

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 125 thru SB 130

51

SB

125

SENATE COMMITTEE REPORT

FURTHER:

2/27/87

DATE TURNED INTO OFFICE 3/24/87

Mr. President:

FINANCE Committee considered SB 125

relating to the Alaska Marine Transportation Advisory Board.

and recommended:

replace with CS FOR SB 125 (FIN)) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
#18.5 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
Paul Frick
[Signature]
Rich Uehly (DO PASS)
[Signature]

[Signature] DO PASS
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 125
Publish Date: _____

Revision Date: 03/19/87
Title: "An Act relating to the Alaska
Marine Transportation Advisory Board."
Sponsor: Duncan et al
Requestor: Uehling

Agency Affected: DOT/PF - AMHS
BRU: Marine Administration

Components: Advisory Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL		16.0	15.8	16.6	17.4	18.3
CONTRACTUAL		2.5	2.1	2.2	2.3	2.4
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		18.5	17.9	18.8	19.7	20.7

CAPITAL						
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		18.5	17.9	18.8	19.7	20.7
FEDERAL FUNDS						
OTHER						
TOTAL		18.5	17.9	18.8	19.7	20.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: George W. Davidson, Systems Director
Division: Alaska Marine Highway System

Phone: 465-3950
Date: 03/19/87

Approved by Commissioner: Mark S. Hill
Agency: Dept. of Transportation and Public Facilities

Date: 3/22/87

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 125

The proposed legislation creates an Advisory Board for the Alaska Marine Highway System, with five members to serve without compensation. Necessary costs, therefore, are limited to those of conducting the Board's meetings. After two familiarization meetings to be held in Juneau during the first three months, regular meetings will be held on a quarterly basis. The effective date is assumed to be July 1, 1987.

FY 88 COSTS

<u>Travel</u>		\$ 16.0
Transportation and per diem for five Board members	\$ 13.5	
Transportation and per diem for ANHS staff to attend Board meetings (locations other than Juneau)	2.5	
<u>Contractual Services</u>		2.5
Public Notice Advertising		
Total		\$ <u>18.5</u>

An annual inflation factor of 5% has been included beginning in FY 89. Costs have been reduced for FY 89 to reflect a total of four quarterly meetings, three to be held in Southeast Alaska and one in Southcentral.

DRAFT

Original sponsors: Duncan, Zharoff,
Jones, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 125 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Marine Transportation
7 Advisory Board."

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

9 * Section 1. AS 19.65 is amended by adding new sections to read:

10 ARTICLE 2. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.

11 Sec. 19.65.100. DECLARATION OF POLICY. The state ferry system,
12 operated by the Department of Transportation and Public Facilities, is
13 a moving highway commonly known as the Alaska Marine Highway. It is
14 the purpose of AS 19.65.100 - 19.65.150 to

15 (1) provide users of the state ferry system and citizens of
16 the state with a ferry service operated and managed as a public ser-
17 vice for their benefit under a fair and reasonable tariff schedule;

18 (2) ensure that marine transportation services will be
19 provided equitably, economically, and efficiently to all users;

20 (3) make certain that the state ferry system is properly
21 developed and operated in coordination with other transportation modes
22 and services;

23 (4) provide the traveling public complete and dependable
24 marine transportation services; and

25 (5) ensure that the state ferry system is operated in the
26 public interest.

27 Sec. 19.65.110. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.
28 The Alaska Marine Transportation Advisory Board is created within the
29 Department of Transportation and Public Facilities.

1 Sec. 19.65.120. MEMBERSHIP AND VACANCIES. (a) The board con-
2 sists of five members appointed by the governor. At least three
3 members must be from communities in the state served by the marine
4 highway system.

5 (b) Members serve at the pleasure of the governor for five-year
6 terms.

7 (c) Members must be residents of the state and shall comply with
8 the requirements of AS 39.50 (conflict of interest).

9 (d) A member holds office for the term of the appointment and
10 until a successor has been appointed and qualified. A member may be
11 reappointed.

12 (e) A vacancy in a membership occurring other than by expiration
13 of term shall be filled in the same manner as the original appointment
14 but only for the unexpired term.

15 (f) Each member, before serving on the board, shall take and
16 subscribe to an oath to faithfully perform the duties of the office.
17 A record of the oath shall be filed with the Office of the Governor.

18 Sec. 19.65.130. COMPENSATION. The members of the board serve
19 without compensation, but are entitled to per diem and travel expenses
20 authorized by law for state boards and commissions under AS 39.20.180.

21 Sec. 19.65.140. OFFICERS, MEETINGS, AND QUORUM. (a) The mem-
22 bers shall elect one of their number as chair.

23 (b) The board shall meet at a time and place determined by the
24 chair, and at other times and places the chair, or a majority of the
25 board members, considers necessary.

26 (c) The powers of the board are vested in the members and three
27 members of the board constitute a quorum. The board may take action
28 by the affirmative vote of at least three members. A vacancy in the
29 membership of the board does not impair the right of a quorum to

1 exercise all the powers and perform all the duties of the board.

2 Sec. 19.65.150. DUTIES. The board shall

3 (1) advise and make recommendations to the commissioner of
4 transportation and public facilities regarding the operation of the
5 marine highway system, including schedules and tariffs, management,
6 and planning and construction of facilities;

7 (2) submit to the governor and the legislature before the
8 10th day of each regular legislative session a comprehensive report
9 describing the operations and expenditures of the board and including
10 a summary of recommendations made by the board under (1) of this
11 section during the preceding year;

12 (3) adopt rules of procedure; and

13 (4) hold meetings to provide an opportunity for the public
14 to comment on the operation of the state ferry system, including
15 proposed tariff increases or scheduling changes.

16 * Sec. 2. AS 39.50.200(b) is amended by adding a new paragraph to read:

17 (49) Alaska Marine Transportation Advisory Board (AS 19.65.-
18 100 - 19.65.150).

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

20 (15) Alaska Marine Transportation Advisory Board -- June 30,
21 1991.

22 * Sec. 4. Initial appointments to the board shall be made under AS 39.-
23 05.055.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 125
Publish Date: _____

Revision Date: _____
Title: "An Act relating to the Alaska
Marine Transportation Advisory Board."
Sponsor: Duncan et al
Requestor: Duncan et al

Agency Affected: DOT/PF - AMHS
BRU: Marine Administration
Components: Advisory Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL		16.0	15.8	16.6	17.4	18.3
CONTRACTUAL		14.0	10.0	10.5	11.0	11.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		30.0	25.8	27.1	28.4	29.9

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		30.0	25.8	27.1	28.4	29.9
FEDERAL FUNDS						
OTHER						
TOTAL		30.0	25.8	27.1	28.4	29.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: George Davidson *MSH* Phone: 465-3950
Division: Alaska Marine Highway System Date: 02/18/87

Approved by Commissioner: *[Signature]* Date: 2/24/87
Agency: Dept. of Transportation and P.E.

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 125

The proposed legislation creates an Advisory Board for the Alaska Marine Highway System, with five members to serve without compensation. Necessary costs, therefore, are limited to those of conducting the Board's meetings. After two familiarization meetings to be held in Juneau during the first three months, regular meetings will be held on a quarterly basis. The effective date is assumed to be July 1, 1987.

FY 88 COSTS

<u>Travel</u>		\$ 16.0
Transportation and per diem for five Board members	\$ 13.5	
Transportation and per diem for AMHS staff to attend Board meetings (locations other than Juneau)	2.5	
<u>Contractual Services</u>		14.0
Room rentals for Board meetings (estimated at \$125/day)	1.5	
Public Notice Advertising	2.5	
Transcription Services	10.0	
Total		\$ 30.0

An annual inflation factor of 5% has been included beginning in FY 89. Costs have been reduced for FY 89 to reflect a total of four quarterly meetings, three to be held in Southeast Alaska and one in Southcentral.



Alaska State Legislature

Senate

SENATOR RICK UEHLING

P.O. BOX V
State Capitol
Juneau, Alaska 99811

Official Business

Senate Finance
Committee

To: Senator Don Bennett
Senator John Binkley
Co-Chairmen, Senate Finance Committee

From: Senator Rick Uehling

Subject: SB 125, "An Act relating to the Alaska Marine
Transportation Advisory Board."

Date: March 23, 1987

The following changes appear in the Finance Committee
Substitute of SB 125, "An Act relating to the Alaska Marine
Transportation Advisory Board."

Page 3, Line 3. The Board shall make its recommendations to
the Commissioner of Transportation. The previous language had
the Board make its recommendations to the Governor and the
Legislature.

Page 3, Line 10. Included in the annual report to the Governor
and the Legislature would be a summary of the recommendations
made to the Commissioner of Transportation.

In addition, the new fiscal note reflects the deletion of
10,000 dollars in costs for transcription services as well as
the deletion of 1,500 dollars for room rentals. The new
fiscal note is 18,500 dollars.

1 IN THE SENATE

BY DUNCAN, ZHAROFF, JONES,
ELIASON AND SZYMANSKI

2

SENATE BILL NO. 125

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Alaska Marine Transportation
7 Advisory Board."

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

9 * Section 1. AS 19.65 is amended by adding new sections to read:

10 ARTICLE 2. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.

11 Sec. 19.65.100. DECLARATION OF POLICY. The state ferry system,
12 operated by the Department of Transportation and Public Facilities, is
13 a moving highway commonly known as the Alaska Marine Highway. It is
14 the purpose of AS 19.65.100 - 19.65.150 to

15 (1) provide users of the state ferry system and citizens of
16 the state with a ferry service operated and managed as a public ser-
17 vice for their benefit under a fair and reasonable tariff schedule;

18 (2) ensure that marine transportation services will be
19 provided equitably, economically, and efficiently to all users;

20 (3) make certain that the state ferry system is properly
21 developed and operated, in coordination with other transportation
22 modes and services;

23 (4) assure the traveling public complete and dependable
24 marine transportation services; and

25 (5) assure that the state ferry system is operated in the
26 public interest.

27 Sec. 19.65.110. ALASKA MARINE TRANSPORTATION ADVISORY BOARD.

28 The Alaska Marine Transportation Advisory Board is created within the
29 Department of Transportation and Public Facilities.

1 Sec. 19.65.120. MEMBERSHIP AND VACANCIES. (a) The board con-
2 sists of five members appointed by the governor. At least three
3 members must be from communities in the state served by the marine
4 highway system.

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6 terms.

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8 the requirements of AS 39.50 (conflict of interest).

9 (d) A member holds office for the term of the appointment and
10 until a successor has been appointed and qualified. A member may be
11 reappointed.

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13 of term shall be filled in the same manner as the original appointment
14 but only for the unexpired term.

15 (f) Each member, before serving on the board, shall take and
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17 A record of the oath shall be filed with the Office of the Governor.

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19 without compensation, but are entitled to per diem and travel expenses
20 authorized by law for state boards and commissions under AS 39.20.180.

21 Sec. 19.65.140. OFFICERS, MEETINGS, AND QUORUM. (a) The mem-
22 bers shall elect one of their number as chair.

23 (b) The board shall meet at a time and place determined by the
24 chair, and at other times and places the chair, or a majority of the
25 board members, considers necessary.

26 (c) The powers of the board are vested in the members and three
27 members of the board constitute a quorum. The board may take action
28 by the affirmative vote of at least three members. A vacancy in the
29 membership of the board does not impair the right of a quorum to

1 exercise all the powers and perform all the duties of the board.

2 Sec. 19.65.150. DUTIES. The board shall

*Commissioner
of DOT/PP Rickey
3/8/87*

3 (1) advise and make recommendations to the governor and the
4 legislature regarding the operation of the marine highway system,
5 including schedules and tariffs, management, and planning and con-
6 struction of facilities;

7 (2) submit to the governor and the legislature before the
8 10th day of each regular legislative session a comprehensive report
9 describing the operations, expenditures, and recommendations made by
10 the board during the preceding year;

11 (3) adopt rules of procedure; and

12 (4) hold meetings to provide an opportunity for the public
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19 (15) Alaska Marine Transportation Advisory Board -- June 30,
20 1991.

21 * Sec. 4. Initial appointments to the board shall be made under AS 39.-

22 05.055.



Dept. of Transportation & Public Facilities

Position Paper

BILL NO: SB 125

TITLE: Alaska Marine Highway System
Advisory Board

APPROVED: Mark S. Hickey *MSH*
Commissioner

DATE: 3/17/87

The Department of Transportation and Public Facilities has reviewed the subject bill. We endorse the concept and will welcome the input from the Advisory Board.

The bill does contain some language which we feel would imply a role for the Advisory Board which is contrary to our desires.

On page 3, Section 19.65.150 Duties (1) directs the Board to coordinate with the Governor and Legislature. We feel a more productive approach would be to coordinate with the Governor and Commissioner through a direct contact with the Director of Alaska Marine Highway System.

Other than this one change that which we feel will provide a more useful role for the Board we support its existence and encourage support for the passage of the Bill and funding of the program.

SENATE AMENDMENT

BY Senate Transportation Committee

To: _____ SENATE BILL No. 125

To: _____ HOUSE BILL No. _____

PAGE: 1

LINE: 29

after Facchetti.

Insert a new sentence to read:

Operation of the board shall be funded out of the operating budget of the Alaska Marine Highway System.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Feb. 19, 1987 75-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

2/12/87

DATE TURNED INTO OFFICE Feb. 27, 1987

Mr. President:

TRANSPORTATION

Committee considered SB 125

relating to ~~the~~ Alaska Marine Transportation Advisory Board.

and recommended:

[] replace with CS _____ [] same title
[] new title

attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee attached or [] adopted fiscal note(s)
[] zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tim Kelly
[Signature]

Fahrenkamp - No rec
until funding is determined

[Signature]
Chairman signature and recommendation

Committee Backup Attached



Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:
FINANCE
RESOURCES
BUDGET AND AUDIT

MEMORANDUM

DATE: March 16, 1987

TO: Senator John Binkley
Co-Chairman
Senate Finance Committee

FROM: Senator Jim Duncan

SUBJECT: SB 125, Marine Transportation Advisory Board

The creation of the Marine Transportation Advisory Board will guarantee that passengers who use the Marine Highway System, along with merchants who depend on the system for freight, will have a voice in the systems level of service.

Because the Alaska Marine Highway System is used by so many people, both in South Central Alaska and in Southeast, it is imperative they have a mechanism in which their concerns are considered. As has been the case in many private sector transportation organizations, an advisory board has proven to be an entity the public can focus on that takes into consideration their real needs. It is important that a formal citizens' group review budget-induced schedule changes in the system and make recommendations on potential changes that might have less of an effect on the public. More over, citizen advisory boards tend to bring out many good ideas that will enhance an organization's ability to operate effeciently.

The Marine Transportation Advisory Board will consist of five members from which at least three come from communities served by the Alaska Marine Highway System.



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: February 24, 1987

TO: Senator Lloyd Jones
Chairman
Senate Transportation Committee

FROM: Senator Jim Duncan

SUBJECT: SB 125, Marine Transportation Advisory Board

The creation of the Marine Transportation Advisory Board will guarantee that passengers who use the Marine Highway System, along with merchants who depend on the system for freight, will have a voice in the systems level of service.

Because the Alaska Marine Highway System is used by so many people, both in South Central Alaska and in Southeast, it is imperative they have a mechanism in which their concerns are considered. As has been the case in many private sector transportation organizations, an advisory board has proven to be an entity the public can focus on that takes into consideration their real needs. It is important that a formal citizens' group review budget-induced schedule changes in the system and make recommendations on potential changes that might have less of an effect on the public. More over, citizen advisory boards tend to bring out many good ideas that will enhance an organization's ability to operate effeciently.

The Marine Transportation Advisory Board will consist of five members from which at least three come from communities served by the Alaska Marine Highway System.

2/16/87

JUNEAU EMPIRE

WILLIAM S. MORRIS III
Publisher

JEFFREY A. WILSON
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Advertising Manager

DONNA GRUNOW
Office Manager

Advisory board a good idea

For years, private companies have been using citizens' advisory boards to great advantage. When they want to test "trial balloons" or when they simply want a reading on how well they are doing, they go to their advisory boards and ask. The answers they get help correct problems, prevent mistakes and improve good ideas. Above all else, the boards prove that the companies *listen* to the people they serve.

Juneau Sen. Jim Duncan has proposed incorporating this valuable private-enterprise tool into the state-run Alaska Marine Highway System. Last week he submitted a bill in the Senate that would establish a citizens' advisory board for the ferry system.

ISSUE: Advisory board proposed for state ferries

The idea is long overdue. For years, most decisions regarding the ferry system reflected the interests of either the management or the employees. The public's needs often seemed to be lost in the shuffle, even though the public pays for the ferries and uses them.

As long as it is composed of citizens who will be "plugged into" the needs and attitudes of their communities, an advisory board will help ferry managers and employees refocus their attention on the people they are serving. The board should not be composed of junior-grade bureaucrats who will have a bunch of meaningless public hearings or take it upon themselves to manipulate their positions to benefit other interests besides those of the public. That's how the ferry system got off track in the first place.

The folks who ride the ferries want friendly service, good food, convenient schedules and reasonable rates. They also want to know about their ferry system and how it works. If you gauge the system on these basics; it's obvious there is room for improvement.

A citizens' advisory board may not be the answer to all of these problems, but it would sure go a long way toward finding the answer.

Print 295

JUNEAU ENQUIRY 2/12/87

Duncan proposes ferry advisory board

CHUCK KLEESCHULTE

JUNEAU ENQUIRY

In an effort to guarantee that freight and passenger users get some relief in future schedule reductions on the Alaska Marine Highway system, Juneau Sen. Jim Duncan this morning introduced legislation setting up a citizens' advisory board. The Democrat said he believes it is important that a formal citizens' review board review budget-induced schedule changes in the ferry system and make recommendations on potential impacts that might have less of an effect on the public.

"What I see coming is a reduced

level of service, but it is important that we evaluate plans from a user's perspective so that freight and passengers get a level of service that takes their real needs into consideration," said Duncan this morning.

He said under his plan five public members - at least three from communities served by the ferry system - would be appointed by the governor. While not paid, the advisory board, which would serve five-year terms, would get per diem and be empowered by the governor to hold hearings and make recommendations on changes in the operation of the nine-vessel ferry fleet.

"It's really important given the changes coming that we make sure freight user needs are protected, plus the true needs of passengers. We need to maximize the frequency of service in Southeast and a citizens' board may help to make sure the department does that in coming up with new operating schedules," said Duncan.

On Wednesday, Sen. Lloyd Jones, R-Ketchikan, proposed that Ketchikan be the end of the state's mainline service from Seattle to improve the frequency of runs to the West Coast. Duncan said he's not in a position to support or oppose that

suggestion yet, but he said he wants to see it and other suggestions considered as an alternative to once-a-week mainline and once-a-week non-summer feeder ferry service proposed in Gov. Steve Cowper's budget for next year.

Under Cowper's original budget, ferries would sustain a \$10 million cut in their operating subsidy. About \$2 million of that was added back to pay for higher insurance costs, leaving a cut of over \$8 million in the operating subsidy for the \$85 million system. Last year, about \$30 million of its budget came from the state.

Please turn to Page 5

Ferry...

Continued from Page 1

Duncan said his bill might not pass in time to have the board be functional to help in making suggested changes to the proposed schedule that would go into effect in late September. But he said the advisory board would certainly help to gain public reaction to future schedule shifts.

SB

127

5 (Rules)
F

FISCAL NOTE

REQUEST:

Revision Date: 1-26-88
Title: An Act relating to motor vehicle insurance.
Sponsor: Josephson
Requestor: Senate Rules
Agency Affected: Public Safety
BRU: Motor Vehicles
Components: Driver Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		168.2	173.2	178.4	183.8	94.7
TRAVEL						
CONTRACTUAL		10.2	10.5	10.8	11.1	5.7
SUPPLIES		2.0	2.1	2.2	2.2	1.1
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	180.4	185.8	191.4	197.1	101.5

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	180.4	185.8	191.4	197.1	101.5
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	180.4	185.8	191.4	197.1	101.5

POSITIONS:

FULL-TIME		5	5	5	5	5
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Due to FY87 and FY88 operating budget decrements, the positions that administered the mandatory insurance law were not funded in FY88. This fiscal note reflects what the cost would be if the department were to totally administer the program until the law is repealed 1-1-92, as amended in this bill.

Prepared by: Bill Brown Phone: 465-4335
Division: Motor Vehicles Date: 1-26-88

Approved by Commissioner: David A. Hovland, Dep. Comm. Date: 1-28-88
Agency: Public Safety

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

JAN 20 1988

LEGISLATIVE FINANCE

58/127

1126/88

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 127 (SA)

PERSONAL SERVICES

DMV originally received 9 positions to administer the mandatory insurance law. Due to a lower than expected number of requests for administrative hearings, and a drop in the number of DWI administrative revocation hearings, two positions (PCN 12-5224 and PCN 12-5227) which were vacated in 1986, are no longer required, thus not included in this fiscal note. Also because of the reduction in number of hearings another hearing officer position is being left vacant to fund two clerical positions which are currently being used to partially administer the mandatory insurance law. The five positions being requested are required to totally administer the mandatory insurance law as written. These positions, along with others, were deleted from the operating budget for FY87 and FY88 decrements. The five positions for which funding is being requested to totally administer the mandatory insurance law are as follows:

1 Records & Licensing Supervisor Juneau, 16L	55.4	
4 Doc. Proc. Clk II, Juneau, 8B	<u>112.8</u>	
	168.2	168.2

CONTRACTUAL

Postage	7.5	
Telephone tolls	.5	
Maintenance of office machines	1.0	
Printing of forms	<u>1.2</u>	
	10.2	10.2

SUPPLIES

Office and microfilm supplies	2.0	<u>2.0</u>
	TOTAL	180.4

A 3% inflation factor was used for FY90 and subsequent years.

SENATE COMMITTEE REPORT

FURTHER:

4/9/87

DATE TURNED INTO OFFICE 5/8/87

Mr. President:

FINANCE Committee considered SB 127

motor vehicle insurance.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR SB 127(SA)) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact 260.4

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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

[Signature]

[Signature] No Rez.
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: CSSB 127(SA)

Publish Date: _____

Revision Date: _____
Title: An Act relating to motor vehicle insurance.

Agency Affected: Public Safety

BRU: Motor Vehicles

Sponsor: Josephson

Components: Driver Services

Requestor: Senate Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		231.2	238.1	245.2	252.6	130.1
TRAVEL						
CONTRACTUAL SUPPLIES		25.2	26.8	27.6	28.4	14.7
EQUIPMENT		4.0	4.1	4.2	4.3	2.2
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		260.4	269.0	277.0	285.3	147.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		260.4	269.0	277.0	285.3	147.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		7	7	7	7	7
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Due to FY87 and FY88 operating budget decrements, the positions that administer the mandatory insurance law have not been funded in FY88. This fiscal note reflects what the cost would be if the department were to continue to administer the program until the law is repealed 1-1-92, as amended in this bill.

Prepared by: Bill Brown Phone: 465-4335

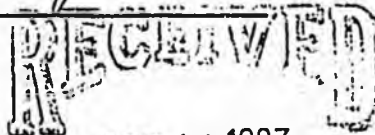
Division: Motor Vehicles Date: 4-13-87

Approved by Commissioner: [Signature] Date: 4/13/87

Agency: Public Safety

Distribution (by preparer):

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



APR 14 1987

J.M.
4/13/87

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 127(SA)

PERSONAL SERVICES

DMV originally received 9 positions to administer the mandatory insurance law. Due to a lower than expected number of requests for administrative hearings, and a drop in the number of DWI administrative revocation hearings, two positions (PCN 12-5224 and PCN 12-5227) which were vacated in 1986, are no longer required, thus not included in this fiscal note. The seven current positions for which funding is being requested to continue to administer the mandatory insurance law are as follows:

1 Records & Licensing Supervisor Juneau, 16L	55.4	
1 Clerk IV, Juneau, 9D	30.5	
1 Doc. Proc. Clk III, Juneau, 10B	31.4	
1 Clk Typ III, Juneau, 8C	29.3	
3 Doc. Proc. Clk II, Juneau, 8B	84.6	
	<u>231.2</u>	231.2

CONTRACTUAL

Postage	20.0	
Telephone tolls	.8	
Maintenance of office machines	2.0	
Printing of forms	2.4	
	<u>25.2</u>	25.2

SUPPLIES

Office and microfilm supplies	4.0	<u>4.0</u>
	TOTAL	260.4

A 3% inflation factor was used for FY89 and subsequent years.

Original sponsors: Josephson, Sturgulewski,
Kelly, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 127 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle insurance."

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

8 * Section 1. AS 21.36 is amended by adding a new section to read:

9 Sec. 21.36.045. NOTICE OF MOTOR VEHICLE INSURANCE. (a) An
10 insurance policy that provides coverage only against property damage
11 to a motor vehicle and that does not provide liability coverage as
12 required under AS 28.22.010(d) must contain the following statement
13 printed in bold face type: "This policy provides insurance only
14 against damage to the motor vehicle. This policy does not insure
15 against bodily injury, death, or property damage liability and does
16 not satisfy the mandatory motor vehicle liability insurance require-
17 ments of AS 28.22.010."

18 (b) If the insured under (a) of this section is not the owner of
19 the motor vehicle, a copy of the policy shall be provided to the
20 owner.

21 * Sec. 2. AS 28.22.200 is amended by adding a new section to read:

22 (c) In this section, "operator" does not include an employee who
23 operates, during the course and within the scope of the employment, a
24 motor vehicle that is owned or leased by the operator's employer.

25 * Sec. 3. Section 17, ch. 70, SLA 1984, is amended to read:

26 Sec. 17. AS 21.36.045, AS 28.10.021(b), AS 28.15.061(e), 28.15.-
27 081(a)(6), and AS 28.22, and secs. 1 and 16 of this Act are repealed
28 January 1, 1992 [1989].

29 * Sec. 4. Section 23, ch. 70, SLA 1984, is amended to read:

1 Sec. 23. Sections 18, 19, and 20 of this Act take effect Janu-
2 ary 1, 1992 [1989].

1 IN THE SENATE BY JOSEPHSON, STURGULEWSKI, KELLY,
2 FAIKS, UEHLING, RODEY AND SZYMANSKI

3 SENATE BILL NO. 127

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FIFTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

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14 printed in bold face type: "This policy provides insurance only
15 against damage to the motor vehicle. This policy does not insure
16 against bodily injury or death and does not satisfy the mandatory
17 motor vehicle liability insurance requirements of AS 28.22.010."

18 (b) If the insured under (a) of this section is not the owner of
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22 (c) In this section, "operator" does not include an employee who
23 operates, during the course and within the scope of the employment, a
24 motor vehicle that is owned or leased by the operator's employer.

25 * Sec. 3. Section 17, ch. 70, SLA 1984, is amended to read:

26 Sec. 17. AS 28.10.021(b), AS 28.15.061(e), 28.15.081(a)(6), and
27 AS 28.22, and secs. 1 and 16 of this Act are repealed January 1, 1992
28 [1989].

29 * Sec. 4. Section 23, ch. 70, SLA 1984, is amended to read:

Sec. 23. Sections 18, 19, and 20 of this Act take effect

1 January 1, 1992 [1989].

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

REQUEST: _____

Bill Version : SB 127

Publish Date : _____

Revision Date: 3-13-87
Title: An Act relating to motor vehicle insurance.

Agency Affected: Public Safety

BRU: Motor Vehicles

Sponsor: Josephson

Components: Driver Services

Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		231.2	238.1	245.2	252.6	130.1
TRAVEL						
CONTRACTUAL		25.2	26.8	27.6	28.4	14.7
SUPPLIES		4.0	4.1	4.2	4.3	2.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		260.4	269.0	277.0	285.3	147.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		260.4	269.0	277.0	285.3	147.0
FEDERAL FUNDS						
OTHER						
TOTAL		260.4	269.0	277.0	285.3	147.0

POSITIONS:

FULL-TIME		7	7	7	7	7
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Due to FY87 and FY88 operating budget decrements, the positions that administer the mandatory insurance law have not been funded in FY88. This fiscal note reflects what the cost would be if the department were to continue to administer the program until the law is repealed 1-1-92, as amended in this

bill Prepared by: Bill Brown Phone: 465-4335

Division: Motor Vehicles Date: 3-13-87

Approved by Commissioner: [Signature] Date: 3/16/87

Agency: Public Safety

Distribution (by preparer):

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

RECEIVED
MAR 18 1987

JMA
3/16/87

MAR 127

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 127

PERSONAL SERVICES

DMV originally received 9 positions to administer the mandatory insurance law. Due to a lower than expected number of requests for administrative hearings, and a drop in the number of DWI administrative revocation hearings, two positions (PCN 12-5224 and PCN 12-5227) which were vacated in 1988, are no longer required, thus not included in this fiscal note. The seven current positions for which funding is being requested to continue to administer the mandatory insurance law are as follows:

1 Records & Licensing Supervisor	55.4	
Juneau, 16L		
1 Clerk IV, Juneau, 9D	30.5	
1 Doc. Proc. Clk III, Juneau, 10B	31.4	
1 Clk Typ III, Juneau, 8C	29.3	
3 Doc. Proc. Clk II, Juneau, 8B	84.6	
	231.2	231.2

CONTRACTUAL

Postage	20.0	
Telephone tolls	.8	
Maintenance of office machines	2.0	
Printing of forms	2.4	
	25.2	25.2

SUPPLIES

Office and microfilm supplies	4.0	4.0
	TOTAL	260.4

A 3% inflation factor was used for FY89 and subsequent years.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 127
Publish Date: _____

Revision Date: _____
Title: An Act relating to motor vehicle insurance.

Agency Affected: Public Safety
BRU: Motor Vehicles

Sponsor: Josephson
Requestor: Senate State Affairs

Components: Driver Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact.

The positions that administer the mandatory insurance law have been deleted from the DMV budget. Thus, it is the department's current intent to discontinue administering this program as of July 1, 1987.

Prepared by: Bill Brown Phone: 465-4335
Division: Motor Vehicles Date: 2-19-87

Approved by Commissioner: [Signature] Date: 2/23/87
Agency: Public Safety

Distribution (by preparer):

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

JMR
2/20/87

SB 127

BILL NO: CSSB 127(SA)

DATE: April 14, 1987

TITLE: An Act relating to motor
vehicle insurance

CONTACT: Bill Brown
465-4335

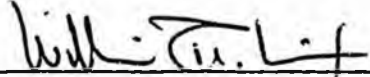
DEPARTMENT OF
PUBLIC SAFETY
/ **REGISTERED** /

Sections 1 and 2 of this bill amend areas of the mandatory insurance law that DMV has experienced problems with in administering the law.

Several drivers have purchased insurance, generally upon purchasing a new vehicle, and after an accident are informed the policy only covered damage to their vehicle to protect the lienholder, and did not include liability coverage required under the mandatory insurance law. Section 1 of this bill is to help alleviate that problem. The department supports this section.

Section 2 will exempt employees who are driving during the course and within the scope of their employment from the provisions of the mandatory insurance law. The department supports this intent, however, would recommend the amendment be in Section AS 28.22.240, and not as included in this bill. It is recommended the amendment read as follows: "(h) If the driver at the time of the accident was driving in the course and within the scope of employment a vehicle owned or leased by the driver's employer, the suspension provisions of this chapter apply to the employer, and do not apply to the driver." Section 2 as proposed in the bill exempts the employee, however, does not authorize action against the employer. The above recommended change will allow action against the uninsured employer.

The Department of Public Safety would support this bill if the mandatory insurance program is adequately funded, but not at the expense of our other programs. Due to FY87 and FY88 budget cuts, it is the current plans of the department to discontinue administration of the program effective July 1, 1987. The reason discontinuing this program was chosen over other programs within the Driver Services Component of the DMV budget is it would have less impact on highway safety than discontinuing other programs.


WILLIAM R. NIX
Acting Commissioner

BILL NO: SB 127

DATE: March 13, 1987

REVISED

TITLE: An Act relating to motor
vehicle insurance

CONTACT: Bill Brown
465-4335

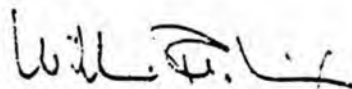
DEPARTMENT OF PUBLIC SAFETY

Sections 1 and 2 of this bill amend areas of the mandatory insurance law that DMV has experienced problems with in administering the law.

Several drivers have purchased insurance, generally upon purchasing a new vehicle, and after an accident are informed the policy only covered damage to their vehicle to protect the lienholder, and did not include liability coverage required under the mandatory insurance law. Section 1 of this bill is to help alleviate that problem. The department supports this section.

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The Department of Public Safety would support this bill if the mandatory insurance program is adequately funded, but not at the expense of our other programs. Due to FY87 and FY88 budget cuts, it is the current plans of the department to discontinue administration of the program effective July 1, 1987. The reason discontinuing this program was chosen over other programs within the Driver Services Component of the DMV budget is it would have less impact on highway safety than discontinuing other programs.



WILLIAM R. NIX
Acting Commissioner

Back-up 5/11/87

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/4/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: Finance

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)
2/13/87

DATE TURNED INTO OFFICE _____

Mr. President:

STATE AFFAIRS Committee considered SB 127

~~relating to~~ motor vehicle insurance.

and recommended:

- replace with CS SB 127 (STATE AFFAIRS) same title
- attached amendment(s) and new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Carroll
Chas. Johnson
John Uehy
Willie Rumble

[Signature]
Chairman signature and recommendation

Committee Backup Attached

SB

128

SENATE COMMITTEE REPORT

FURTHER:

3/5/87

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE

Committee considered

SB 128

state employees; efd.

and recommended:

[] replace with CS FOR _____) [] same title
[] or adopt _____ CS FOR _____) [] new title

[] attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee [] attached or [] adopted fiscal note(s)

[] new [] updated or [] previous

[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

[] Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 2-19-87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)
2/13/87

DATE TURNED INTO OFFICE _____

Mr. President:

LABOR & COMMERCE Committee considered SB 128

relating to state employees; efd.

and recommended:

replace with CS _____ same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero 2 fiscal impact
regular

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

2 *Tim Kelly*

3 *Mike Symonakis - Do not pass.*
3 *Lettye Fahrenberg - Do not pass*
1 *Tim Kelly - No Rec*
1 *DeShara no rec*

Committee Backup Attached

Chairman signature and recommendation

Introduced: 2/13/87
Referred: Labor and Commerce
and Finance

5-0462A

1 IN THE SENATE

BY BINKLEY, FAIKS,
FISCHER AND HENSLEY

2 SENATE BILL NO. 128

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state employees; and providing
7 for an effective date."

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

9 * Section 1. AS 22.05.140(c) is repealed and reenacted to read:

10 (c) In addition to annual salary, each justice is entitled to
11 receive a geographic cost-of-living adjustment, based on the location
12 of the primary office assignment, equal to the amount established
13 under AS 39.27.020 for a state employee working in the same election
14 district. Retirement benefits to which a justice may be entitled
15 shall be computed only on the annual salary.

16 * Sec. 2. AS 22.10.190(c) is repealed and reenacted to read:

17 (c) In addition to annual salary, a superior court judge is
18 entitled to receive a geographic cost-of-living adjustment, based on
19 the location of the judge's primary office assignment, equal to the
20 amount established under AS 39.27.020 for a state employee working in
21 the same election district. Retirement benefits to which a superior
22 court judge may be entitled shall be computed only on the annual
23 salary.

24 * Sec. 3. AS 22.15.220(b) is amended to read:

25 (b) Each magistrate shall receive annual compensation to be
26 determined by the supreme court. Salary increases shall be determined
27 on the basis of percentage of pay increase the legislature provides
28 for state employees in the classified service. The base salary of a
29 magistrate shall be increased by an amount [A PERCENTAGE] equal to the
S

1 amount [THREE AND ONE-HALF PERCENT TIMES THE NUMBER OF STEP INCREASES]
2 provided under AS 39.27.020 that a state employee would receive work-
3 ing in the same election district. A magistrate's annual compensation
4 may be payable, at the option of the magistrate, either monthly in 12
5 equal installments or semi-monthly in 24 equal installments.

6 * Sec. 4. AS 22.15.220(d) is repealed and reenacted to read:

7 (d) In addition to annual salary, a district court judge is
8 entitled to receive a geographic cost-of-living adjustment, based on
9 the location of the judge's primary office assignment, equal to the
10 amount established under AS 39.27.020 for a state employee working in
11 the same election district. Retirement benefits to which a district
12 court judge may be entitled shall be computed only on the annual
13 salary.

14 * Sec. 5. AS 23.40.210 is amended to read:

15 Sec. 23.40.210. AGREEMENT. (a) Upon the completion of nego-
16 tiations between an organization and a public employer, if a settle-
17 ment is reached, the employer shall reduce it to writing in the form
18 of an agreement.

19 (b) The agreement may include a term for which it will remain in
20 effect, not to exceed three years.

21 (c) The agreement shall include
22 (1) a pay plan designed to provide for a cost-of-living
23 differential between the salaries paid employees residing in the state
24 and employees residing outside the state; the [. THE] plan shall
25 provide that the salaries paid, as of August 26, 1977, to employees
26 residing outside the state shall remain unchanged until the difference
27 between those salaries and the salaries paid employees residing in the
28 state reflects the difference between the cost of living in Alaska and
29 living in Seattle, Washington; and

1 (2) [. THE AGREEMENT SHALL INCLUDE] a grievance procedure
2 which shall have binding arbitration as its final step.

3 (d) An agreement between the state and a bargaining organization
4 representing state employees may not

5 (1) establish a work week of fewer than 40 hours;

6 (2) limit the state's right to contract for services if
7 contracting for the services will be more cost effective than assign-
8 ing state employees to perform the services;

9 (3) require the state to pay an employee a performance
10 incentive or other increase based on performance unless the employee's
11 performance has been outstanding; in any case, an employee's salary
12 may not increase because of performance more than one step in 12
13 months; or

14 (4) require increased pay based on the geographic area of
15 the state in which the position is located, except as provided in
16 AS 39.27.020.

17 (e) Either party to the agreement has a right of action to
18 enforce the agreement by petition to the labor relations agency.

19 * Sec. 6. AS 39.27.011 is amended by adding a new subsection to read:

20 (d) The state may not pay an employee an increased salary as a
21 performance incentive or other increase based on performance unless
22 the employee's performance has been outstanding. An employee's salary
23 may not increase because of performance more than one step in 12
24 months.

25 * Sec. 7. AS 39.27.020(a) is repealed and reenacted to read:

26 (a) State employees who are employed full-time and whose posi-
27 tions are located in the following geographic areas are entitled to
28 monthly pay differentials as indicated in the table in this subsec-
29 tion. A part-time employee is entitled to a proportionate pay

1 differential.

2 Pay	Geographic Areas
3 Differential	(Election districts)
4 \$ 0	1, 2, 3, 4, 7, 8, 9, and 10
5 117	that part of 16 south of the Arctic
6	Circle except the communities of
7	Tok and Delta Junction
8 147	5
9 264	11
10 323	6
11 469	the communities of Tok and Delta
12	Junction in 16
13 587	the community of Nenana in 15
14 792	12 and 13
15 880	15, except the community of Nenana,
16	and 19
17 997	18
18 1,115	14
19 1,232	that part of 16 north of the
20	Arctic Circle, and 17
21 -389	states other than Alaska

22 * Sec. 8. AS 39.27 is amended by adding a new section to read:

23 Sec. 39.27.024. WORK WEEK. The work week for state employees
24 who are not members of a collective bargaining unit under the Public
25 Employment Relations Act (AS 23.40) consists of 40 hours in work
26 status from 12:01 a.m. Sunday to 11:59 p.m. Saturday.

27 * Sec. 9. The amendments made by sec. 5 of this Act apply to work
28 performed on or after July 1, 1987.

29 * Sec. 10. Sections 5 and 9 of this Act take effect immediately under

1 AS 01.10.070(c).

2 * Sec. 11. Sections 1 - 4 and 6 - 8 of this Act take effect July 1,
3 1987.

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ALASKA COURT SYSTEM
Fiscal Analysis - SB 128

Geographic Pay Differential

This legislation provides fixed-amount-geographic pay differentials in contrast to present percentage-base differentials. The new pay differentials are based on the application of area cost-of-living indices to an annual salary amount of \$35,200. The pay differentials range from zero to \$1,232 per month. Fixed-amount differentials favor lower pay range employees. The \$1,232 amount provides lower pay employees with geographic differentials of up to 76% above base pay. Higher pay range employees receive differentials of less than 20% above base pay.

Presently, 261 court employees receive a geographic pay differential. The legislation will reduce the number of employees receiving differentials to 197. This legislation will increase pay for 82 employees and reduce pay for 179 employees. Pay increases range from under \$100 to over \$11,000 per year. Pay reductions range from under \$200 to nearly \$10,600 per year. This legislation primarily affects employees in Fairbanks and judges, presently receiving geographic differentials.

The legislation will reduce permanent position gross salaries (\$54,432) and overtime (\$9,000) by \$63,432 per year. The cost of supplemental (SBS) and variable benefits for permanent positions will increase \$11,533 per year. Non-permanent position salaries and benefits will decrease by \$623 per year. The net savings from this legislation is \$52,522 per year. Please refer to the attached financial summary.

The increase in benefit costs is due to the increase in pay for lower range employees. Lower-range employees are under the annual SBS limit and thus, pay increase translates into higher SBS costs. The pay increase for lower-range employees also results in higher variable benefit costs. Reductions in pay for higher-range employees do not reduce SBS costs because the salaries are above the SBS limit.

40 Hour Work Week

This legislation changes the work week to 40 hours from the present 37.5 hours. One-half hour will be added to the standard workday. It is estimated that \$9,000 of overtime pay costs will be saved annually. It is not anticipated the change will reduce staffing requirements. Professional and judicial staff generally work in excess of 40 hours per week. The additional half-hour per day will not affect this group. It is anticipated clerical staff will use the additional time to reduce caseload backlog.

ALASKA COURT SYSTEM
Summary of Fiscal Impact of SB 128

Category	Trial Courts			Appellate Courts			Net Change [Savings] Cost
	Current	SB 128	Difference	Current	SB 128	Difference	
Permanent Positions:							
Salaries-							
Full-time gross salaries	\$16,608,800	\$16,573,464	(\$35,136)	\$2,043,064	\$2,022,744	(\$21,120)	(\$56,258)
Part-time gross salaries	350,351	352,175	1,824	10,716	10,716	0	1,824
Overtime	27,000	18,000	(9,000)	0	0	0	(9,000)
Total	16,985,951	16,943,639	(42,312)	2,054,580	2,033,460	(21,120)	(63,432)
Benefits-							
Supplemental benefit system	982,806	990,941	8,135	112,282	111,581	(681)	7,454
Variable benefits	4,912,924	4,919,060	6,136	762,565	780,508	(2,057)	4,079
Health insurance	1,601,444	1,601,444	0	168,714	168,714	0	0
Total	7,497,174	7,511,445	14,271	1,043,541	1,040,803	(2,738)	11,533
Permanent Positions: Salary & benefits	0	0	0	145,932	145,309	(623)	(623)
Total salaries and benefits	\$24,483,125	\$24,455,084	(\$28,041)	\$3,244,053	\$3,219,572	(\$24,481)	(\$52,522)

-3-

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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 128
Publish Date: 3-5-87

REQUEST _____

Revision Date: _____
Title: An Act Relating to State Employees
Sponsor: Binkley
Requestor: Senate Labor and Commerce Committee

Agency Affected: All
BRU: All
Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)
CAPITAL	0	0	0	0	0	0
REVENUE	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)

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:

See attached.

Prepared By: Diana DeSimone *[Signature]*
Division: Personnel
Approved by Commissioner: Garrey Peska *[Signature]*
Agency: Department of Administration

Phone: 465-4430
Date: 2/24/87
Date: 2/25/87

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

FISCAL NOTE ANALYSIS CONTINUATION
SB 128

The fiscal note analysis for SB 128 deals with cost savings related to 1) changes in the geographic differential; 2) awarding merit pay increases for only outstanding employees; 3) establishing a 40-hour work week and 4) contracting services.

1. Geographic Differentials. Effective January 1, 1987, the geographic differentials paid to employees in the General Government, Supervisory and Confidential bargaining units were changed as the result of a 1985 geographic differential study conducted by the State and a subsequent arbitration decision. In implementing the new differentials, in areas where the differential went down, employees' salaries were frozen. This fiscal note assumes that in those same areas, employees' salaries would not be frozen for all affected bargaining units. It also assumes no change in the number of employees affected and no change to the current salary schedule for subsequent fiscal years.

Employees in General Government, Supervisory, Confidential and Public Safety Employees Association Bargaining Units, and Partially Exempt Service:

<u>Pay Differential</u>	<u>Monthly Savings</u>	<u>Monthly Cost</u>	<u>Total</u>
\$ 0	\$(122,230)		\$(122,230)
117	(438,586)		(414,155)
147	(1,629)		(1,629)
264	(6,664)		(6,664)
323	(20,092)		(20,092)
469	(405)	727	258
587	(1,868)		(1,868)
792	(2,077)	\$ 1,389	(688)
880	(6,282)		(6,282)
997	(4,519)	2,471	(2,048)
1,115	(163)	15,990	15,827
1,232	(893)	11,188	10,295
(389)	(585)	<u>468</u>	<u>(117)</u>
		Net Differential	\$(549,393)
		(549,393) Monthly	
		x 12	
		\$(6,592,716) Annual Savings	

(NOTE: Figures reflect changes to current expenditures.)

Employees in Labor, Trades and Crafts Bargaining Unit:

<u>Pay Differential</u>	<u>Annual Savings</u>	<u>Annual Cost</u>
\$ 0	\$ (322,877)	\$
117	(890,834)	
147	(6,673)	
264		5,417
323	(86,163)	
469		4,802
587	(13,268)	
792		103,725
880		130,130
997		58,659
1,115		81,728
1,232		545,545
(389)	(9,336)	
	<u>\$(1,329,151)</u>	<u>\$930,006</u>

Net Difference: \$(399,145)

(NOTE: Figures reflect difference between total subsistence paid in calendar year 1986 and proposed legislation.)

2. Limiting Merit Pay Increases to Outstanding Employees. This part of the fiscal note is based on two assumptions:

- An estimate of 5% of State employees rated outstanding each year currently.
- A substantial increase in the number of outstanding ratings given in each subsequent fiscal year. We assume the percentage will double with each year.

It is estimated that merit increases currently account for \$5,377,450 per year.

<u>Fiscal Year</u>	<u>Percentage of Outstandings</u>	<u>Amount</u>	<u>Cost Avoidance</u>
1988	5	\$ 268,873	\$5,108,577
1989	10	537,745	4,839,705
1990	20	1,075,490	4,301,960
1991	40	2,150,980	3,226,470
1992	80	4,301,960	1,075,490

3. Establishment of a 40-hour work week.

The numbers used in this section of the fiscal note are based on a January 1987 report from the Division of Finance which reports 12,027 executive branch employees on the payroll as of this date.

The monthly overtime report issued by the Division of Finance shows 42,279 overtime hours worked during January 1987. The figures used on this fiscal note assumes the number of employees and overtime hours worked will remain constant.

The figures also take into account two other factors:

- An estimated 1,000 employees already work a 40-hour work week thus reducing the amount of hours of overtime that could be saved per year.
- Most employees who work the overtime are institutional and construction type employees who cannot avoid the overtime. We therefore estimate that only 30% of the current overtime hours could actually be reduced.

<u>Total Employees</u>	<u>Increase in Hours per Employee</u>	<u>Increase in Hours per Year</u>	<u>Estimated Actual Increase in Hours</u>
12,027	130	1,563,510	1,433,510
<u>Total OT Hours</u>	<u>OT Cost</u>	<u>Actual Hours Saved</u>	<u>Actual Savings</u>
507,348*	\$12,592,044**	152,204.4	\$(3,777,613)

* Based on 42,279 OT hours for January 1987.

** Based on cost of \$1,049,337 OT for January 1987.

4. Contracting Out. This fiscal note is based on experience with the Local 71 contract, which currently has the most restrictive language concerning contracting out.

Experience in communities of less than 2,500 where Local 71 subcontracting has occurred without restrictions, shows 30% to 50% reductions in total personal services costs to the State.

Personal services cost budgeted for FY 88 for the LTC bargaining unit equals \$72,761.3 thousand.

This fiscal note assumes that 40% of work currently performed in this bargaining unit can be contracted. This assumption is made for demonstration purposes and has no supporting background.

If 30% to 50% can be saved on Local 71 work that is contracted, total savings in Local 71 personal services costs could vary between \$8,731.7 thousand and \$14,532.3 thousand for FY 88. Application of a 40% savings, or \$11,641.8, is used for the purposes of this fiscal note. The savings is assumed to be constant over subsequent fiscal years.

POSITION PAPER

SB 128

Senate Bill 128 makes three major changes concerning State employees: 1) it changes the manner in which geographic differentials are provided (including geographic differentials for judges and justices); 2) it statutorily limits the criteria for award of a performance incentive increase, and 3) it creates a statutory 40-hour work week. The Bill also amends the Public Employment Relations Act to restrict the State and a collective bargaining representative to the terms of the Bill concerning these three items and for contracting for services. The Department of Administration requests consideration of the following comments.

Geographic differentials. The geographic differential is currently paid as a percentage or number of steps above the basic salary schedule. Section 7 of the proposed legislation would pay geographic differentials as a fixed dollar amount as an addition to the basic salary. This change in methodology of payment, because of the requirements for overtime calculation imposed by the Federal Fair Labor Standards Act (FLSA), would require an individual calculation of the hourly rate each time overtime hours are worked. Under the FLSA, overtime must be calculated on the hourly rate of compensation. The hourly rate is derived by dividing the amount paid by the total hours worked each week. If the geographic differential is paid as a separate amount rather than a figure added to the base monthly salary, the hourly rate would vary each week based on the number of hours in a month.

We suggest that proposed geographic differential amounts be added to all steps in the basic salary. If this were done, the formula in 2 AAC 07.390, which provides a method for calculation of the hourly rate that does not change monthly, could be applied for overtime calculations.

For example, February has four equal work weeks. Assume: employee earns \$10.00 per hour plus \$117 geographic differential per month. The differential would be worth in additional \$.73 per hour if no overtime is worked in a work week ($\$117 \div 4 \text{ weeks} = \$29.25 \div 40 \text{ hours} = \$.73 \text{ per hour}$). If more than 40 hours are worked in a workweek, the hourly rate of the geographic differential changes for that workweek. These calculations would need to be prepared manually and would require a separate payroll document for each employee each pay period.

	<u>Hours Worked</u>		<u>Hourly Rate</u>
Week 1	= 40		\$10.00
		+	.73
			<u>\$10.73</u> hourly rate
Week 2	= 42		\$10.00
		+	.70
			<u>\$10.70</u> hourly rate

Week 3	=	41	\$10.00	
			+	.71
				<u>\$10.71</u> hourly rate
Week 4	=	45	\$10.00	
			+	.65
				<u>\$10.65</u> hourly rate

If on the other hand, the geographic differential were added to the employee's base salary, the hourly rate for this employee would remain constant. A one-time programming change would accommodate the changed payrate. No additional individual calculations or documents would be required.

$$\begin{array}{rcll} \$10.00 \text{ per hour} \times 40 \text{ hours} & & & \\ \text{per week} \times 52 \text{ weeks} & = & \$20,800 & \\ & + & \$117 \times 12 = & 1,404 \\ & & & \hline & & & 22,204 \\ & & & \div *2,080 \text{ hours in a} \\ & & & \text{year} \\ & = & & \$ 10.68 \text{ hourly rate} \end{array}$$

* 2080 = 40 hours per week x 52 weeks

Performance Incentives. Under the current performance evaluation system there are five possible overall performance ratings: unacceptable, low acceptable, mid-acceptable, high acceptable and outstanding. There are currently two criteria applied for determining whether an employee is awarded a performance incentive increase. The employee must have received an overall performance rating of acceptable or better and the employee must have demonstrated satisfactory service of a progressively greater value to the State. The proposed legislation would limit the award of a performance incentive increase only to those employees rated outstanding. The vast majority of employees currently receive overall performance ratings of mid or high acceptable. We estimate that less than 5% of State employees are currently rated outstanding. Performance incentives are awarded generally for mid acceptable or higher ratings. (Although under the first criteria for awarding performance incentive increases it is possible to receive one for low acceptable performance, the second criteria, "satisfactory service of a progressively greater value" makes this an unlikely occurrence.)

This performance evaluation system is consistent the theoretical basis for the State's pay plan, which is founded in the classic approach to public pay policy. Pay plans which provide for periodic increases for good employees have long been popular, especially for public employers. The classical approach to public pay policy is that the public employer should be neither a leader nor a follower. A new employee would be hired below the average pay, but not at the lowest pay, for the kind of work as paid by the "competition." A good employee could progress to pay above the average pay, but not at the highest pay, for the kind of work as paid by the competition.

In reality, if the award of a performance incentive increase were limited to those rated outstanding, we speculate that the percentage of employees being

rated "outstanding" would substantially increase in future fiscal years as supervisors sought a means to provide a monetary incentive for good employees. This will particularly be the case if there is no general increase to the salary schedule. Section 6, as proposed, also appears to impact the ability to promote an employee to a higher paying position based on good performance in a lower range position. We recommend insertion of the words "in a given range" after the word "salary" on page 3, line 22.

Forty-hour work week. The language in Section 8 of the Bill establishing a 40-hour week, as written, appears to preclude the use of part-time employees. Second, the inclusion of specific times--"12:01 a.m. Sunday to 11:59 p.m. Saturday"--within the definition impacts current flexibility to establish alternative workweeks such as the current 12-hour shifts; week on, week off arrangements at certain correctional institutions; and the week on, week off arrangement currently in effect on the Dalton Highway. These alternative workweeks allow arrangement of schedules to minimize overtime cost and accommodate shift work.

We recommend the following language for Section 8 of the Bill to allow continuation of our current flexibility.

WORK WEEK. The normal work week for full-time State employees who are not members of a collective bargaining unit under the Public Employment Relations Act (AS 23.40) consists of 40 hours in work status.


Amendments to Public Employment Relations Act. The proposed amendment to AS 23.40.210 would ensure that any collective bargaining agreement incorporate the three major changes discussed above. The fourth provision under the proposed amendment would prohibit an agreement from limiting the state's ability to contract for services if contracting out would be more cost effective than having State employees perform the services. The proposed prohibition would have a real impact on only one current collective bargaining agreement, that with the Public Employees Local 71 covering Labor, Trades and Crafts Unit employees. The Local 71 agreement currently requires a contractor or subcontractor to pay Local 71 wages plus an additional hourly "in lieu of benefits" amount. This requirement effectively limits the cost effectiveness of contracting services performed by that bargaining units employees.

Other agreements either have no provisions concerning contracting out or provide that contracting out of services can occur if it is shown to be more cost effective, an intent similar to the proposed legislation.

Finally, the Department of Administration requests that the effective dates in Section 10 and 11 be changed from July 1, to July 16 to coincide with the current pay periods.


Diana DeSimone, Director
Division of Personnel

2-24-87
Date


Commissioner Garrey Peska
Department of Administration

2/25/87
Date

CORRECTION

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 128
Publish Date: 3-5-87

REQUEST _____

Revision Date: _____
Title: An Act Relating to State Employees
Sponsor: Binkley
Requestor: Senate Labor and Commerce Committee

Agency Affected: All
BRU: All
Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)
CAPITAL	0	0	0	0	0	0
REVENUE	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(27,519.9)	(27,251.0)	(26,713.3)	(25,637.8)	(23,486.8)

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:

See attached.

Prepared By: Diana DeSimone *[Signature]*
Division: Personnel
Approved by Commissioner: Garrey Peska *[Signature]*
Agency: Department of Administration

Phone: 465-4430
Date: 2/25/87

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
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FISCAL NOTE ANALYSIS CONTINUATION
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(389)	(585)	<u>468</u>	<u>(117)</u>
		Net Differential	\$(549,393)
		(549,393) Monthly	
		x 12	
		<u>\$(6,592,716)</u>	Annual Savings

(NOTE: Figures reflect changes to current expenditures.)

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<u>Pay Differential</u>	<u>Annual Savings</u>	<u>Annual Cost</u>
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			<u>\$10.73</u> hourly rate
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			<u>\$10.70</u> hourly rate

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			+	<u>.71</u>
				\$10.71 hourly rate
Week 4	=	45		\$10.00
			+	<u>.65</u>
				\$10.65 hourly rate

If on the other hand, the geographic differential were added to the employee's base salary, the hourly rate for this employee would remain constant. A one-time programming change would accommodate the changed payrate. No additional individual calculations or documents would be required.

\$10.00 per hour x 40 hours				
per week x 52 weeks	=			\$20,800
	+	\$117 x 12 =		<u>1,404</u>
				22,204
			÷	*2,080 hours in a
				year
			=	\$ 10.68 hourly rate

* 2080 = 40 hours per week x 52 weeks

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In reality, if the award of a performance incentive increase were limited to those rated outstanding, we speculate that the percentage of employees being

rated "outstanding" would substantially increase in future fiscal years as supervisors sought a means to provide a monetary incentive for good employees. This will particularly be the case if there is no general increase to the salary schedule. Section 6, as proposed, also appears to impact the ability to promote an employee to a higher paying position based on good performance in a lower range position. We recommend insertion of the words "in a given range" after the word "salary" on page 3, line 22.

Forty-hour work week. The language in Section 8 of the Bill establishing a 40-hour week, as written, appears to preclude the use of part-time employees. Second, the inclusion of specific times--"12:01 a.m. Sunday to 11:59 p.m. Saturday"--within the definition impacts current flexibility to establish alternative workweeks such as the current 12-hour shifts; week on, week off arrangements at certain correctional institutions; and the week on, week off arrangement currently in effect on the Dalton Highway. These alternative workweeks allow arrangement of schedules to minimize overtime cost and accommodate shift work.

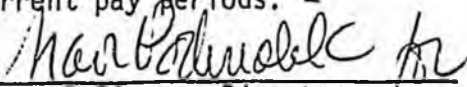
We recommend the following language for Section 8 of the Bill to allow continuation of our current flexibility.

WORK WEEK. The normal work week for full-time State employees who are not members of a collective bargaining unit under the Public Employment Relations Act (AS 23.40) consists of 40 hours in work status.

Amendments to Public Employment Relations Act. The proposed amendment to AS 23.40.210 would ensure that any collective bargaining agreement incorporate the three major changes discussed above. The fourth provision under the proposed amendment would prohibit an agreement from limiting the state's ability to contract for services if contracting out would be more cost effective than having State employees perform the services. The proposed prohibition would have a real impact on only one current collective bargaining agreement, that with the Public Employees Local 71 covering Labor, Trades and Crafts Unit employees. The Local 71 agreement currently requires a contractor or subcontractor to pay Local 71 wages plus an additional hourly "in lieu of benefits" amount. This requirement effectively limits the cost effectiveness of contracting services performed by that bargaining units employees.


Other agreements either have no provisions concerning contracting out or provide that contracting out of services can occur if it is shown to be more cost effective, an intent similar to the proposed legislation.

Finally, the Department of Administration requests that the effective dates in Section 10 and 11 be changed from July 1, to July 16 to coincide with the current pay periods.



Diana DeSimone, Director
Division of Personnel

2-24-87
Date



Commissioner Garrey Peska
Department of Administration

2/25/87
Date

ALASKA STATE LEGISLATURE

.15th.. Legislature1st. Session

SENATE ..BILL..... NO. .128..

By .BINKLEY,..FAIKS,..FISCHER,..
HENSLEY

"An Act relating to state employees; and providing for an effective date."

Introduced in the Senate 2/13...., 1987.

HISTORY IN THE SENATE

19	87	Read first time and referred to Committee on										
2	13	LABOR & COMMERCE & FINANCE										
3	5	Reported back with <i>Z+C</i> recommendation that <i>1 do pass, 2 do not pass, 2 no rec, two revenue impact notes, to Finance.</i> <i>Fitch</i>										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reconsideration										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed Signed by President Sent to House										

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
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Nays	Nays										
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	Reconsideration										
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PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed Signed by Speaker Returned to Senate										

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

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

Updated

1988

~~FN~~

DOA

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An act relating to State BRU: Personnel
employees.
 Sponsor: Binkley Components: Centralized Administrative Services
 Requestor: Binkley

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This legislation will produce the following savings on a statewide basis:

FY 88 - 0 FY 90 (25,735.9) FY 92 (24,122.7)
 FY 89 (26,004.8) FY 91 (25,198.2) FY 93 (21,971.7)

The savings include the savings realized by the Division of Personnel.
 (See attached analysis)

Prepared By: Diana DeSimone *[Signature]* Phone: 465-4430
 Division: Personnel Date: 1-21-88

Approved by Commissioner: John M. Andrews Date: 1/25/88
 Agency: Department of Administration

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

[Signature]
 JAN 27 1988

FISCAL NOTE ANALYSIS CONTINUATION
SB 128

The fiscal note analysis for SB 128 deals with cost savings related to 1) changes in the geographic differential; 2) awarding merit pay increases for only outstanding employees; 3) establishing a 40-hour work week and 4) contracting services.

1. Geographic Differentials. Effective January 1, 1987, the geographic differentials paid to employees in the General Government, Supervisory and Confidential bargaining units were changed as the result of a 1985 geographic differential study conducted by the State and a subsequent arbitration decision. In implementing the new differentials, in areas where the differential went down, employees' salaries were frozen. This fiscal note assumes that in those same areas, employees' salaries would not be frozen for all affected bargaining units. It also assumes no change in the number of employees affected and no change to the current salary schedule for subsequent fiscal years.

Employees in General Government, Supervisory, Confidential and Public Safety Employees Association Bargaining Units, and Partially Exempt Service:

<u>Pay Differential</u>	<u>Monthly Savings</u>	<u>Monthly Cost</u>	<u>Total</u>
\$ 0	\$(122,230)		\$(122,230)
117	(283,804)		(283,804)
147	(1,289)		(1,289)
264	(5,814)		(5,814)
323	(19,699)		(19,699)
469	(405)	\$ 661	256
587	(1,868)		(1,868)
792	(3,155)	1,325	(1,830)
880	(6,643)		(6,643)
997	(4,519)	2,471	(2,048)
1,115	(163)	15,990	15,827
1,232	(893)	7,429	6,536
(389)	(1,081)	468	(613)
		Net Differential	\$(423,219)
		(423,219) Monthly	
		x 12	
		\$(5,077,628) Annual Savings	

(NOTE: Figures reflect changes to current expenditures.)

Employees in Labor, Trades and Crafts Bargaining Unit:

<u>Pay Differential</u>	<u>Annual Savings</u>	<u>Annual Cost</u>
\$ 0	\$(322,877)	\$
117	(890,834)	
147	(6,673)	
264		5,417
323	(86,163)	
469		4,802
587	(13,268)	
792		103,725
880		130,130
997		58,659
1,115		81,728
1,232		545,545
(389)	(9,336)	
	<u>\$(1,329,151)</u>	<u>\$930,006</u>

Net Difference: \$(399,145)

(NOTE: Figures reflect difference between total subsistence paid in calendar year 1986 and proposed legislation.)

2. Limiting Merit Pay Increases to Outstanding Employees. This part of the fiscal note is based on two assumptions:

- An estimate of 5% of State employees rated outstanding each year currently.
- A substantial increase in the number of outstanding ratings given in each subsequent fiscal year. We assume the percentage will double with each year.

It is estimated that merit increases currently account for \$5,377,450 per year.

<u>Fiscal Year</u>	<u>Percentage of Outstandings</u>	<u>Amount</u>	<u>Cost Avoidance</u>
1989	5	\$ 268,873	\$5,108,577
1990	10	537,745	4,839,705
1991	20	1,075,490	4,301,960
1992	40	2,150,980	3,226,470
1993	80	4,301,960	1,075,490

3. Establishment of a 40-hour work week.

The numbers used in this section of the fiscal note are based on a January 1987 report from the Division of Finance which reports 12,027 executive branch employees on the payroll as of this date.

The monthly overtime report issued by the Division of Finance shows 42,279 overtime hours worked during January 1987. The figures used on this fiscal note assumes the number of employees and overtime hours worked will remain constant.

The figures also take into account two other factors:

- An estimated 1,000 employees already work a 40-hour work week thus reducing the amount of hours of overtime that could be saved per year.
- Most employees who work the overtime are institutional and construction type employees who cannot avoid the overtime. We therefore estimate that only 30% of the current overtime hours could actually be reduced.

<u>Total Employees</u>	<u>Increase in Hours per Employee</u>	<u>Increase in Hours per Year</u>	<u>Estimated Actual Increase in Hours</u>
12,027	130	1,563,510	1,433,510
<u>Total OT Hours</u>	<u>OT Cost</u>	<u>Actual Hours Saved</u>	<u>Actual Savings</u>
507,348*	\$12,592,044**	152,204.4	\$(3,777,613)

* Based on 42,279 OT hours for January 1987.

** Based on cost of \$1,049,337 OT for January 1987.

4. Contracting Out. This fiscal note is based on experience with the Local 71 contract, which currently has the most restrictive language concerning contracting out.

Experience in communities of less than 2,500 where Local 71 subcontracting has occurred without restrictions, shows 30% to 50% reductions in total personal services costs to the State.

Personal services cost budgeted for FY 88 for the LTC bargaining unit equals \$72,761.3 thousand.

This fiscal note assumes that 40% of work currently performed in this bargaining unit can be contracted. This assumption is made for demonstration purposes and has no supporting background.

If 30% to 50% can be saved on Local 71 work that is contracted, total savings in Local 71 personal services costs could vary between \$8,731.7 thousand and \$14,532.3 thousand for FY 88. Application of a 40% savings, or \$11,641.8, is used for the purposes of this fiscal note. The savings is assumed to be constant over subsequent fiscal years.

Updated

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 128
Publish Date: _____

REQUEST _____

Revision Date: March 6, 1987
Title: An Act Relating to State Employees
Sponsor: Binkley
Requestor: Binkley

Agency Affected: A11
BRU: A11
Components: A11

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	(26,004.8)	(25,735.9)	(25,198.2)	(24,122.7)	(21,971.7)
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(26,004.8)	(25,735.9)	(25,198.2)	(24,122.7)	(21,971.7)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(26,004.8)	(25,735.9)	(25,198.2)	(24,122.7)	(21,971.7)

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 revised Fiscal Note reflects corrections to calculations for the section of the legislation dealing with geographic differentials.

Prepared By: Diana DeSimone *Diana DeSimone* Phone: 465-4430
Division: Personnel Date: 03/06/87

Approved by Commissioner: Garrey Peska Date: 3/9/87
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

RECEIVED
MAR 10 1987

LEGISLATIVE FINANCE

FISCAL NOTE ANALYSIS CONTINUATION
SB 128

The fiscal note analysis for SB 128 deals with cost savings related to 1) changes in the geographic differential; 2) awarding merit pay increases for only outstanding employees; 3) establishing a 40-hour work week and 4) contracting services.

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SB

130

SENATE COMMITTEE REPORT

FURTHER:

3/5/87

DATE TURNED INTO OFFICE 4/2/87

Mr. President:

FINANCE Committee considered SB 130

supplemental appropriation to the Department of Natural resources for recorders' offices; efd.

and recommended:

- replace with _____ CS FOR _____) same title
- or adopt _____ CS FOR _____) new title
- attached amendment(s) and
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature] DO PASS
 Chairman signature and recommendation

Committee Backup Attached

Introduced: 2/16/87
Referred: Resources and Finance

5-0641A

Funding Information
General Fund \$95,000
Other Funds -0-
\$95,000

1 IN THE SENATE BY KERTTULA AND SZYMANSKI

2 SENATE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Natural Resources for recorders'
8 offices; and providing for an effective date."

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

10 * Section 1. The sum of \$95,000 is appropriated from program receipts
11 in the general fund to the Department of Natural Resources for the opera-
12 tion of recorders' offices for the fiscal year ending June 30, 1987.

13 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 130
Publish Date: _____

Revision Date: _____
Title: Supp.approp. to DNR for
Recorders' Offices
Sponsor: Kerttula & Szymanski
Requestor: _____

Agency Affected: Natural Resources
BRU: Management & Administration
Components: Information/Records
Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
----------------	---	---	---	---	---	---

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: _____ Phone: 465-4985
Division: Johne Binkley, Co-chairman Date: _____
Senate Finance Committee

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):

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

page _____ of _____

3/04/87
Previous fiscal
note from DNR
should be zeroed
if this approp.
bill is h/o of
committee.
F/N needs to be dated

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MANAGEMENT

POUCH M
JUNEAU, ALASKA 99811
PHONE: (907) 465-2405

8-2505-4

March 31, 1987

The Honorable Jim Duncan
Alaska State Legislature - Senate
P. O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

This responds to your request for a brief status summary of FY87 funding and expenditures for the Recorder's Office. At the risk of oversimplification, let me focus on a few details which portray a consistent pattern.

Funding Proposals. Since last summer, the following funding proposals have received attention:

(1) DNR proposed and the Sheffield administration accepted a G.F. reduction of \$255.5 for the FY87 Revised.

(2) The Sheffield administration restored \$234.9 of that G.F. reduction with program receipts, subject to LB&A approval but included that amount as program receipts in the FY87 Revised.

(3) Last fall, DNR submitted and OMB approved two RPL's: RPL 10-70058 for \$146.7 and RPL 10-70059 for \$131.8 - or a total of \$278.5 (this increase of the RPL's over the \$234.9 recognized and addressed an inherent funding problem for the Recorder's Office in FY87). Neither of these program receipts requests were approved by the LB&A Committee last fall.

(4) Earlier this session, the LB&A Committee approved an amended RPL for \$90.0 in program receipts, and S.B. 130 proposes an FY87 supplemental appropriation of \$95.0 from program receipts in the general fund. The total of the approved RPL and S.B. 130, as introduced, is \$175.0.

Program Expenditures. From three different approaches we calculate a funding shortfall of about \$55.0 against expenditures necessary to keep all statewide offices operating during regular business hours:

(1) Sheffield FY87 program receipts substitution:	\$ 234.9
Approved RPL and SB 130, as introduced:	(175.0)
Funding shortfall:	59.9

March 31, 1987

(2) Sheffield approved RPL requests:	\$ 278.5
Approved RPL and SB 130, as introduced:	<u>(175.0)</u>
Funding shortfall:	<u>103.5</u>
Forced vacancy (3 Anchorage and 1 Palmer position):	<u>(52.7)</u>
Adjusted shortfall:	<u>50.8</u>
 (3) FY87 Revised projected personal services vacancy - 5%:	\$ 137.4
FY87 Revised actual vacancy (excluding the forced vacancy of three positions) - 3%:	<u>(82.4)</u>
Funding shortfall:	<u>55.0</u>

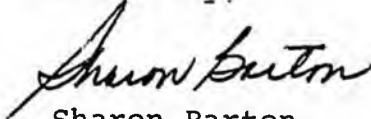
Consistent with and explained by the above shortfall calculations, our current analysis of FY87 expenditures is projecting a negative balance of about \$46.5 to \$55.0, assuming (a) vacancies of three positions (PCN's 10-0325, 10-0371, and 10-0372) are maintained through the end of FY87 and (b) FY87 supplemental authority to use program receipts does not increase above a total of \$175.0.

S. B. 130. As introduced, this bill would provide \$95.0 of supplemental funding. An increase of \$55.0 would eliminate the current shortfall projection; without the increase, FY87 costs will have to be reduced by \$55.0, or about 20 months of staff time. An additional \$16.7 would enable the three vacant positions to be filled immediately, thereby eliminating the gradual accumulation of a processing backlog that has been building since last October.

FY88 Funding. The Governor's Amended FY88 budget for the Recorder's Office adequately addresses all the funding issues which have arisen during FY87.

If you have further questions, please let me know or contact Hilton Wolfe (465-2406), of my staff, who is ready to assist as needed. And thank you again for your continuing interest in this program.

Sincerely,



Sharon Barton
Director

cc: Judith M. Brady, Commissioner, Natural Resources
Jay Hogan, Director, OMB - Budget Review, Office of the Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: SB 130
Publish Date: 3/5/87

Revision Date: 3/3/87
Title: Supplemental Appropriation to DNR

Agency Affected: Natural Resources
BRU: Management & Administration

for Recorders' Offices
Sponsor: Kerttula & Szymanski
Requestor: _____

Components: Information/Records Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	95.0					
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	95.0					

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	95.0					
TOTAL	95.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

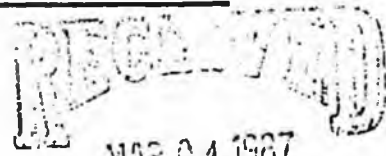
ANALYSIS : (Attach a separate page if necessary)

The \$95.0 non-GF will cover personal services costs of existing, filled positions in the seven rural Recorder's Offices (Nome, Bethel, Palmer, Kenai, Homer, Sitka, Ketchikan) through June 30, 1987.

Prepared by: Virginia Stonkus, DNR Budget Analyst Phone: 465-2424
Division: Management Date: 3/3/87

Approved by Commissioner: C. Wilson for JMB Date: 3/3/87
Agency: Natural Resources

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary



SB 130

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MANAGEMENT

POUCH M
JUNEAU, ALASKA 99811
PHONE: (907) 465-2406

8-2505-4

March 31, 1987

The Honorable Jim Duncan
Alaska State Legislature - Senate
P. O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

This responds to your request for a brief status summary of FY87 funding and expenditures for the Recorder's Office. At the risk of oversimplification, let me focus on a few details which portray a consistent pattern.

Funding Proposals. Since last summer, the following funding proposals have received attention:

(1) DNR proposed and the Sheffield administration accepted a G.F. reduction of \$255.5 for the FY87 Revised.

(2) The Sheffield administration restored \$234.9 of that G.F. reduction with program receipts, subject to LB&A approval but included that amount as program receipts in the FY87 Revised.

(3) Last fall, DNR submitted and OMB approved two RPL's: RPL 10-70058 for \$146.7 and RPL 10-70059 for \$131.8 - or a total of \$278.5 (this increase of the RPL's over the \$234.9 recognized and addressed an inherent funding problem for the Recorder's Office in FY87). Neither of these program receipts requests were approved by the LB&A Committee last fall.

(4) Earlier this session, the LB&A Committee approved an amended RPL for \$80.0 in program receipts, and S.B. 130 proposes an FY87 supplemental appropriation of \$95.0 from program receipts in the general fund. The total of the approved RPL and S.B. 130, as introduced, is \$175.0.

Program Expenditures. From three different approaches we calculate a funding shortfall of about \$55.0 against expenditures necessary to keep all statewide offices operating during regular business hours:

(1) Sheffield FY87 program receipts substitution:	\$ 234.9
Approved RPL and SB 130, as introduced:	(175.0)
Funding shortfall:	59.9

March 31, 1987

(2) Sheffield approved RPL requests:	\$ 278.5
Approved RPL and SB 130, as introduced:	<u>(175.0)</u>
Funding shortfall:	103.5
Forced vacancy (3 Anchorage and 1 Palmer position):	<u>(52.7)</u>
Adjusted shortfall:	50.8
 (3) FY87 Revised projected personal services vacancy - 5%:	\$ 137.4
FY87 Revised actual vacancy (excluding the forced vacancy of three positions) - 3%:	<u>(82.4)</u>
Funding shortfall:	55.0

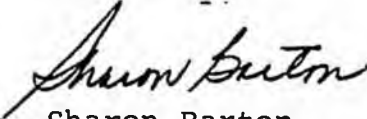
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Sincerely,



Sharon Barton
Director

cc: Judith M. Brady, Commissioner, Natural Resources
Jay Hogan, Director, OMB - Budget Review, Office of the Governor

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 2-26 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE _____

Mr. President:

RESOURCES _____ Committee considered SB 130

making a supplemental appropriation to the Department of Natural Resources for recorders' offices; efd .

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tom Jones

Bob L...

Curtis Stung...

Frank...

Jim...

Paul A. Frisk

John B. Coyne

 Chairman signature and recommendation

Committee Backup Attached