,

James R. Shea
Deputy Commissioner
Information Resources and
Telecommunications

JRS/cl's

cc: LuAnn Cutler, c/o Representative Adams, Pouch V
Elmer Lindstrom, c/o Representative Adams, Pouch V

Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE
2 CS FOR HOUSE BILL NO. 242 (Telecommunications)
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 automatic data processing; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 44.21.160(b) is amended to read:
10 (b) To carry out (a) of this section the department may
11 (1) maintain a central staff of systems analysts, computer
12 programmers and other staff members sufficient to provide systems
13 analysis and computer programming support required by the executive,
14 legislative and judicial branches of state government;
15 (2) develop and maintain both short-range and long-range
16 data processing plans for state government and provide managerial
17 leadership in the use of automatic data processing;
18 (3) review all budget requests for automatic data process-
19 ing services and recommend to the governor approval, modification, or
20 disapproval;
21 (4) recommend implementation priorities of requested data
22 processing systems;
23 (5) determine and satisfy the data processing equipment and
24 supply requirements of all branches, departments and agencies of state
25 government;
26 (6) provide all facilities, equipment and staff required to
27 convert data to a form suitable for processing on automatic data pro-
28 cessing equipment;
29 (7) develop and publish systems analysis, computer

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to
3 encourage effectiveness, measure performance, and assure adherence to
4 the standards developed under AS 44.21.150 - 44.21.170;

5 (9) develop and conduct an automatic data processing train-
6 ing program designed to serve the technical and managerial needs of
7 state government;

8 (10) require each state agency to procure its automatic data
9 processing services from the department;

10 (11) charge a state agency or other governmental agency for
11 the cost of the automatic data processing services provided or pro-
12 cured by the department for the agency.

13 * Sec. 2. This Act takes effect July 1, 1985.

Introduced: 2/27/85
Referred: House Special Committee on
Telecommunications, State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 242

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 automatic data processing; and
7 providing for an effective date."

7

8

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

9

* Section 1. AS 44.21.160(b) is amended to read:

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(b) To carry out (a) of this section the department may

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programmers and other staff members sufficient to provide systems

13

analysis and computer programming support required by the executive,

14

legislative and judicial branches of state government;

15

(2) develop and maintain both short-range and long-range

16

data processing plans for state government and provide managerial

17

leadership in the use of automatic data processing;

18

(3) review all budget requests for automatic data process-

19

ing services and recommend to the governor approval, modification, or

20

disapproval;

21

(4) recommend implementation priorities of requested data

22

processing systems;

23

(5) determine and satisfy the data processing equipment and

24

supply requirements of all branches, departments and agencies of state

25

government;

26

(6) provide all facilities, equipment and staff required to

27

convert data to a form suitable for processing on automatic data pro-

28

cessing equipment;

29

(7) develop and publish systems analysis, computer

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to
3 encourage effectiveness, measure performance, and assure adherence to
4 the standards developed under AS 44.21.150 -- 44.21.170;

5 (9) develop and conduct an automatic data processing train-
6 ing program designed to serve the technical and managerial needs of
7 state government;

8 (10) require state agencies to procure automatic data pro-
9 cessing services from the department and it may charge appropriations
10 made to the agencies to finance these services.

11 * Sec. 2. AS 44.21 is amended by adding a new section to read:

12 Sec. 44.21.165. AUTOMATIC DATA PROCESSING ACCOUNT. There is
13 established in the general fund a nonlapsing automatic data processing
14 account. The account consists of amounts received from state agencies
15 and other governmental sources in satisfaction of charges levied by
16 the department for automatic data processing services and equipment.
17 Money may be expended from the account to carry out the powers of the
18 department set out in AS 44.21.160.

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

COMMITTEE REPORT

SENATE

FURTHER:

3/5/86

Date

5/6/86

Mr. President

The Committee on FINANCE considered CSHB 242 (TELE) (efd am)
automatic data processing; 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 SCS for CSHB 242 (Fin)
 new title
 same title and recommends "DO PASS"

and attached a "LETTER OF INTENT" NEW FISCAL NOTE

~~DOA~~

reports it back without recommendation

recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Carl Gustaf
Rick Stalder
Jung
Ashton
Kuttel

Co - Jan Fark
Chairman

do pass
Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 1

REQUEST

Bill/Resolution No.: SCS CSHB 242/Fin
Title: "An Act Relating to
Data Processing; and Providing
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Administration
Program Category Affected: General Government
For An Effective Date"
BRU, Program or Subprogram(s) Affected:
Information Resource Management

Automatic

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	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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)

This Legislation has no fiscal impact to the State

Prepared By: John Valensi *John Valensi* Phone: 465-2220
Division: Information Resources Planning & Review Date: 2-11-85

Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 2-20-85
Agency: Department of Administration *for*

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

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 242 (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 automatic data processing; and
7 providing for an effective date."

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

9 * Section 1. AS 44.21.150 is amended to read:

10 Sec. 44.21.150. DECLARATION OF PURPOSE. It is the purpose of
11 AS 44.21.150 - 44.21.170 to designate the Department of Administration
12 as the department responsible for the operation and management of
13 automatic data processing resources and activities of the executive
14 and [,] legislative [AND JUDICIAL] branches of state government and
15 the judicial branch to the extent requested by that branch, and to
16 provide for periodic review of state automatic data processing proce-
17 dures and mechanisms. It is further the purpose of these sections to
18 encourage cooperation between the state government and local govern-
19 ments in the use of automatic data processing systems.

20 * Sec. 2. AS 44.21.160(a) is amended to read:

21 (a) Except as otherwise provided in (g) of this section, the
22 [THE] department shall provide automatic data processing services
23 responsive to the needs of state government and procure, operate and
24 staff all automatic data processing equipment facilities used by state
25 government.

26 * Sec. 3. AS 44.21.160(b) is amended to read:

27 (b) To carry out (a) of this section the department may

28 (1) maintain a central staff of systems analysts, computer
29 programmers and other staff members sufficient to provide systems

1 analysis and computer programming support required by the executive,
2 legislative and judicial branches of state government;

3 (2) develop and maintain both short-range and long-range
4 data processing plans for state government and provide managerial
5 leadership in the use of automatic data processing;

6 (3) review all budget requests for automatic data process-
7 ing services and recommend to the governor approval, modification, or
8 disapproval;

9 (4) recommend implementation priorities of requested data
10 processing systems;

11 (5) determine and satisfy the data processing equipment and
12 supply requirements of the [ALL] branches, departments and agencies of
13 state government;

14 (6) provide all facilities, equipment and staff required to
15 convert data to a form suitable for processing on automatic data pro-
16 cessing equipment;

17 (7) develop and publish systems analysis, computer program-
18 ming and computer operations standards;

19 (8) review [ALL] state automatic data processing systems to
20 encourage effectiveness, measure performance, and assure adherence to
21 the standards developed under AS 44.21.150 - 44.21.170;

22 (9) develop and conduct an automatic data processing train-
23 ing program designed to serve the technical and managerial needs of
24 state government;

25 (10) require each state agency to procure its automatic data
26 processing services from the department;

27 (11) charge a state agency or other governmental agency for
28 the cost of the automatic data processing services provided or pro-
29 cured by the department for the agency.

SECTIONAL ANALYSIS FOR SCS HB 242 (Finance)

An Act relating to automatic data processing and providing for an effective date

Section 1

Under current law, the Department of Administration is responsible for the operation and management of the state's data processing system. This section would exempt the Judicial branch from their jurisdiction. This section was added in the Finance CS.

Section 2

Additional judicial branch exemption language.

Section 3

Under current statute, this section details the responsibilities of the Department of Administration in providing data processing services for state government. This section adds additional language which would require each state agency to procure its data processing services from the Department of Administration. In addition, DOA is given specific authority to charge other state agencies for these services.

Section 4

Authorizes the Department of Administration to provide data processing services to the Judicial branch if they so request.

Section 5

July 1, 1986 effective date.

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/23/86

Date 3/5/80

Mr. President

The Committee on STATE AFFAIRS considered CSHB 242 TELE EFD AM
automatic data processing; 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

Bill Ray

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna De Vries M. R.

W. H. Hood
Chairman
Y. R. under fiscal clarification
Chairman recommendation

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor