

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SSH 99, HB 100 254

S S H B

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

Bill Version: 2d CSSS HB 99 (FIN)
Publish Date: _____

REQUEST: _____
Revision Date: _____
Title: Establishing a legislative
research division within LAA
Sponsor: Zawacki
Requestor: House Finance Committee

Agency Affected: Legislature
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS : (Attach a separate page if necessary)

This bill has already been accounted for in the House budget. See the attached cut sheet.

Prepared by: Al Adams, Chair Phone: 465-3706
Division: House Finance Committee Date: 5/2/87

Approved by Commissioner: _____ Date: _____
Agency: _____

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

SALCUTA

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

15:46

4/24/87

LEGISLATIVE FINANCE

***** LEGISLATURE *****

SHORT FORM PAGE	BUDGET COMPONENT	FY86 ACT	FY87 ATH	4/16 REV	GOV REV	HOUSE	HOUSE - GOV REV COMPARISON	
GENERAL GOVERNMENT								
	BUDGET AND AUDIT COMMITTEE							
2	LEGISLATIVE AUDIT	2387.1	2393.6	2393.6	2393.6	1960.8	-432.8	-18.1%
4	LEGISLATIVE FINANCE	3030.1	3999.4	3163.2	3163.2	2848.7	-314.5	-9.9%
6	COMMITTEE EXPENSES	298.4	322.0	322.0	322.0	364.2	42.2	13.1%
	*** PROGRAM TOTAL ***	5715.6	6715.0	5878.8	5878.8	5173.7	-705.1	-12.0%
	LEGISLATIVE COUNCIL							
10	SALARIES & ALLOWANCES	3910.1	3697.8	3095.1	3697.8	2795.1	-902.7	-24.4%
12	EXECUTIVE ADMINISTRATION	2126.0	2121.3	1873.5	2121.3	1589.3	-532.0	-25.1%
14	PUBLIC SERVICES	2004.9	1956.8	1849.8	1956.8	1524.2	-432.6	-22.1%
16	ADMINISTRATIVE SERVICES	1542.5	1670.9	1660.8	1670.9	1376.5	-294.4	-17.6%
18	LEGAL SERVICES	1354.9	1415.5	1419.0	1415.5	1290.8	-124.7	-8.8%
20	SESSION EXPENSES	5938.0	5760.2	5634.1	5760.2	5248.7	-511.5	-8.9%
22	COUNCIL AND SUBCOMMITTEES	876.7	815.9	612.2	815.9	251.6	-564.3	-69.2%
24	OFFICE SPACE RENTAL	2067.9	1893.5	1843.9	1893.5	1815.5	-78.0	-4.1%
26	HOUSE RESEARCH	475.0	544.4	552.5	544.4		-544.4	-100.0%
28	SENATE ADVISORY COUNCIL	397.1	544.4	530.4	544.4		-544.4	-100.0%
30	LEGISLATIVE RESEARCH					788.4	788.4	100.0%
	*** PROGRAM TOTAL ***	20693.1	20420.7	19071.3	20420.7	16680.1	-3740.6	-18.3%
	LEADERSHIP							
34	LEGISLATIVE LEADERSHIP		3763.0	4000.0	3763.0		-3763.0	-100.0%
36	SENATE LEADERSHIP	1634.7						
38	HOUSE LEADERSHIP	1610.3						
	*** PROGRAM TOTAL ***	3245.0	3763.0	4000.0	3763.0		-3763.0	-100.0%
	LEGISLATIVE INTERIM							
42	SPEAKER/MAJORITY/MINORITY EXPE					974.5	974.5	100.0%
44	HOUSE INTERIM COMM EXPENSES					900.0	900.0	100.0%
46	SENATE LEADERSHIP					1874.4	1874.4	100.0%
	*** PROGRAM TOTAL ***					3748.9	3748.9	100.0%
50	OMBUDSMAN	1591.0	755.6	725.6	725.6	666.0	-59.6	-8.2%
52	PERSONAL SERVICES REDUCTION				-1795.7		1795.7	-100.0%
	*** GENERAL GOVERNMENT TOTAL ***	31244.7	31654.3	29675.7	28992.4	26268.7	-2723.7	-9.4%
	***** TOTAL AGENCY EXPENDITURES	31244.7	31654.3	29675.7	28992.4	26268.7	-2723.7	-9.4%
	***** AGENCY FUNDING							
	GENERAL FUND	31144.7	31393.3	29446.9	28761.4	26039.9	-2721.5	-9.5%
	OTHER FUNDS	100.0	261.0	228.8	231.0	228.8	-2.2	-1.0%

Original sponsors: Zawacki, Brown,
Frank and Gruenberg

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR 2d SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 99 (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 establishing a legislative research division
7 within the Legislative Affairs Agency; and providing
8 for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that the staffs of the
11 House Research Agency, the Senate Advisory Council, and the Rural Research
12 Agency should be combined into a single legislative research agency and
13 that fiscal economies will be achieved by elimination of overlapping func-
14 tions and staffs of the present research agencies.

15 * Sec. 2. AS 24.20 is amended by adding a new section to read:

16 Sec. 24.20.055. LEGISLATIVE RESEARCH DIVISION. There is estab-
17 lished within the Legislative Affairs Agency a permanent research
18 staff, to be known as the legislative research division. The estab-
19 lishment of the division recognizes the need for nonpartisan, objec-
20 tive research to support the legislature in its decision making. The
21 division shall be headed by a research manager appointed by the legis-
22 lative council through established procedures.

23 * Sec. 3. This Act takes effect July 1, 1987.
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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version : SSHB 99
Publish Date : _____

Revision Date: _____
Title: An Act establishing a legislative research division with the Legislative Affairs Agency, e.f.
Sponsor: Representative Zawacki
Requestor: Representative Zawacki

Agency Affected: Legislative Affairs Agency
ERU: Legislative Council
Components: New Component House Research Senate Advisory Council & Subcommittees

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		<556.5>	<556.5>	<556.5>	<556.5>	<556.5>
TRAVEL		<25.0>	<25.0>	<25.0>	<25.0>	<25.0>
CONTRACTUAL		<56.8>	<56.8>	<56.8>	<56.8>	<56.8>
SUPPLIES		<2.5>	<2.5>	<2.5>	<2.5>	<2.5>
EQUIPMENT		<3.0>	<3.0>	<3.0>	<3.0>	<3.0>
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	<643.8>	<643.8>	<643.8>	<643.8>	<643.8>

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

GENERAL FUND		<643.8>	<643.8>	<643.8>	<643.8>	<643.8>
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	<7>	<7>	<7>	<7>	<7>
PART-TIME	-0-	<5>	<5>	<5>	<5>	<5>
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

A Findings section is added in SSHB 99 to confirm that House Research, Senate Advisory Council, and Rural Research Agency will be combined into a single legislative research agency. A decrease of <643.8> will be realized as follows:

Prepared by: Pamela A. Stoops, Manager Phone: 465-3850
Division: Administrative Services Date: 2/9/87
Approved by: Warren W. Endicott, Executive Director Date: 2/9/87
Agency: Legislative Affairs Agency

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. SSHB 99

FY 88 FUNDING REQUEST FOR:

	<u>HOUSE RESEARCH</u>	<u>SENATE ADVISORY</u>	<u>RURAL RESEARCH</u>
Personal Services	527.3	455.7	145.2
Travel	3.0	25.0	2.0
Contractual	18.7	57.7	10.4
Supplies	1.5	3.0	1.0
Equipment	<u>2.0</u>	<u>3.0</u>	<u>1.0</u>
	552.5	544.4	159.6
Total	\$1,256.5		

LEGISLATIVE RESEARCH DIVISION

Personal Services	571.7	10 Full Time	
Travel	5.0	5 PPT	
Contractual	30.0		
Supplies	3.0		
Equipment	<u>3.0</u>		
	612.7		

Current research agencies	1,256.5	1 Director FT	26A
New legislative research division	<u>612.7</u>	1 Secretary FT	13B
		1 Clerk Typist FT	8B
Savings	<u>643.8</u>	1 Principal Research Analyst FT	22A
		2 Senior Research Analysts FT	20A
		2 Research Analysts FT	18A
		1 Research Ass't II FT	16A
		1 Research Ass't I FT	14A
		1 Research Analyst PPT	18A
		2 Research Ass't II PPT	16A
		<u>2</u> Research Ass't I PPT	14A

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1 IN THE HOUSE

BY ZAWACKI, BROWN AND FRANK

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 99

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a legislative research division
7 within the Legislative Affairs Agency; and providing
8 for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that the staffs of the
11 House Research Agency, the Senate Advisory Council, and the Rural Research
12 Agency should be combined into a single legislative research agency and
13 that fiscal economies will be achieved by elimination of overlapping
14 functions and staffs of the present research agencies.

15 * Sec. 2. AS 24.20 is amended by adding a new section to read:

16 Sec. 24.20.055. LEGISLATIVE RESEARCH DIVISION. There is estab-
17 lished within the Legislative Affairs Agency a permanent research
18 staff, to be known as the legislative research division. The estab-
19 lishment of the division recognizes the need for nonpartisan, objec-
20 tive research to support the legislature in its decision making. The
21 division shall be headed by a research director appointed by the
22 executive director of the Legislative Affairs Agency.

23 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

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

REQUEST: _____

Bill Version : HB 99
Publish Date : _____

Revision Date: _____
Title: An Act establishing a legislative
research division within LAA
Sponsor: Representative Zawacki
Requestor: Representative Zawacki

Agency Affected: Legislative Affairs Agency
BRU: Legislative Council

Components: New component
House Research
Senate Advisory
Council & Subcommittees

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		(556.5)	(556.6)	(556.5)	(556.5)	(556.5)
TRAVEL		(25.0)	(25.0)	(25.0)	(25.0)	(25.0)
CONTRACTUAL		(56.8)	(56.8)	(56.8)	(56.8)	(56.8)
SUPPLIES		(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
EQUIPMENT		(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	(643.8)	(643.8)	(643.8)	(643.8)	(643.8)

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

GENERAL FUND		(643.8)	(643.8)	(643.8)	(643.8)	(643.8)
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	(7)	(7)	(7)	(7)	(7)
PART-TIME	-0-	(5)	(5)	(5)	(5)	(5)
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

It is assumed from this bill that a new research division will be created under the authority of the Executive Director and the funding for House Research Agency, Senate Advisory Council, and the Rural Research Agency will be zeroed out. A decrease of (643.8) will be realized as follows:

Prepared by: Pamela A. Stoops, Manager Phone: 465-3850
Division: Administrative Services Date: 2/6/87

Approved by Commissioner: Warren W. Endicott, Exec. Director Date: 2/6/87
Agency: Legislative Affairs Agency

Distribution (by preparer):

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

HB 99

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 99

FY 88 FUNDING REQUEST FOR:

	<u>HOUSE RESEARCH</u>	<u>SENATE ADVISORY</u>	<u>RURAL RESEARCH</u>
Personal Services	527.3	455.7	145.2
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	552.5	544.4	159.6
Total	\$1,256.5		

LEGISLATIVE RESEARCH DIVISION

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	612.7	

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		2 Research Analysts FT	18A
		1 Research Ass't II FT	16A
		1 Research Ass't I FT	14A
		1 Research Analyst PPT	18A
		2 Research Ass't II PPT	16A
		<u>2</u> Research Ass't I PPT	14A



Alaska State Legislature House of Representatives

P.O. BOX 783
GIRDWOOD, ALASKA 99587
(907) 783-2905

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-2693/2719

REPRESENTATIVE
JIM ZAWACKI
DISTRICT 7

April 24, 1987

MEMBER
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE
LEGISLATIVE BUDGET &
AUDIT COMMITTEE
FINANCE SUBCOMMITTEE

Rep. Fran Ulmer, Chair, State Affairs

Dear Fran:

The intent and purpose of House Bill 99 is quite simple, as I pointed out at our first hearing on the subject. It will streamline our fractioned legislative research effort, improve the quality of the research product, and save something in the neighborhood of a quarter million dollars annually.

It is self-evident that combining the efforts, personnel, space, research facilities, libraries and equipment of three agencies into one cannot help but be more efficient. The best strengths of each agency, the House, the Senate and the Rural, will contribute to the efforts of each of the others. The fiscal note speaks for itself, and I think it conservative.

A benefit of the bill which does not derive from the change in the law but is very real is that it will demonstrate an effort by the Legislature to make its own contribution to saving money in times of financial trouble. Countless educational and social needs might be served by the money this bill would enable us to save.

The method of selecting a Director for the unified agency has been discussed with many members of the leadership on both sides of the aisle and in both houses. It was agreed that putting that decision in the hands of the presiding officers of the two houses would be the surest way to keep it nonpartisan.

I am assured by senior members of the Legislature that a joint research agency used to work well. All the facts dictate that we should restore that efficient device. By combining the services of three excellent agencies, we will make ourselves a more effective and efficient Legislature.

Sincerely,

A handwritten signature in cursive script that reads "Jim".

Jim Zawacki
Representative



Official Business

Alaska State Legislature

Senate

5

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

To: Representative Jim Zawacki

From: Richard Rainery *RR*
Senior Analyst
Rural Research Agency

Date: February 10, 1987

Subject: Rural Research Agency - History, Function, Staff
and Budget.

Herewith is the information you have requested concerning the Rural Research Agency and its operational history and mission, as well as an outline of its present staffing composition and budget detail. I have purposely made this memorandum brief, so if there is any additional information that you require, please contact me.

I. Agency History

The Rural Research Agency (RRA) has its origins in the demise of the Rural Development Council (RDC). The RDC was founded in 1980 by the Legislature, with the support of the Hammond Administration. The RDC had a threefold mission: 1) to coordinate the activities of State agencies involved in rural social and economic development programs and projects; 2) to identify and promote the development agenda of rural residents; and 3) to pursue research and analysis on a broad range of subjects related to the first two tasks.

When the Sheffield administration took office, it quietly and unilaterally closed down the RDC in early 1983, primarily by failing to fill vacancies in the chairman and executive director slots. The Legislature felt that the RDC had performed a valuable function, particularly in producing unique and worthwhile analyses of significant issues, and sought to preserve some of its capabilities. During the 1983 session, the Rural Research Agency was created to perpetuate the research and analysis functions of the RDC. The agency was removed from the executive branch (Department of Community and Regional Affairs) to the Legislative branch. For the past four years, the RRA has performed duties as described in the next section.

II. Agency Functions

The RRA is a permanent, nonpartisan office of research professionals, with extensive experience in subjects of concern to rural Alaska. Its function is to provide confidential and objective research and analytical support to the Senate (the office has done projects originating in the House) with emphasis on subjects of pressing interest to rural Alaskans. In practice, however, many of the subjects we have been assigned to study have transcended regional interests (Permanent Fund operations, telecommunications, State revenue policy and public school finance, to cite some relevant full length research). As it happens, the agency has customarily devoted most of its staff time to interim projects of some length and detailed scope, but it also regularly undertakes short term session-related issues analyses. Final reports and memorandums are generally released to the public, at the discretion of the requestor.

III. Agency Staff

Since its inception, the Rural Research Agency has had a staff of three research professionals, a senior analyst and two legislative analysts. Staff are selected first as a result of their strengths in basic research skills and familiarity with Alaskan issues and government processes, and second on the basis of their specialities in various rural issues. No administrative staff has ever been employed by the RRA; all staff resources have been and are devoted to the primary tasks of research and analysis. The staff is presently composed of the following individuals:

Richard Rainery, Senior Analyst - RDC, 1981 to 1983 and RRA, 1983 to present.

Sheila Helgath, Legislative Analyst - RRA, 1985 to present.

Sarah Bibb, Legislative Analyst - RRA, 1985 to present.

All employees are presently permanent, fulltime employees, housed administratively in the Legislative Affairs Agency.

IV. Agency Budget

The agency's FY 1987 budget is presently an allocation under the appropriation for the Legislative Council. The FY 1987 budget amount is \$177,300, which consists of two components, approximately \$9,100 of unexpended RRA funds carried over from FY 1986 and \$168,200 of FY 1987 funding. The components of that budget (in thousands of dollars) are displayed below. Additional detail on specific categories of the budget is available if you so desire.

Representative Zawacki

February 10, 1987

Page 3

1. Personal Services:	
Legislative Analyst III, range 21B; Leg. Analyst	
-II, range 19A; Leg. Analyst I, range 16A.	
Salaries and benefits	\$156.7
2. Contractual Services	
Telephone, subscriptions, services, etc.	13.0
3. Travel	3.0
4. Supplies	2.0
5. Equipment	2.6
TOTAL	\$177.3

The agency's budget request for FY 1988 is \$159,600. That request was made in November 1986 on the presumption that a 10% cut in employee compensation would be in place for FY 88. and on cuts in the travel and equipment categories. If those personal services reductions are not made, budget need would be \$168,700, which require reductions in all other categories.

As I am sure you appreciate, we at the Rural Research Agency are keenly interested in HB 99. Any information that you or your staff could provide us with concerning details of the intent of the bill, proposed mechanics of a merger, and personnel and fiscal impacts would be appreciated. I would be happy to discuss the matter with you at your convenience.

From: Pam Stolpi
LAA

LEGISLATURE ACTUALS FY 76 - FY 86

	FY 76 ACTUALS	FY 77 ACTUALS	FY 78 ACTUALS	FY 79 ACTUALS	FY 80 ACTUALS	FY 81 ACTUALS	FY 82 ACTUALS	FY 83 ACTUALS	FY 84 ACTUALS	FY 85 ACTUALS	FY 86 ACTUALS
BUDGET & AUDIT COMMITTEE BRU											
Legislative Audit	871.2	1104.9	1419.8	1578.2	1937.0	2216.3	2365.7	2435.6	2403.1	2448.7	2387.1
Legislative Finance	646.3	679.7	800.9	1133.5	1896.6	1823.1	2689.5	2190.6	2886.3	2866.5	3030.1
Committee Expenses	319.6	48.1	145.3	239.2	466.5	547.6	535.9	482.9	310.7	398.1	298.4
LEGISLATIVE COUNCIL BRU											
Salaries & Allowances	1230.6	1105.3	1134.8	1169.2	1704.2	1735.6	1906.5	2003.6	3831.1	3888.6	3910.1
Leadership	100.4	107.4	169.4	183.1	439.5	822.1	3547.8	3823.5	3722.3	3803.9	3255.7
Executive Administration	154.7	129.7	154.2	198.4	506.4	797.3	285.2	305.9	2714.5	2775.4	2126.0
Administrative Services	364.6	926.0	953.7	1276.6	1474.9	3019.8	3339.8	3904.2	1531.3	1508.0	1542.5
Research Services	255.5	495.6	580.78								
Research Projects					442.5						
Legal Services	465.8	529.8	651.4	825.7	1004.7	1247.6	1296.9	1405.0	1480.5	1548.8	1354.9
Session Expenses	3793.6	2088.6	2433.8	2189.0	3391.4	4749.0	6975.1	7729.0	7195.6	6060.1	5938.0
Council & Subcommittees	.3	43.3	1572.3	748.7	3335.6	3507.7	848.3	586.6	791.2	1274.8	876.7
Office Space Rental	77.7	335.8	279.2	277.6	505.3	1717.0	1563.8	2124.8	2095.1	2417.7	2067.9
Equipment Account	364.5	684.2	699.1	872.6	583.4	449.1	576.2	579.7	93.0		
Public Services					1211.5	1955.9	2087.7	3150.8	3050.7	3239.3	2004.9
House Research				1814.0	571.4	195.1	1055.1	512.1	578.3	683.2	475.0
Senate Research											
Senate Advisory Council								660.3	545.0	652.8	397.5
OFFICE OF THE OMBUDSMAN BRU											
Office of Ombudsman	142.3	248.2	374.1	671.8	1031.1	1177.2	1123.7	1319.6	1536.2	1710.6	1591.2
GRAND TOTALS											
	8787.1	8526.6	11368.7	12577.6	20302.0	27081.8	30121.5	33214.8	34764.9	35276.5	31255.8
PERCENTAGE CHANGE OVER PREVIOUS YEAR											
		-3.0%	33.3%	10.6%	61.4%	33.4%	11.2%	10.3%	4.7%	1.5%	-11.4%

The above figures were compiled by using the following references - The yearly Division of Finance Operating Budget Summaries for the Alaska State Legislature and yearly independent audit figures for the Legislative Affairs Agency.



HOUSE RESEARCH AGENCY BUDGET—FY88 PRELIMINARY DRAFT—NOT SUBMITTED TO GOVERNING COMMITTEE
06-Feb-87

	FY 85 Actual	FY85 Actual	FY87 Authorized	FY88 Request	Change from FY87 Dollars	Change from FY87 Percent	Change from FY85 Dollars	Change from FY85 Percent
71000 PERSONAL SERV		\$398,537	\$510,050	\$527,292				
PS SUPPNTL		27,255	0					
PS SUBTOTAL	\$536,830	425,792	510,900	527,300	\$16,400	3.2%	\$101,500	23.8%
72000 TRAVEL	10,660	4,779	3,000	3,000	\$0	0.0%	(\$1,779)	-37.2%
73000 CONTRACTUAL	125,000	39,213	22,400	18,700	(\$3,700)	-16.5%	(\$20,513)	-52.3%
74000 COMMODITIES	1,500	3,541	1,200	1,500	\$300	25.0%	(\$2,041)	-57.6%
75000 EQUIPMENT	9,600	21,057	6,900	2,000	(\$4,900)	-71.0%	(\$19,057)	-90.5%
TOTAL	\$683,300	\$494,383	\$544,400	\$552,500	\$8,100	1.5%	\$58,117	11.8%
CARRY FORWARD	(\$67,700)	\$7,700	\$0					
EFFECTIVE BUDGET	\$615,600	\$502,083	\$544,400	\$552,500	\$8,100	1.5%	(\$9,583)	-1.7%

71000—PERSONAL SERVICES DETAIL

Name	Current Range	Expected Range	Position	FY 87 Months	FY 87 Monthly Salary	FY 88 Monthly Salary	FY 88 Salary + Benefits	Explanation
Teal	26	26c	Director	12	\$5,568	\$5,568	\$84,150	The \$16,000 increase in personal services is attributed to an increase in benefit costs and leave without pay taken in FY 87. In addition, one hourly temporary has been changed to a monthly session employee.
Pomeroy	18	18c	Adm. Off.	12	3,353	3,353	\$52,943	
Hart	13	13c	Secretary	12	2,445	2,445	\$39,660	
Kelser	22	22a	Analyst	12	4,095	4,095	\$63,685	
Lively	21	21c	Analyst	12	4,095	4,095	\$63,685	
Pierce	21	21a	Analyst	12	3,831	3,831	\$59,936	
Fay	21	21a	Analyst	12	3,831	3,831	\$59,936	
Vocant	19	19a	Analyst	4	3,353	3,353	\$18,101	
Weyrauch	12	17a	Analyst	5	2,910	2,910	\$19,156	
Temp.	17	17a	Analyst	4	2,910	2,910	\$15,941	
Temp.	16	17a	Analyst	4	2,910	2,910	\$15,941	
Jennings	15	16a	Analyst	5	2,715	2,715	\$18,568	
Temp.	14	16a	Analyst	4	2,715	2,715	\$14,990	
TOTAL				110	\$44,731	\$44,731	\$527,292	

72000—TRAVEL DETAIL

	FY 86 Actual	FY87 Authorized	FY88 Request	Change from FY87 Dollars	Change from FY87 Percent	Change from FY86 Dollars	Change from FY86 Percent	
72240 staff travel	\$4,779	\$3,000	\$3,000	\$0	0.0%	(\$1,779)	-37.2%	No more annual meetings of CSG or HCSL.
72270 admin travel	0	0	0	0	ERR	0	ERR	
72360 moving	0	0	0	0	ERR	0	ERR	
72540 per diem	0	0	0	0	ERR	0	ERR	
	\$4,779	\$3,000	\$3,000	\$0	0.0%	(\$1,779)	-37.2%	

	FY 86		FY88 Request	Change from FY87		Change from FY86		Explanation
	Actual	Authorized		Dollars	Percent	Dollars	Percent	
73250 data processing	\$0	\$1,000	\$0	(\$1,000)	-100.0%	\$0	ERR	Do not anticipate the need for outside DP services.
73270 other prof serv	0	0	0	0	ERR	0	ERR	
73320 telephone	11,582	15,200	14,200	(1,100)	-7.2%	2,618	22.6%	Expected savings through using OCI.
73380 postage	527	700	1,000	300	42.9%	473	83.6%	LAA is now charging for mailroom services.
73501 subscriptions	2,224	2,500	2,500	0	0.0%	276	12.4%	
73540 advertising	91	0	0	0	ERR	(91)	-100.0%	
73560 printing/binding	478	500	500	0	0.0%	22	4.7%	
73702 equip repair	9,089	1,400	0	(1,400)	-100.0%	(9,089)	-100.0%	LAA Data Processing repairs the agency's pcs.
73850 equip rental	12,667	0	0	0	ERR	(12,667)	-100.0%	
73880 other rental	180	0	0	0	ERR	(180)	-100.0%	
73912 conference req	1,175	1,000	500	(500)	-50.0%	(675)	-57.4%	No more annual meetings of NCSL or CSG.
	\$39,213	\$22,400	\$18,700	(\$2,700)	-16.5%	(\$20,513)	-52.3%	

74000-COMMODITIES DETAIL

	FY 86		FY88 Request	Change from FY87		Change from FY86		Explanation
	Actual	Authorized		Dollars	Percent	Dollars	Percent	
74220 office & lib	\$2,094	\$1,200	\$1,500	\$300	25.0%	(\$594)	-28.4%	Increase due to expected library expansion.
74560 Data Processing	1,448							
	\$3,541	\$1,200	\$1,500	\$300	25.0%	(\$594)	-16.8%	

75000-EQUIPMENT DETAIL

	FY 86		FY88 Request	Change from FY87		Change from FY86		Explanation
	Actual	Authorized		Dollars	Percent	Dollars	Percent	
75830 data processing	\$21,057	\$6,900	\$2,000	(\$4,900)	-71.0%	(\$19,057)	-90.5%	Conversion to PCs will be completed.
76055 furniture	0	0	0	0	ERR	0	ERR	
76150 office equip	0	0	0	0	ERR	0	ERR	
	\$21,057	\$6,900	\$2,000	\$0	0.0%	(\$19,057)	-90.5%	



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

2

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

February 9, 1987

MEMORANDUM

TO: Representative Jim Zawacki
FROM: David Teal, Director *Teal*
RE: House Research Agency Background

As you requested, I have compiled a package of information on this agency, including research policy, budget, staff biographies and a list of publicly released research. We have added two staff since the session began: Karla Hart has a degree in Anthropology and Jay Moor is a former policy advisor to the Governors of Alaska and Washington. He received his Ph.D in Urban Planning from the University of Washington in 1974.

The attached FY 87 budget summary shows the compensation of all staff as well as anticipated expenditures in other budget categories. The document is intended for internal use and may appear somewhat cryptic to you. The attached FY 88 budget request should be more understandable. It shows the job title and number of months of employment for each position.

Without some clue regarding your focus, providing information that responds to your interest in the agency in very difficult. Perhaps some statistics on work load during the fiscal year would be helpful--

- we have spent 2,484 hours on 124 research requests through the first week of February, and currently have 31 requests in progress.
- interim projects required 2,469 hours of staff time.
- other research--requests we expect to complete in less than an hour--has taken 240 hours.
- as in the past, we expect our work for the majority and minority to correspond very closely to the number of legislators in each caucus.

As I mentioned on the telephone, I believe that a discussion is far superior to a brief memorandum in terms of rapid exchange of relevant information. I would be pleased to meet with you at your convenience to discuss this or other issues of interest to you.

DT

Attachments

HOUSE RESEARCH AGENCY
STAFF BIOGRAPHIES
January 1987

Director

David Teal was hired by the Agency in 1981 and became the director in 1984 after serving a year as assistant director. He worked three years as an economist for the Alaska Department of Labor and three years as an economist at the national headquarters for credit unions in Madison, Wisconsin. David was raised in Anchorage and holds a masters degree in economics from the University of Wisconsin.

Legislative Analysts

Ginny Fay joined the staff in November 1986. Prior to her employment with House Research, she worked as an economist with the Alaska Commercial Fisheries Entry Commission and the Department of Fish and Game as well as various federal and university agencies and the private sector. Since joining the Agency, her work has included research on open meeting requirements, fisheries permits and local hire. Ginny has a masters degree in economics from the University of Washington.

Mary Jennings was hired by the Agency in January 1986. She worked for the Department of Revenue and in the Southeast Alaska commercial fishing industry prior to joining the Agency. Her work at the Agency has included research on the marine highway system, education, and various criminal justice issues. Mary has a bachelors degree in business administration from the University of Alaska, Juneau.

Gretchen Keiser has worked for the Agency since July 1983. She was a research associate for an economics consulting firm before joining the Agency and worked for two years in the Governor's Office as a policy analyst for State and federal oil and gas leasing. Gretchen also worked as a fisheries biologist for the federal Fish and Wildlife Service for two years. Her fields of research include petroleum production, refining and marketing, mineral taxation and revenues, agriculture, energy, utilities, and operating/capital budgets. Gretchen holds a masters degree in zoology from the University of Alaska, Fairbanks.

Jay Livey was hired by the Agency in July 1983. Prior to working for the Agency, Jay spent five years in Bethel where he served as City Planner and as Administrative Director for the Yukon-Kuskokwim Health Corporation. He has performed research on State loan programs, health and social services, local government, education, oil and gas taxation and other financial issues. Jay holds a masters degree in business administration from Tulane and a masters degree in labor relations from Michigan State University.

Karen Oakley joined the staff in January 1986. She has worked as a Habitat Biologist with the Department of Fish and Game and a Research Analyst with the Department of Natural Resources. Karen holds a masters in biology from the University of Alaska, Fairbanks.

Brad Pierce was hired in July 1985. Prior to joining the Agency, he worked two years as a research associate for Alaska Economics and two years as an independent consultant to State and federal agencies. Brad has also worked as a commercial diver and fisherman in several different Puget Sound and Southeast Alaska fisheries. During his tenure with the Agency, his research emphasis has been on fisheries and timber issues, the State budget and economic development. Brad holds a masters degree in agriculture and resource economics from the University of Nevada, Reno.

Penelope Weyhrauch joined the Agency in October 1986. She has worked throughout Alaska, most notably in Barrow as the City Grant Writer and in Aniak as the Executive Director of the Kuskokwim Native Association. While at the Agency, she has performed research on criminal/civil justice issues and human service issues such as child support enforcement and runaway youth. Penelope holds a law degree from Lewis & Clark and is a member of the Alaska and Juneau Bar Associations.

Administrative Staff

Deb Pomeroy is the Administrative Officer for the House Research Agency and has been with the Agency since its inception. She also devotes part of her time to research requests including research on budget appropriations and other states' laws and regulations.

Carol Hart serves as the Agency's secretary and receptionist. In that capacity, she compiles a list of the Agency's research and, on request, distributes copies of the Agency's publicly released reports and memorandums to legislators, staff, and other interested parties.

HOUSE RESEARCH AGENCY
Research Policies

The House of Representatives Research Agency performs factual and policy-oriented research upon the request of members of the House. A "first come, first served" rule is the guiding principle in responding to research requests. Work assignments are made by the agency director, however, requests may be submitted orally or in writing to any member of the staff. Among the services available are:

- issue analysis providing interstate comparisons, economic evaluation and/or other information on specific topics;
- research support to legislative committees and personal staff (including access to the agency's library);
- critiques of reports, studies and bills affecting public policy and programs;
- program evaluation of State and State-supported programs;
- tracking of legislation, including historical searches on past legislative action and reports on the implementation of laws passed;
- analysis of federal legislation and regulations affecting Alaska; and
- formal solicitation and evaluation of contract proposals and monitoring of contractual research.

All requests submitted and all research performed by the agency will be treated confidentially with the following exceptions:

- the requesting legislator explicitly gives permission to use his/her name in soliciting information or to release the research product prepared for him/her; and
- agency research staff seek assistance on or refer requests to the Legislative Affairs Agency, Division of Legal Services, or the Legislative Finance and Audit Divisions, which are also bound by confidentiality rules comparable to those of the House Research Agency. Conversely, any legislative request referred from these agencies to the House Research Agency will be treated confidentially.

In addition to the name of the requesting legislator, the intended use of the research and factors that prompted the request (e.g., a constituent's letter) may not be revealed. In some instances, the nature of the research request itself may not be revealed in soliciting information to fulfill the request, if, in the director's or requesting legislator's judgment, such confidentiality is warranted.

In the event that two or more similar requests for research are taken, Agency staff may ask permission of each requesting legislator to share his/her name and request with the other requesters for purposes of consolidation of the research effort and expedited transmittal of the research to all requesting legislators. In any event, basic data may be shared when requests are similar.

In the event that a legislator fails to indicate that a request is to remain confidential, the research may be released (with the requester's name removed) once the legislator is out of office.

Gross violations by staff of the confidentiality rules constitute cause for termination.

Research requests that the Agency may not accept are:

- research directly related to a legislator's personal business;
- research that directly benefits a legislator's campaign for re-election, e.g., analysis of an opponent's voting record or prior years' voting returns. However, research that is indirectly related to a campaign, such as an evaluation of a reapportionment plan or an analysis of issues that arise during a campaign, may be performed; and
- research that entails investigations into a citizen's personal life.

Research requests that may not be accepted without the approval of the governing committee include:

- research that, if performed, would constitute a significant variance from the "first come, first served" rule; and
- research that would require a significant percentage of total staff time or funding available during a given fiscal period, in the director's judgment.

In addition to research memorandums, representatives may submit proposals for major research projects. Work on projects authorized by the agency's governing committee is performed between legislative sessions.

The nonpartisan agency staff consists of a director, nine legislative analysts, an administrative officer and a secretary. Agency policy is set by the director in consultation with the governing committee. The committee is composed of the Speaker and Minority Leader of the House and the ranking House member of the Legislative Council.

January 1987

Alaska State Legislature



SENATE ADVISORY COUNCIL

Pouch V
State Capital
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Representative Zawacki
Alaska State Legislature

ATTN: Tally Miller

FROM: Lee Ann Lucas *lal*
Senate Advisory Council

DATE: February 9, 1987

RE: Senate Advisory Council

The following is in response to your request for information pertaining to the structure and functions of the Senate Advisory Council.

FY 87 - Appropriation \$464,700

Current SAC Payroll - 8 Employees

- (1) Senior Advisor/Director 22K
- (1) Senior Advisor 21F
- (1) Adm. Officer/Researcher 19A
- (3) Researchers 17A - 18E
- (1) Assistant Researcher 17A
- (1) Secretary 15A

I am also attaching a summary that outlines the services of the Senate Advisory Council. Let me know if I can be of further service.

LAL:lal
Attachment

SENATE ADVISORY COUNCIL
Room 209, Goldstein Bldg.
465-3114

The Senate Advisory Council (SAC) is a nonpartisan research agency available to assist all members of the Alaska State Senate. The SAC concept was conceived by the Senate Leadership in 1981, who foresaw the need to address such major issues as hydropower and related energy topics, the Alaska railroad, fisheries, agriculture, governmental operations, and various people issues such as health, child abuse, education, etc. The key element of the concept was to hire senior advisors who had expertise in desired specialities or fields and who would be involved with all aspects of a major issue. Further, the senior advisors were expected to help in formulating policy and evaluating the effectiveness of pertinent programs mandated by the Legislature.

In addition to the senior advisors, SAC researchers are available to assist the senators with the more traditional research type requests. Specifically, the following services are available:

1. Collect, analyze and disseminate information on issues and events relating to legislative concerns for individual senators and Senate Committees.
2. Monitor designated state and federal issues or programs and assist in analyzing and resolving major problem areas.
3. Conduct research on policy issues in anticipation of or in response to legislative need.
4. Provide on-line access to selected computer data bases such as:
 - DIALOG- DIALOG provides an information retrieval service containing approximately 250 data bases. These data bases cover a vast array of subject areas.
 - LEGISNET - NCLS's information system provides access to thousands of legislative research reports, public policy articles, and other documents relevant to state legislatures.
5. Maintain a reference library and subject reference files available for use by senators and their staff.

All requests should come directly from the senators or on their behalf. While requests may be verbal or in writing, the latter is preferred for clarity of purpose, especially on lengthier requests. All in-house work done by the staff will remain confidential until and unless the requesting senator approves the release of the information.

In general, requests requiring a verbal response, or less than approximately three pages of written response, will be done on a first come, first serve basis. Requests requiring major effort, or a substantial amount of resources may be undertaken upon approval of the Council's governing body, traditionally made up of the Senate President and other senators in the Leadership.

Alaska State Legislature

4

Advisory Council Members
Senator Bennett, Chairman
Senator Kerttula
Senator Abooo
Senator Sackett



Pouch V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

MEMORANDUM

TO: Senator Bennett

FROM: Kurt S. Dzinich *KSD*
Acting Director

DATE: April 30, 1985

RE: Legislative Research Agencies

In accordance with your request, we have gathered data and information on how legislative research is performed in other states. The report is attached for your information.

To briefly summarize, the survey shows that centralized research agencies outnumber decentralized agencies with the trend being towards increased fragmentation since the 1970's. Even in those states that have retained central research agencies, the growth of noncentral research and individual staff has outstripped the growth of central agency staff.

It is clear that based only on efficiency and economics the central research agency represents the optimal solution. In the real world, however, there are some additional factors such as the organizational and political structure of the legislature, the leadership styles in charge of the legislative bodies and various committees, the perception of quality and objectivity of the research, and equality of access to the research resources that represent important and sometimes the determining criteria in deciding on the most suitable solution.

From historical perspective, Alaska seems to have come full circle, i.e., from a centralized research agency in the late 1970's, to separate agencies in the early 1980's, and now back towards a central agency again. There is clearly no reason why a central research agency should not succeed as long as the problems leading to the demise of the first one are avoided. It should be noted that due to the proliferation of individual and committee staffs the need for the central research staff seems to be decreasing.

Senator Bennett
April 30, 1985
Page 2

What are the most compelling reasons for legislative research capability? I believe that the desire by the legislators for objective, unbiased and indepth analysis of complex issues represents the major reasons for the establishment and operation of a research agency. In addition, the senate leadership in 1981 and 1982 recognized the need for staff with expertise in certain critical areas such as transportation, fisheries, health and people issues, oil and gas issues, and hydropower and related issues. These experts were to have experience in their area of responsibility, to follow and monitor developments in those areas and provide on call assistance to individual senators or committees.

I believe that this latter service has proven to be of significant help to the Senate, and the House occasionally, addressing such issues as the railroad transfer, fishing industry, hydropower and other APA related issues, and women and children issues. Regardless of whether the decision is to centralize or not, the concept of having experts is a sound one and should be continued.

One final thought. Having worked for the Senate Advisory Council for over three years, I believe that the concept of unbiased, apolitical and objective staff is probably not attainable. While it is conceivable to gather such an impartial staff of researchers and experts, it is highly improbable that they would be perceived as such by all of the legislators. Since the perception is the reality that counts, I would recommend that all actions affecting that perception in a negative sense be minimized while those that enhance it be maximized. The alternative is to accept the fact that the staff reflects the desires and goals of the leadership.

Attachment:
KSD;crb

Alaska State Legislature

Advisory Council Members
Senator Bennett, Chairman
Senator Kerttula
Senator Abood
Senator Sackett



Pouch V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

TO: Kurt Dzinich
Acting Director, SAC

FROM: Rob Nauheim *Rob Nauheim*

DATE: April 25, 1985

RE: Report on research agencies, national trends.

One of the most important determinants of the ultimate role a research body will play, or the organizational framework under which it will operate, is the organization and staffing pattern of the state legislature in general. Some state legislatures are highly centralized and depend on staff services which emanate from a central organization. The National Council of State Legislatures (NCSL) has characterized the most centralized of state legislatures as "legislative council" legislatures. In the legislative council legislature all staff services are organized under one nonpartisan agency which is overseen by a joint house and senate council. There is no partisan staff. In contrast to the legislative council model, some legislatures are highly decentralized and tend to structure staff services around house and senate leadership. The NCSL has characterized this kind of legislature as a "partisan leadership" legislature. While few state legislatures fit neatly into these two divergent models, most can be described as composites of the two approaches varying in their resemblance to one or the other. The degree of fragmentation of legislative services in a particular state seems to be related not only to party competition and the political and historical traditions of a state, but also to the ever increasing complexity of the issues as embodied in the legislative process.

In the more centralized state legislatures, many research responsibilities are carried out by a nonpartisan office of the central legislative agency and overseen by a joint house and senate legislative council. On the other hand, state legislatures which have divided staff services into separate house and senate offices frequently delegate many of their research responsibilities to a senate or house research body. In addition to the services provided by separate research offices of the house and senate, research services are carried out by caucus and majority or minority offices.

In general, legislative research is accomplished primarily through five organizational approaches:

1. Central Non-Partisan Research Agencies

Central agencies are usually organized and overseen by a joint house-senate legislative council or some other bipartisan governing council. The director of a central research agency is selected either by the legislative council (or other governing council) if the agency is an independent agency, or by the director of the larger central agency into which the research agency is integrated.

The responsibilities of central research agencies vary greatly. In the smaller, independent research agencies, services may be limited to performing research for standing committees, and to some extent, individual legislators. On the other hand, some central research agencies handle bill drafting, fiscal analysis, data processing and committee staffing in addition to providing research services to individual legislators.

examples: Colorado, Maine, North Carolina,

2. Separate Non-Partisan House and Senate Research Agencies

Separate non-partisan research agencies are overseen by a governing council made up of the majority and minority leadership of the legislative chamber it serves. Separate non-partisan agencies may also operate under the purview of a select or standing committee. Directors are chosen by the oversight body.

The scope of the responsibilities of separate research agencies does not include the services which are offered by some central agencies. Services tend to be more focused on individual research requests and long term policy studies. Separate research agencies staff committees in some states. Bill drafting, fiscal analysis and legal counsel are usually retained by an agency whose services are shared by both legislative chambers.

examples: California, Washington, Missouri

3. Separate Partisan Research Agencies

The feature which distinguishes separate partisan research agencies from separate non-partisan research agencies is the design of the oversight body. Separate

partisan agencies are directed by the majority party of the legislative chamber it serves. Research directors are selected by the majority party leadership. While the policy of most separate partisan research agencies is to provide objective research to both minority and majority legislative members, the direction of the agency rests ultimately with party leadership. Research responsibilities for separate partisan agencies are comparable to those of non-partisan agencies. However, because of majority leadership direction, organizational stability and program priorities may vary.

examples: Arizona, Hawaii, Louisiana

4. Caucus or Majority/Minority Research Offices

Caucus and majority or minority research offices serve their respective members. The direction and policies of these agencies are determined by the party or caucus leadership.

Research responsibilities are similar to other non-central agencies. However, research efforts and resources are dedicated toward the projects and programs of the party or caucus. Some committee staffing is provided in some states where the caucus or majority research offices perform most of the legislative research services.

examples: New York, Pennsylvania, Michigan

5. Committees and Member Staff

Research services are also accomplished by committee staff and individual member staff in many states. In some states where staff services are extremely fractionalized, law-makers depend heavily on committee and individual member staff. The dependence on committee and individual staff reduces the role of centralized or separate house-senate research agencies.

examples: Illinois, Texas

Trends in Legislative Staffing

In a study performed by NCSL in 1979, several conclusions were drawn regarding trends in the organizational structure and staffing patterns of state legislatures. The most important of these conclusions which relate directly to the manner in which legislative research responsibilities are performed are as follows:

1. Legislative staffing patterns have become fragmented and decentralized in terms of their management structure and user/clientele.
2. Staff services have become more specialized both by function and more recently by subject matter.
3. The number of institutional staff - those who serve the legislature as a whole - is rapidly being outstripped by the number of personal staff. Individual staff relationships are being emphasized.

(NCSL 1979)

This perspective seems to be reinforced by observations of the Council of State Governments in a more recent narrative from The Book of the States.

"Since 1970, legislative councils have been gradually disbanded in favor of more decentralized and specialized staff arrangements, most recently in Louisiana and Oklahoma. Until the 1960s legislative staff tended to be centralized in agencies which worked for the entire legislature. More recently patterns show increasing decentralization and specialization, with the growth of staff who respond to individual legislators, or one house or committee of the legislature, rather than the institution as a whole. California, Florida, Pennsylvania and New York provide examples."

(Proud 1984)

Research Agencies

Oklahoma and Louisiana disbanded the legislative council and central research office in favor of separate house and senate offices in 1980 and 1981 respectively.

According to George Moser of the Oklahoma House Research, Legal and Fiscal Division, the break up of the legislative council was due to poor management of the central service agency and the perception by legislators that one house received preferential treatment. Questions regarding the confidentiality of information and competition between the house and senate were also involved.

In Louisiana, the break-up of the legislative council has been attributed mostly to a difference in perspective in the house and senate on how research services should be organized. The house wanted to reorganize the central research agency on a subject-matter basis and to reduce its independence. The senate did not agree. It also appears that prior to the break-up, the legislative council experienced a tumultuous period in which a compromise leadership could not be attained.

With the exception of Illinois, which recently consolidated its highly decentralized staffing arrangement (formerly over 100 independent, single-subject commissions), there is little evidence of any movement toward centralization. No legislature has disbanded separate house and senate research agencies in favor of a central research agency.

While the trend toward the fragmentation of legislative services is evident, most states retain some kind of central agency which performs research services to one degree or another. At least forty-two states use a central agency for research services. However, research services are not limited to central agencies. Indeed, some states report that the amount of research service provided by the central agency is small compared to that which is performed by the staff of individual legislators.

In many state legislatures where a central agency provides research services, separate research agencies and majority research offices also exist. For example, the New York State legislature has several joint house-senate agencies which provide research services for both legislative chambers (Temporary Study Commission, Legislative Commission on Expenditure Review, Legislative Bill Drafting Commission), and several offices in each legislative chamber (Office of the Counsel to the Speaker, Office of the Counsel to the Senate Majority, Senate Research Service).

Survey

In order to better assess any potential trends in the way research responsibilities are handled in other states, the S.A.C. staff surveyed the research agencies of several states. A questionnaire was mailed to twenty states (a copy of this survey is attached). We were particularly interested in noting trends in those legislatures which have a central research agency and additional separate research agencies or majority/minority research staffs. It was felt that by examining the responsibilities of the research offices and by noting any evolution in staff size, we might be able to draw conclusions regarding the distribution of research services and any shifts in research staffing patterns.

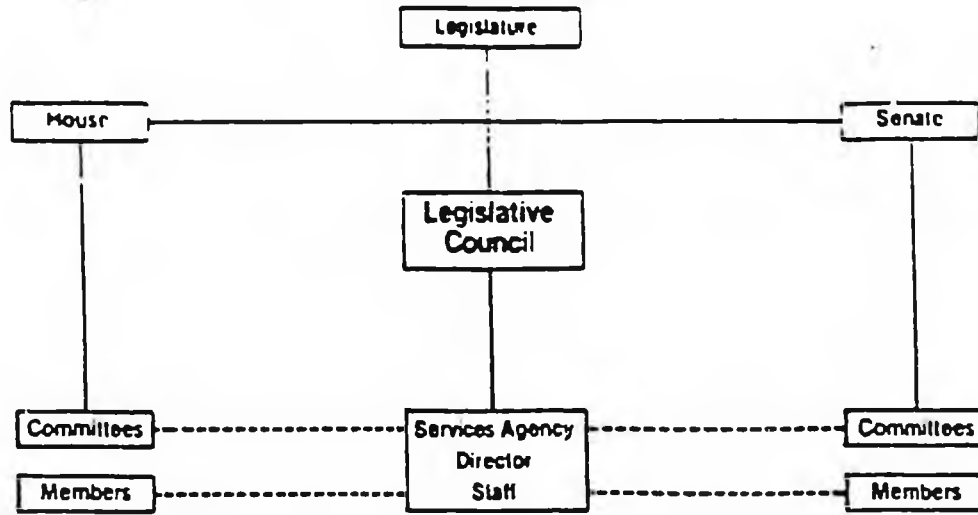
To date, slightly less than half of the survey questionnaires have been completed and returned. About three quarters of the states which were surveyed have responded. A more detailed analysis of the survey results may be possible at a later date. However, in the interest of providing a timely response, a few conclusions may be drawn at this time. Preliminary results from the survey seem to affirm the perspectives from NCSL and the Council of State Legislatures. However, the fractionalization of research services, per se, has not continued in the last few years at the rate experienced in the 1970s. With the exception of Oklahoma and Louisiana in 1980 and 1981, most of the dramatic structural and organizational changes occurred in the 1970s. Nevertheless, it is apparent that in some of the states which have retained central research agencies, the growth in partisan or

caucus research staff has outstripped the growth in central agency staff. This may indicate some degree of preference for services which are more closely associated with the particular legislative body or caucus.

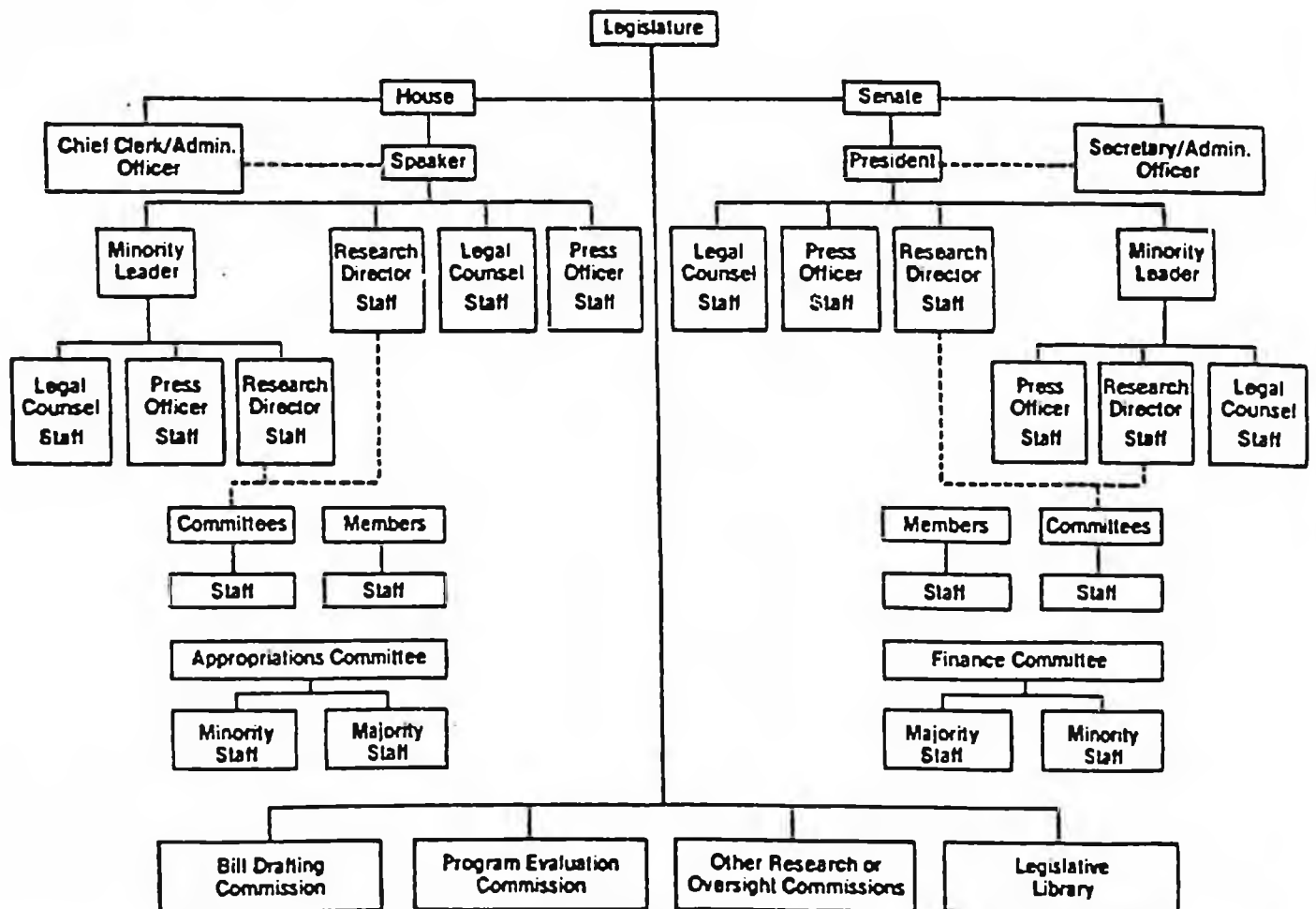
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LEGISLATIVE COUNCIL



PARTISAN LEADERSHIP



TYPES OF RESEARCH AGENCIES EMPLOYED BY STATE LEGISLATURES

<u>STATE</u>	<u>central</u>	<u>separate</u>	<u>majority</u>	<u>minority</u>	<u>caucus</u>
Alabama	X				
Alaska		X			
Arizona		X			
Arkansas	X				
California		X			
Colorado	X				X
Connecticut	X		X		X
Delaware	X				
Florida					X
Georgia	X	X			
Hawaii	X	X	X	X	
Idaho	X				
Illinois	X		X	X	X
Indiana	X		X	X	
Iowa	X		X	X	
Kansas	X				
Kentucky	X				
Louisiana		X			
Maine	X				
Maryland	X				X
Massachusetts	X	X			
Michigan	X		X	X	
Minnesota		X	X	X	
Mississippi	X				
Missouri	X	X			
Montana	X				
Nebraska*	X				
Nevada	X				
New Hampshire	X	X			
New Jersey	X		X	X	
New Mexico	X				
New York	X	X	X	X	
North Carolina	X				
North Dakota	X				
Ohio	X		X	X	
Oklahoma		X			
Oregon	X		X	X	
Pennsylvania	X		X	X	X
Rhode Island	X				
South Carolina	X	X			
South Dakota	X				
Tennessee	X				
Texas	X				
Utah	X				
Vermont	X				
Virginia	X				
Washington		X	X	X	
West Virginia	X				
Wisconsin	X		X		
Wyoming	X				
TOTALS	42	15	15	12	6

from NCSL (1979) with amendments.

* unicameral legislature

SUMMARY OF RESEARCH ORGANIZATION DISTRIBUTION

STATES WITH A CENTRAL RESEARCH AGENCY	42
STATES WITH RESEARCH BODY OTHER THAN CENTRAL AGENCY	26
STATES WITH SEPARATE HOUSE OR SENATE RESEARCH BODY	15
STATES WITH MAJORITY RESEARCH STAFF	15
STATES WITH MINORITY RESEARCH STAFF	12
STATES WITH CAUCUS STAFF	6

from NCSL (1979) with amendments

ION TO THE DEPARTMENT OF TRANSPORTATION
CONSTRUCTION PROJECTS IN THE TOTCHAKET
M EFFECTICE DATE.

ACTION
AD THE FIRST TIME - REFERRAL(S)
SP RPT JDP 2NR
FINANCE
RULES

AL PRODUCT INCENTIVE PROGRAM.

ACTION
AD THE FIRST TIME - REFERRAL(S)
S RPT CS JDP 1DNP 3NR NEW TITLE
FINANCE
RULES

E SALE OF AGRICULTURAL LAND.

ACTION
AD THE FIRST TIME - REFERRAL(S)
RESOURCES
FINANCE
RULES

RIGHTS TO LAND.

ACTION
AD THE FIRST TIME - REFERRAL(S)
RESOURCES
FINANCE
RULES

SB 43
CSSB 43 JUD

AN ACT ESTABLISHING A LEGISLATIVE RESEARCH DIVISION WITHIN THE
LEGISLATIVE AFFAIRS AGENCY; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: RODEY
CO-SPONSORS: STURGULEWSKI, FISCHER, V, KELLY, FAIKS, JOSEPHSON, KERTTULA

CURRENT STATUS: (H) FIN

DATE	PAGE	ACTION
01/14/85 (S)	19	READ THE FIRST TIME - REFERRAL(S)
02/08/85 (S)	248	JUD RPT CS JDP NEW TITLE
02/08/85 (S)	249	FISCAL NOTE V/JUD RPT SS#14
04/04/85 (S)	713	FIN RPT SDP JUD CS 1NR ZERO FISCAL NOTE
04/29/85 (S)	964	RLS RPT CALENDAR TODAY
04/29/85 (S)	968	READ THE SECOND TIME
04/29/85 (S)	968	JUD CS ADOPTED UNAN CONSENT
04/29/85 (S)	969	AM NO 1 FAILED Y8 N11 A1
04/29/85 (S)	969	ADVANCED TO THIRD READING UNAN CONSENT
04/29/85 (S)	969	READ THE THIRD TIME CSSB 43 JUD
04/29/85 (S)	969	PASSED Y16 N3 A1
04/29/85 (S)	969	EFFECTIVE DATE SAME AS PASSAGE
04/29/85 (S)	970	RAY NOTICE OF RECONSIDERATION
04/30/85 (S)	983	RECON TAKEN UP - IN THIRD READING
04/30/85 (S)	983	SENATE LETTER OF INTENT ADOPTED
04/30/85 (S)	983	PASSED ON RECONSIDERATION Y19 N1
04/30/85 (S)	984	EFFECTIVE DATE SAME AS PASSAGE
04/30/85 (S)	988	TRANSMITTED TO (H)
05/01/85 (H)	1197	READ THE FIRST TIME - REFERRAL(S) FINANCE RULES

SB 44
HCS CSSB 44 JUD

AN ACT RELATING TO THE UNIFORM COMMON INTEREST OWNERSHIP ACT;
AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: HALFORD
CO-SPONSORS: FAIKS, STURGULEWSKI, KERTTULA

CURRENT STATUS: CHAPTER 95 SLA 85

DATE	PAGE	ACTION
01/14/85 (S)	19	READ THE FIRST TIME - REFERRAL(S)
04/11/85 (S)	763	JUD RPT CS JDP
04/15/85 (S)	796	FIN RPT 4DP JUD CS
04/17/85 (S)	829	RLS RPT CALENDAR TODAY
04/17/85 (S)	830	READ THE SECOND TIME
04/17/85 (S)	830	JUD CS ADOPTED UNAN CONSENT
04/17/85 (S)	830	ADVANCED TO THIRD READING UNAN CONSENT
04/17/85 (S)	830	READ THE THIRD TIME CSSB 44 JUD
04/17/85 (S)	830	PASSED Y18 N1 X1
04/17/85 (S)	831	EFFECTIVE DATE SAME AS PASSAGE
04/17/85 (S)	833	TRANSMITTED TO (H)
04/18/85 (H)	978	READ THE FIRST TIME - REFERRAL(S)
05/12/85 (H)	1630	JUD RPT HCS(JUD) 6DP
05/12/85 (H)		RLS TO 2ND SUPPLEMENTAL CALENDAR 5/12/85
05/12/85 (H)	1646	READ THE SECOND TIME
05/12/85 (H)	1646	JUD HCS ADOPTED UNAN CONSENT
05/12/85 (H)	1646	ADVANCED TO THIRD READING UNAN CONSENT
05/12/85 (H)	1646	READ THE THIRD TIME HCS CSSB 44(JUD)
05/12/85 (H)	1646	PASSED Y35 N4 A1
05/12/85 (H)	1647	EFFECTIVE DATE SAME AS PASSAGE
05/12/85 (H)	1647	SUND NOTICE OF RECONSIDERATION
05/12/85 (H)	1652	RECON TAKEN UP SAME DAY UNAN CONSENT

1 IN THE HOUSE

BY ZAWACKI, BROWN, FRANK
AND GRUENBERG

2 2d SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 99

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a legislative research division
7 within the Legislative Affairs Agency; and providing
8 for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that the staffs of the
11 House Research Agency, the Senate Advisory Council, and the Rural Research
12 Agency should be combined into a single legislative research agency and
13 that fiscal economies will be achieved by elimination of overlapping
14 functions and staffs of the present research agencies.

15 * Sec. 2. AS 24.20 is amended by adding a new section to read:

16 Sec. 24.20.055. LEGISLATIVE RESEARCH DIVISION. There is estab-
17 lished within the Legislative Affairs Agency a permanent research
18 staff, to be known as the legislative research division. The estab-
19 lishment of the division recognizes the need for nonpartisan, objec-
20 tive research to support the legislature in its decision making. The
21 division shall be headed by a research director appointed by the
22 presiding officers of both houses of the legislature.

23 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

HB

100

HOUSE COMMITTEE REPORT

(11)

Date referred: 3/9/87

FURTHER REFERRALS:

DATE: 3-25-87

The Finance Committee has considered HB 100

"An Act relating to the annual report of the Alaska Railroad Corporation."

RECOMMENDS:

- replace with CS HB 100 (Finance) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Al Lidas

F. Kaywala

Tay Brown

Ch. Swack

Mike D.

SIGNING OTHER RECOMMENDATIONS:

Peter J. ... no rec

Pat ... no rec

Walter ... no rec

Greg ... no Rec

Steve ... No Recommendation

John ... no Rec.

Albert R. Lidas

Original sponsor: Cato

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 100 (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 annual report of the Alaska
7 Railroad Corporation."

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

9 * Section 1. AS 42.40.260(a) is amended to read:

10 (a) Within 90 days following the end of the fiscal year of the
11 Alaska Railroad the board shall distribute to the governor and to the
12 legislature a report describing the operations and financial condition
13 of the corporation during the preceding fiscal year. The report may
14 include suggestions for legislation relating to the structure, powers,
15 or duties of the corporation or to the operation or facilities of the
16 corporation. Subject to AS 42.40.220, the report shall itemize the
17 cost of providing each category of service offered by the railroad and
18 the income generated by each category. The report shall also include

19 (1) the goals and objectives of the board for the preceding
20 fiscal year and modifications of the goals and objectives for the
21 current fiscal year;

22 (2) proposed plans to implement goals and objectives, in-
23 cluding estimates of future service needs, proposed modifications of
24 existing services and establishment of new services, plans for the
25 lease or other disposal of land, interests in land, or natural
26 resources on land held by the corporation during the next year, and
27 estimates of financial and personnel resources necessary to carry out
28 the proposed plans;

29 (3) a budget to carry out proposed plans in the current

1 fiscal year including an explanation of services to be provided, the
2 need for the services, the cost of the services, the total number of
3 persons employed or under contract by the corporation for personnel
4 services including those for capital improvements, and other related
5 information requested by the governor or legislature; and

6 (4) a report of the receipts and the expenditures during the
7 preceding fiscal year, an estimate of the receipts during the current
8 fiscal year, and an estimate of the receipts for the succeeding fiscal
9 year.

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

REQUEST: _____

Bill Version: CSHB 100 (Fin)

Publish Date: _____

Revision Date: 3/25/87

Title: Alaska Railroad Annual Report

Agency Affected: Commerce & Econ. Dev.

BRU: _____

Sponsor: Rep. Gato

Requestor: House Finance Committee

Components: _____

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	0	0	0	0	0	0
----------------	---	---	---	---	---	---

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)

Prepared by: Al Adams, Chair Phone: 465-3706

Division: House Finance Committee Date: 3/25/87

Approved by Commissioner: _____ Date: _____

Agency: _____

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION

FISCAL NOTE

Bill Version: HB 100

Publish Date: HOUSE 3/9/87

REQUEST

Bill/Resolution No.: HB 100
 Title: Alaska Railroad Annual Report

Sponsor: Representative Cato
 Requestor: House Transportation
 Date of Request: March 6, 1987

FISCAL DETAIL

Agency Affected: Commerce & Economic Dev.
 BRU: _____

Components: _____

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	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

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

According to the Alaska Railroad Corporation, the information requested in HB 100 can be provided by the Alaska Railroad Corporation without a great deal of additional expense.

Prepared by: Representative Bette Cato
 Division: House Transportation, Chairman

Phone: 465-4858
 Date: March 6, 1987

Approved by Commissioner: *Bette Cato*
 Agency: The Alaska State Legislature

Date: _____

Distribution (by Agency preparing fiscal note):

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

HOUSE TRANSPORTATION COMMITTEE

March 6, 1987

1:30 p.m.

MEMBERS PRESENT

Rep. Bette Cato, Chairman
Rep. Henry Springer, Vice Chair
Rep. H. A. "Red" Boucher, arriving late
Rep. Bill Hudson
Rep. Drue Pearce

MEMBERS ABSENT

Rep. Ben Grussendorf
Rep. Mike Miller

COMMITTEE CALENDAR

HB 100 "An Act relating to the annual report of the Alaska
Railroad Corporation."

WITNESS REGISTER

Rep. Bette Cato
The Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811
Phone: 465-4858
Position: Unopposed

Mr. Donald Hennessey, Chairman
The Alaska Railroad Initiative Committee
8244 Seaview Street
Anchorage, Alaska 99502
Phone: 243-4473
Position: Unopposed

Ms. Becky Bear, Legislative Liaison
Dept. of Commerce & Economic Development
P. O. Box D
Juneau, Alaska 99811
Phone: 465-2504
Position: Unopposed

PREVIOUS ACTION

HB 100	DATE	PAGE	ACTION
	02/02/87 (H)	134	Read the first time - referrals Transportation and Finance

Committee Action: HB 100 first heard before Transportation
Committee on 3/6/87.

ACTION NARRATIVE

TAPE EIGHTEEN SIDE ONE
Number 000

The House Transportation Committee meeting was called to order by Chairman Cato at 1:47 p.m. Members present were Representatives Cato, Springer, Hudson, and Pearce.

#HB 100
HTRA CMTE, 3/6/87
Chairman Cato introduced HB 100 for discussion and then turned the gavel over to Vice Chair Springer so she (Rep. Cato) could testify.

Rep. Boucher arrived.

Number 034

Rep. Cato said that after several years of listening to the Alaska Railroad Corporation (ARRC)'s annual presentation, and after reviewing the ARRC's annual report, she felt that a more complete, in-depth report should be made available to the legislature and the governor in order to insure that the operation of ARRC is properly evaluated. She said the availability of a more complete report was the purpose of HB 100. Rep. Cato said she supported ARRC's autonomy and she said that HB 100 did not request any of the privileged information ordinarily withheld from public inspection by ARRC.

Number 118

Rep. Boucher said he wanted to be sure that the ARRC was complying with all requirements set down in law.

Number 144

Rep. Hudson said he supported HB 100 and wondered if inserting the word abbreviated would clarify to the ARRC that the information requested by HB 100 was requested in an abbreviated form.

Rep. Cato replied that the entire purpose of HB 100 was to ensure that certain information was available in one place. She felt that this request was by definition an abbreviated form and felt the insertion of the word abbreviated was unnecessary.

Number 162

Vice Chair Springer said he supported HB 100. He pointed out that ARRC had requested that two amendments be made to the bill. The first request was that the time limit required for information requested by HB 100 be changed from 90 days to 120 days. He said that the second amendment was that the information requested by HB 100 be included in a supplement to the ARRC annual report rather than as a part of the annual report.

Rep. Cato replied that she would not accept the 120 day amendment. She said she felt 90 days was sufficient time in which to compile the report. Regarding the supplement, Rep. Cato said that if the railroad wanted to give a separate report to the public it was entitled to do so, but that the information requested by HB 100 should be in one report.

Vice Chair Springer said that whenever bureaucrats refer to material of a confidential nature, he wonders if they may be trying to camouflage something, but at the same time he noted that it may not be in the best interest of a company in business to make money, to disclose everything.

Rep. Cato replied that in the case of ARRC this conflict was resolved by state statute which exempted ARRC from certain laws.

Number 203

Vice Chair Springer returned the gavel to Rep. Cato.

Number 210

Chairman Cato invited Ms. Becky Bear, legislative liaison for the Department of Commerce and Economic Development (DCED), to testify.

Ms. Bear said that she was testifying on behalf of ARRC because ARRC was an instrumentality of the state within DCED. She said that ARRC did not have substantial difficulty with HB 100 because the information requested by HB 100 is generally available in several of the reports currently produced by ARRC. She said that ARRC had requested two amendments. The first would change from 90 to 120 the number of days ARRC had to distribute to the legislature and governor the report requested in HB 100.

She said that the other amendment offered by ARRC was that the information requested by HB 100 be provided in a supplement to the annual report rather than as part of the annual report so that the annual report could continue to be used as a marketing tool. Stepping down from her position as legislative liaison, she said she felt that the inclusion of additional information in the annual report was a printing problem in that it was simply a matter of including a few extra pages in some of the reports. She said that ARRC had sent no fiscal note, but that it had indicated that the material requested in HB 100 could be provided without a great deal of additional expense. She offered to take comments back to ARRC.

Number 247

Chairman Cato invited Mr. Donald Hennessey, chairman of the Alaska Railroad Initiative Committee (ARIC), to testify.

Mr. Hennessey said that ARIC, a group representing owner-operators, road houses on the Parks Highway, repair shops, mechanics, allied workers and 4500 Alaskans that had signed an ARIC initiative, heartily endorsed HB 100 because the legislature, acting as an oversight committee, could not oversee an operation without having full insight into the operation. He said that because ARRC had consistently overestimated income and expenditures by 15 to 20 per cent, the requirement of a detailed explanation of the difference between estimated and actual income and expenditures was in order.

Number 299

Chairman Cato said she would entertain a motion to pass HB 100 out of committee. Rep. Boucher made a motion to pass HB 100 out of committee with individual recommendations. Chairman Cato asked if there were any objections to the motion. She said she heard none and the motion passed.

Since there was no further business to come before the House Transportation Committee, Chairman Cato adjourned the meeting at 2:08 p.m.

SECTIONAL ANALYSIS HB 100

Chapter 40 Sec 42.40.260 - annual report of the Alaska Railroad.

Section 1 (a) Line 10 thru 17 are the same as are currently in the statute

Commencing at Line 18 "The report shall also" thru to Line 7 on Page 2 of the bill - this underlined section has all been added to the current statutes.

Line 19 - (1) requires the annual report to include the goals and objective of the board for the fpreceding fiscal year and any modifications.

Line 22 (2) requires proposed plans to implement goals and objectives be included in the report.

Line 27 (3) requires the report include a budget to carry out proposed plans, and explanation of services, service costs and total number of persons employed be included in the annual report.

Line 4
Page 2 (4) requires the report include receipts and expenditures for the preceeding fy, and, and estimate of the receipts during the current fiscal year, and an estimate of receipts for the succeeding fiscal year.

(29) enter into agreements with a state agency or other instrumentality of the state; and

(30) do all things necessary or desirable to carry out the powers and duties of the corporation granted or necessarily implied in this chapter or other laws of the state or the laws or regulations of the federal government. (§ 2 ch 153 SLA 1984)

Sec. 42.40.260. Annual report. (a) Within 90 days following the end of the fiscal year of the Alaska Railroad the board shall distribute to the governor and to the legislature a report describing the operations and financial condition of the corporation during the preceding fiscal year. The report may include suggestions for legislation relating to the structure, powers or duties of the corporation or to the operation or facilities of the corporation. Subject to AS 42.40.220, the report shall itemize the cost of providing each category of service offered by the railroad and the income generated by each category.

(b) Every five years the annual report shall include an analysis of potential sale arrangements whereby the corporation may be transferred into private ownership. The analysis shall include documentation of at least three offers to sell the corporation initiated by the corporation during the last five years. (§ 2 ch 153 SLA 1984)

*Jack Neysse, AG
most specific*

Sec. 42.40.270. Audits. (a) The board shall have the financial records of the corporation audited annually by an independent certified public accountant experienced in railroad accounting. The board shall have an annual performance audit conducted by a recognized railroad management expert to assure that the railroad is being managed and operated effectively and efficiently in accordance with the requirements of this chapter and that each appropriation is used to directly support those services for which the appropriation was requested. Auditors shall use the standards required under AS 42.40.100(9) and determine whether appropriations received for a service that is not self-sustaining were calculated in accordance with United States Interstate Commerce Commission standards for determining rail service subsidies.

(b) The corporation shall make all of its financial records available to an auditor appointed by the governor and to the legislative audit division for examination. Disclosure to the public by the auditor or legislative audit division of this information is subject to AS 42.40.220 and rules implementing that section. (§ 2 ch 153 SLA 1984)

Chapter 40. Alaska Railroad Corporation.

Article

1. Establishment and Organization (§§ 42.40.010 - 42.40.060)
2. Management (§§ 42.40.100 - 42.40.120)
3. Administrative Provisions (§§ 42.40.150 - 42.40.230)
4. Powers and Duties (§§ 42.40.250 - 42.40.310)
5. Corporation Property (§§ 42.40.350 - 42.40.450)
6. Financial Provisions (§§ 42.40.500 - 42.40.540)
7. Bonds (§§ 42.40.600 - 42.40.700)
8. Personnel and Labor Relations (§§ 42.40.705 - 42.40.890)
9. General Provisions (§§ 42.40.900 - 42.40.990)

Cross references. — For legislative findings and purpose in enacting this chapter, see § 1, ch. 153, SLA 1984 in the Temporary and Special Acts; for special reports required, see § 3, ch. 153, SLA 1984 in the Temporary and Special Acts.

Legislative history reports. — For legislative letter of intent relating to ch. 153, SLA 1984 (SCS CSHB 512 (Fin) am S), see 1984 Senate Journal, p. 3221

Article 1. Establishment and Organization.

Section

10. Establishment of the corporation
20. Board of directors
30. Term of office

Section

40. Vacancies
50. Compensation and expenses
60. Board officers

Sec. 42.40.010. Establishment of the corporation. There is established the Alaska Railroad Corporation. The corporation is a public corporation and is an instrumentality of the state within the Department of Commerce and Economic Development. The corporation has a legal existence independent of and separate from the state. The continued operation of the Alaska Railroad by the corporation as provided in this chapter is considered an essential government function of the state. (§ 2 ch 153 SLA 1984)

For purposes of lib (K or tort) the RR is separate indiv. can sue RR - cannot go after other state assets. restricts liability

state now the RR - with to issue bonds.

Sec. 42.40.020. Board of directors. (a) The powers of the corporation are vested in the board of directors. The board consists of the commissioner of commerce and economic development, the commissioner of transportation and public facilities, and five members appointed by the governor. The five appointed members must be registered voters in the state except as provided in (1) and (2) of this subsection. Except for the commissioners and the member appointed under (5) of this section, a member may not be a state officer or employee. Appointed members shall have the following qualifications:

- (1) one member of the board shall be a person who has at least 10 years of experience in railroad management; a person who is not a resident of the state may be appointed under this paragraph:

Article 4. Powers and Duties.

Section

- 250. General powers
- 260. Annual report
- 270. Audits
- 280. State oversight reports
- 285. Legislative approval required

Section

- 290. Long-range capital improvement and program plan
- 300. Use of corporation assets
- 310. Indemnification

Sec. 42.40.250. General powers. In addition to the exercise of other powers authorized by law, the corporation may

- (1) adopt a seal;
- (2) adopt bylaws governing the business of the corporation;
- (3) sue and be sued;
- (4) appoint trustees and agents of the corporation and prescribe their powers and duties;
- (5) hire legal counsel to represent the corporation;
- (6) make contracts and execute instruments necessary or convenient in the exercise of its powers and duties;
- (7) acquire by purchase, lease, bequest, devise, gift, exchange, the satisfaction of debts, the foreclosure of mortgages, or otherwise, personal property, rights, rights-of-way, franchises, easements, and other interests in land, and acquire by appropriation water rights that are located in the state, taking title to the property in the name of the corporation;
- (8) hold, maintain, use, operate, improve, lease, exchange, donate, convey, alienate, encumber, or otherwise grant a security interest in, or authorize use or dispose of, land or personal property, subject to other provisions of this chapter;
- (9) contract with and accept transfers, gifts, grants or loans of funds or property from the United States and the state or its political subdivisions, subject to other provisions of federal or state law or municipal ordinances;
- (10) undertake and provide for the management, operation, maintenance, use, and control of all of the property of the corporation, including all land and personal property of the Alaska Railroad transferred under 45 U.S.C. 1203(a) and described in the report dated July 14, 1983, as amended, submitted to Congress and the legislature under 45 U.S.C. 1204(a);
- (11) recommend to the legislature and the governor any tax, financing, or financial arrangement the corporation considers appropriate for expansion or extension and operation of the Alaska Railroad;
- (12) maintain offices and facilities at places it designates;
- (13) apply to the state, the United States, and foreign countries or other proper agencies for the permits, licenses, rights-of-way, or approvals necessary to construct, maintain, and operate transportation and related services, and obtain, hold, and reuse the licenses and permits in the same manner as other railroad operators;

(14) prescribe rates to be charged for services provided by the Alaska Railroad consistent with 45 U.S.C. 1201 — 1214 (Alaska Railroad Transfer Act of 1982);

(15) determine the routes, schedules, and types of service to be provided by the Alaska Railroad;

(16) enter into contracts, leases, and other agreements with connecting carriers, shippers, and other persons concerning the services, activities, operations, property, and facilities of the corporation, including agreements that contain provisions to preserve and expand the railroad's traffic base;

(17) plan for and undertake expansion of the railroad and railroad activities, including extension of the rail system, and contract with other modes of transportation service connecting to the rail system;

(18) hire and discharge railroad personnel and determine benefits and other terms and conditions of employment;

(19) assume all rights, liabilities, and obligations of the Alaska Railroad in accordance with 45 U.S.C. 1201 — 1214 (Alaska Railroad Transfer Act of 1982);

(20) maintain a security force to enforce municipal ordinances, state laws, and the corporation's rules with respect to violations that occur on or to property owned, managed or transported by the corporation;

(21) issue its bonds upon approval of the legislature and provide for and secure their payment, provide for the rights of their holders and hold or dispose of them;

(22) purchase the corporation's bonds at a price not more than the principal amount of them plus interest;

(23) cancel bonds of the corporation purchased by the corporation;

(24) secure the payment of its bonds by pledge, mortgage, or other lien on its contracts, revenues, income, or property;

(25) consent to the modification of the rate of interest, time of payment of an installment of principal or interest, or other term of a loan, contract, or agreement to which the corporation is a party;

(26) borrow money, including the amounts necessary to establish reasonable reserves, and pay financing charges and interest on bonds for a reasonable period after which the corporation estimates other money will be available to pay the interest, consultant, advisory, and legal fees, and other expenses necessary or incident to borrowing;

(27) acquire, hold, and dispose of stocks, memberships, contracts, bonds, general or limited partnership interests or other interests in another corporation, association, partnership, joint venture, or other legal entity, and exercise the powers or rights in connection with these interests that are provided in contracts or agreements and that are allowed by law concerning the satisfaction of debts;

(28) undertake and provide for the acquisition, construction, maintenance, equipping, and operation of connecting, switching, terminal, or other railroads and railroad facilities;

(29) enter into contracts, leases, and other agreements with connecting carriers, shippers, and other persons concerning the services, activities, operations, property, and facilities of the corporation, including agreements that contain provisions to preserve and expand the railroad's traffic base;

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(29) enter into agreements with a state agency or other instrumentality of the state; and

(30) do all things necessary or desirable to carry out the powers and duties of the corporation granted or necessarily implied in this chapter or other laws of the state or the laws or regulations of the federal government. (§ 2 ch 153 SLA 1984)

Sec. 42.40.260. Annual report. (a) Within 90 days following the end of the fiscal year of the Alaska Railroad the board shall distribute to the governor and to the legislature a report describing the operations and financial condition of the corporation during the preceding fiscal year. The report may include suggestions for legislation relating to the structure, powers or duties of the corporation or to the operation or facilities of the corporation. Subject to AS 42.40.220, the report shall itemize the cost of providing each category of service offered by the railroad and the income generated by each category.

(b) Every five years the annual report shall include an analysis of potential sale arrangements whereby the corporation may be transferred into private ownership. The analysis shall include documentation of at least three offers to sell the corporation initiated by the corporation during the last five years. (§ 2 ch 153 SLA 1984)

*Jack Meyer, AG
most
specific*

Sec. 42.40.270. Audits. (a) The board shall have the financial records of the corporation audited annually by an independent certified public accountant experienced in railroad accounting. The board shall have an annual performance audit conducted by a recognized railroad management expert to assure that the railroad is being managed and operated effectively and efficiently in accordance with the requirements of this chapter and that each appropriation is used to directly support those services for which the appropriation was requested. Auditors shall use the standards required under AS 42.40.100(9) and determine whether appropriations received for a service that is not self-sustaining were calculated in accordance with United States Interstate Commerce Commission standards for determining rail service subsidies.

(b) The corporation shall make all of its financial records available to an auditor appointed by the governor and to the legislative audit division for examination. Disclosure to the public by the auditor or legislative audit division of this information is subject to AS 42.40.220 and rules implementing that section. (§ 2 ch 153 SLA 1984)

Sec. 42.40.280. State oversight reports. (a) The board shall provide a state oversight report to the governor and the legislature before undertaking

(1) expansion, reduction, or diversification of services provided by the railroad upon the date of transfer or as provided under this chapter that the board determines would represent a significant and permanent change in the level and nature of services provided; or

(2) an application for an appropriation to be used for providing any service that is not self-sustaining.

(b) The report under (a) of this section shall be in writing, describe the proposed undertaking in detail, and specify

(1) its financial impact on the corporation;

(2) its impact on the level and nature of services provided by the corporation;

(3) the reasons the action is necessary or desirable to achieve the purposes of this chapter;

(4) whether and when the undertaking or service is expected to be self-sustaining financially; and

(5) if the undertaking requires an appropriation to be used for providing a service that is not self-sustaining, that the amount of the appropriation has been strictly calculated in accordance with United States Interstate Commerce Commission standards for determining rail service subsidies. (§ 2 ch 153 SLA 1984)

Sec. 42.40.285. Legislative approval required. Unless the legislature approves the action by law, the corporation may not

(1) exchange, donate, sell, or otherwise convey its entire interest in land;

(2) issue bonds;

(3) extend railroad lines; this paragraph does not apply to a spur, industrial, team, switching or side track;

(4) lease land for a period in excess of 35 years unless the corporation reserves the right to terminate the lease if the land is needed for railroad purposes. (§ 2 ch 153 SLA 1984)

Sec. 42.40.290. Long-range capital improvement and program plan. (a) The corporation shall prepare and the board shall adopt a long-range capital improvement and program plan. The plan shall explain the manner in which the corporation intends to accomplish the purposes of this chapter and the corporation's anticipated capital improvements during each of the five years after the plan is adopted.

(b) The board shall annually review and approve revisions to the long-range capital improvement and program plan. The board shall provide copies of the updated plan to the governor and the legislature by December 1 of each year. (§ 2 ch 153 SLA 1984)

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Sec. 42.40.905. Notice of legal actions. (a) The corporation shall notify the Department of Law within 30 days before initiating legal action unless special circumstances exist that require immediate legal action to protect the corporation assets or to continue existing service.

(b) If notice of legal action is not given under (a) of this section, within seven days of taking action the board shall notify the Department of Law of the action taken and of the special circumstances that exempted the action from the requirements of (a) of this section. (§ 2 ch 153 SLA 1984)

Sec. 42.40.910. Exemption from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. Subject to (b) of this section, the real and personal property of the corporation and its assets, income, and receipts are exempt from all taxes and special assessments of the state or a political subdivision of the state.

(b) Bonds and notes issued under this chapter are issued by a body corporate and public of the state and for an essential public and governmental purpose. Therefore, the bonds and notes, the interest and income from them, and all fees, charges, funds, revenue, income and other money pledged or available to pay or secure the payment of the bonds and notes or interest on them, are exempt from taxation, except for inheritance, transfer, and estate taxes.

(c) This section does not affect or limit an exemption from license fees, property taxes, or excise, income or other taxes, provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the corporation. (§ 2 ch 153 SLA 1984)

Sec. 42.40.920. Application of existing laws. (a) The corporation is not subject to the jurisdiction of the Alaska Transportation Commission.

(b) [Effective July 1, 1987] Unless specifically provided otherwise in this chapter, the following laws do not apply to the operations of the corporation:

- (1) AS 19; - Highways & Ferries
- (2) AS 30.15; - Navigation, Harbors + Shipping - State grants for port facilities constn
- (3) AS 35; - Public Buildings, Works & Improvements
- (4) AS 36.30; except as specifically provided in that chapter; - Public Contract
- (5) AS 37.05; - Public Finance : financial reports - uniform accounting
- (6) AS 37.07; - Exec. Budget Act
- (7) AS 37.10.010 - 37.10.060; Public Funds
- (8) AS 37.10.085; - Fin. Aid to Corporations of State or political subdiv.
- (9) AS 37.20; - Acceptance of federal funds.

- (10) AS 37.25; - *Misc provisions re Appropriations*
- (11) AS 38; - *Public Lands*
- (12) AS 44.62.010 - 44.62.320. (§ 2 ch 153 SLA 1984; am § 41 ch 106 SLA 1986) - *Admin Procedures Act. - applies primarily to*

disciplinary regulations

Effect of amendments. - The 1986 amendment, effective July 1, 1987, inserted paragraph (4) of subsection (b) and redesignated the following paragraphs accordingly.

Editor's notes. - Prior to July 1, 1987, subsection (b) read as follows: "(b) Unless specifically provided otherwise in this chapter, the following laws do not apply to the operations of the corporation:

"(1) AS 19;

- "(2) AS 30.15;
- "(3) AS 35;
- "(4) AS 37.05;
- "(5) AS 37.07;
- "(6) AS 37.10.010 - 37.10.060;
- "(7) AS 37.10.085;
- "(8) AS 37.20;
- "(9) AS 37.25;
- "(10) AS 38;
- "(11) AS 44.62.040 - 44.62.320"

Sec. 42.40.930. Conflicting laws inapplicable. If provisions of AS 42.40 conflict with the provisions of other state law, the provisions of AS 42.40 prevail. Provisions of AS 42.40 shall be construed so that they do not conflict with 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of 1982). (§ 2 ch 153 SLA 1984)

Sec. 42.40.935. Railroad facilities code compliance. (a) Not later than two years after the date of transfer the corporation in consultation with the Department of Labor shall develop and adopt a plan to achieve compliance with AS 18.60. The plan shall be implemented and compliance achieved within five years after it is adopted.

(b) No later than two years after the date of transfer, the corporation in consultation with the Department of Public Safety and appropriate municipal officials, shall develop and adopt a plan to achieve compliance with building and related safety codes applicable to facilities of the corporation. The plan shall be implemented and compliance achieved within five years after it is adopted. In the sole determination of the commissioner of public safety, any existing building owned or controlled by the corporation that does not present a serious safety hazard and for which compliance would be uneconomical in consideration of its remaining useful life shall be exempted from compliance with state or municipal safety codes. (§ 2 ch 153 SLA 1984)

Sec. 42.40.940. Sale or lease of the railroad (a) The governor may provide for the sale or lease of the Alaska Railroad and dissolve the corporation if

(1) it can be assured that the railroad will continue to operate after the sale or lease; and

(2) under the terms of the sale or lease, the state will receive the amount of money it has spent in connection with the Alaska Railroad

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(b) A sale under this section is subject to approval by law. (§ 2 ch 153 SLA 1984)

Sec. 42.40.950. Reversion of assets. Except as provided in AS 42.40.940, if the corporation ceases to exist its assets revert to the state. (§ 2 ch 153 SLA 1984)

Sec. 42.40.980. Definitions. In this chapter unless the context otherwise requires,

(1) "board" means the board of directors of the Alaska Railroad Corporation;

(2) "bonds" means bonds, bond anticipation notes, notes, refunding bonds, or other obligations;

(3) "collective bargaining" means the performance of the mutual obligation of the corporation or its designated representatives and the representatives of the employees to meet at reasonable times, including meetings in advance of the budget making process, and negotiating in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or negotiation of a question arising under an agreement and the execution of a written contract incorporating an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(4) "corporation" means the Alaska Railroad Corporation;

(5) "date of transfer" means the date on which the United States Secretary of Transportation delivers the transfer documents under 45 U.S.C. 1201 — 1214 (Alaska Railroad Transfer Act of 1982);

(6) "employees" means all persons employed by the corporation including executive officers;

(7) "executive officer" means the corporation's chief executive officer, assistant chief executive officer, assistant to the chief executive officer, chief of administration, superintendent of transportation, manager of marketing and sales, chief engineer, chief mechanical officer, manager of industrial development and real estate, manager of budget and accounting, manager of planning, manager of personnel, manager of supply and procurement, chief of security, manager of operating rules, manager of data processing, manager of strategy, manager of operations planning, manager of supply, manager of procurement, manager of safety, manager of administrative procedure, chief counsel, or if so designated by the board, any employee who fulfills these management functions under a different title or who exercises a similar or comparable level of responsibility or supervision;

(8) "land" means any interest in real property, including tide and submerged land, and any right appurtenant to the interest.

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JAN 6 1987

STATE OF ALASKA
THE LEGISLATURE

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JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 11, 1986

SUBJECT: Alaska Railroad Corporation Act
(Work Order No. 15-0271)

TO: Representative Bette Cato

FROM: George Utermohle *GU*
Legislative Counsel

You have asked a number of questions regarding the Alaska Railroad Corporation (ARR). This memorandum is in answer to those questions.

ONE: WHAT ARE THE LEGAL AND ECONOMIC EFFECTS OF THE EXEMPTIONS CONTAINED IN AS 42.40.920?

AS 42.40.920 specifically exempts ARR from compliance with eleven parts of the statutes.

(1) AS 19

AS 19 addresses highways and ferries. Generally AS 19 is irrelevant to ARR, however there are some sections that could affect railroad operations. In AS 19.05 - 19.40 "utility" is defined to include railroads, so that those provisions of AS 19 addressing the interactions between the Department of Transportation and Public Facilities (DOTPF) and utilities also apply to railroads. In particular AS 19.25.010 - 19.25.020 provides that utilities may be located in highway right-of-ways with the approval of DOTPF and that utilities can be removed from highway right-of-ways if necessary to construct or repair highways.

The economic effect of this provision is to free ARR from the obligation to consult with DOTPF before locating its tracks within a highway right-of-way or to remove tracks from a highway right-of-way. The exemption puts ARR in a better position to negotiate with DOTPF for relocation of tracks from highway right-of-ways, so that DOTPF may have to

bear a larger portion of the cost of relocation. If ARR did not have this exemption, it would be in the same position as other utilities such as power companies, gas companies, and other railroads.

(2) AS 30.15

AS 30.15 provides for state participation in port development projects by authorizing grants to municipalities. The selection and support of port development projects is subject to some control by DOTPF. ARR is exempted from this process for port development.

This exemption enhances the autonomy of ARR more than it promotes economic efficiency of the railroad. Without the exemption ARR may have its port development projects complicated by cooperation with municipalities and DOTPF, but the economic cost of the cooperation should not be significant.

(3) AS 35

AS 35 relates to the construction of public facilities. ARR is exempt from several significant provisions of this title.

AS 35.05.010 designates DOTPF as the agency responsible for construction of public works in the state.

AS 35.10.015 delegates responsibility for enforcement of regulations for handicapped access to public buildings to DOTPF.

AS 35.10.025 requires that state facilities comply with local building codes.

AS 35.10.090 - 35.10.120 makes DOTPF responsible for establishing priorities for port development and for applying for federal funds for harbor facilities.

AS 35.10.160 makes DOTPF responsible for the planning, design, and construction of public facilities. This section also requires that life-cycle costing be used in estimating the total cost of proposed public facilities.

AS 35.27.020 requires that one per cent of the construction cost of public facilities be allocated to art in public places.

AS 35.30 requires that DOTPF and University of Alaska building projects receive the approval of municipal planning authorities.

ARR receives a considerable economic benefit from the exemptions from state handicapped access regulations, participation in the one-per cent-for-art program, and compliance with municipal building codes and planning ordinances.

The exemption from state handicapped access regulations may not mean any real economic benefit to ARR. ARR is still subject to federal regulations regarding handicapped access to federally licensed common carriers and to demands of the market that the railroad serves.

(4) AS 37.05

AS 37.05 is the Fiscal Procedures Act. The act requires that state agencies submit annual financial reports and statements. The act also makes the Department of Administration responsible for accounting, public records, purchasing, and space leasing for state agencies. AS 37.05.230 requires competitive bidding for goods and services purchased by state agencies and grants a bidder's preference to Alaskan businesses. AS 37.05.230 will be repealed on July 1, 1987 and replaced by provisions of the State Procurement Code (AS 36.30).

This exemption gives greater autonomy to ARR, but does not confer a measurable economic benefit on ARR.

(5) AS 37.07

AS 37.07 is the Executive Budget Act. The act requires the governor to prepare and the legislature to review budgets for state agencies. The effect of this exemption is to assure the autonomy of ARR. There is no significant economic benefit to ARR as a result of this exemption.

(6) AS 37.10.010 - 37.10.060

AS 37.10.010 - 37.10.060 requires the Department of Administration to disburse money for state agencies and the Department of Revenue to deposit in the state treasury all money received by state agencies. The exemption from these provisions assures autonomy for ARR without conferring an economic benefit.

(7) AS 37.10.085

AS 37.10.085 prohibits the state from subscribing to capital stock of corporations, from lending credit to corporations, and from borrowing money for the use of a corporation. This exemption permits ARR to invest its funds in corporations and enhances the autonomy that ARR has over its own capital.

(8) AS 37.20

AS 37.20 establishes procedures for receipt of money, property, and land from the federal government. This exemption allows ARR to receive aid from the federal government without having to receive the aid through the governor, Department of Administration, or the Department of Natural Resources. This exemption enhances the autonomy of ARR by freeing ARR from having to cooperate with other agencies in order to receive federal aid. There is no particular economic benefit to ARR associated with this exemption because ARR could still receive federal aid through the processes established in AS 37.20.

(9) AS 37.25

AS 37.25 establishes the lapse date for one year appropriations and for capital appropriations. This exemption makes it necessary for an appropriation to ARR to specifically designate a lapse date.

(10) AS 38

AS 38 relates to the management of state lands. Under AS 38 land in the public domain is managed by the Department of Natural Resources. The disposal of state land to private owners and to municipalities and the exchange of land between state, federal, and municipal governments and private landowners is also controlled under AS 38.

Most provisions of AS 38 would affect ARR only indirectly by establishing procedures for the use and management of railroad lands. However AS 38.35.020 provides for pipeline right-of-ways across state lands including railroad lands. By exempting ARR from the pipeline right-of-way provisions a pipeline company must negotiate a right-of-way across railroad lands just as if ARR was a private company.

The exemption from AS 38 enhances the autonomy of ARR by allowing ARR to manage its own land. The exemption does not confer a direct economic benefit on ARR, but may indirectly result in savings for land management costs associated with the detailed notice and public hearing requirements of AS 38.

(11) AS 44.62.040 - 44.62.320

AS 44.62.040 - 44.62.320 relates to the procedures for the adoption of regulations and for public meetings. The operation of ARR is controlled by rules adopted by the Board of the corporation in accordance with the procedures set out in AS 42.40.180. The procedures under AS 42.40.180 are analogous to the procedures required by the Administrative Procedures Act (AS 44.62) but are much less detailed regarding the notice required and the timing of the process.

The Railroad Labor Relations Agency, however, must fully comply with the Administrative Procedures Act.

ARR is also exempt from the "open meetings" law (AS 44.62.310). However ARR is subject to AS 42.40.150 and 42.40.170 which are analogous to the open meetings law. Unless the board of the corporation is discussing privileged or confidential information, the board must discuss its business in public.

The exemption from the provisions of the Administrative Procedures Act relating to adoption of regulations simplifies the process for making rules governing the railroad. The economic impact of this exemption is that ARR does not incur the costs associated with the complex procedures required to adopt regulations under AS 44.62.

The exemption from the "open meetings" law enhances the autonomy of ARR by freeing the railroad's decision-making process from the statute applicable to other government agencies. However, since ARR is required to hold open meetings under its own legislation, there is no real difference between ARR and other state agencies.

(12) AS 36.30

Effective July 1, 1987 ARR will be exempt from the State Procurement Code. However, ARR must adopt procurement procedures which are substantially equivalent to the procedures contained in the State Procurement Code and the regulations adopted under the authority of the Code. (AS 36.30.015(e))

Since ARR must adopt procurement procedures equivalent to the State Procurement Code, ARR is not truly exempt.

The only effect of this exemption is that it reflects the legislature's acknowledgement of the relatively independent status of ARR.

TWO: YOU HAVE STATED THAT YOU WOULD LIKE TO SEE ARR PROVIDE MORE INFORMATION ON ITS REVENUES, RATES, FINANCES, AND OPERATIONS. THE FOLLOWING IS A SUMMARY OF REPORTS REQUIRED OF ARR.

Ninety days after the end of ARR's fiscal year on December 31 ARR must prepare an annual report relating to the operations and financial conditions of the corporation. (AS 42.40.260) Every five years the annual report must contain a report on offers to sell the railroad. The annual report is subject to restrictions on the release of confidential information (AS 42.40.220); these restrictions may limit the informational value of the annual report.

ARR must prepare an oversight report when a significant and permanent expansion, reduction, or diversification is made in the level and nature of services provided and when the ARR applies to the legislature for a subsidy to provide rail service. (AS 42.40.280) The report must include discussions on the financial impact the railroad, on the impact of the action on the level and nature of services, on the reasons for the action, on whether and when the project will be self-supporting, and on whether the subsidy has been calculated in accordance with the standards of the Interstate Commerce Commission. ARR has not been required to prepare an oversight report to date.

ARR must prepare a five year capital improvement plan and update it annually. (AS 42.40.290) The plan must explain the manner in which the ARR will achieve the purposes of the Alaska Railroad Corporation Act. ARR must submit the report to the legislature by December 1 of each year. ARR has prepared the five year plan and at least one annual update. The update for 1986 has not been released yet.

The governor is required to contract with a private consultant for a special report on the long term operations of the railroad that are in the best interest of the state. The report must include specific recommendations on operational alternatives and on transfer of all or part of the railroad

operations to the private sector. The report is due February 1, 1987. The funds for this report lapsed without being spent. The consultant was never hired. This report has not been and is not likely to be completed.

THREE: WHAT ARE THE REQUIREMENTS FOR THE SALE OF THE RAILROAD? WHAT IS THE TIME FRAME? WHAT HAS BEEN DONE TO DATE? WHAT HAPPENS IF ARR DOES NOT COMPLY WITH THE STATUTE?

There is no specific requirement that the railroad be sold. AS 42.40.940 authorizes the governor to sell or lease the railroad and dissolve the Alaska Railroad Corporation if

(1) it can be assured that the railroad will continue to operate after the sale or lease; and

(2) under the terms of the sale or lease, the state will receive the amount of money it has spent in connection with the Alaska Railroad.

The legislature must approve any sale.

AS 42.40.260(b) requires ARR to include in its annual report once every five years

an analysis of potential sale arrangements whereby the corporation may be transferred into private ownership. The analysis shall include documentation of at least three offers to sell the corporation initiated by the corporation during the last five years.

This language can be construed as a requirement that ARR make three offers to sell the railroad every five years, but this language does not require the railroad to be sold.

There is no time period in which the railroad must be sold. The only time period involved is the requirement that ARR report on three offers to sell the railroad every five years.

To date ARR has made no offers to sell the railroad. The annual report containing information on offers to sell the railroad is due by 1990.

AS 42.40 contains no sanctions for failure to sell the railroad or to make the offers to sell the railroad. If ARR does not make the offers to sell the railroad, the only result will be that the railroad will not be sold.

Representative Cato
Page 8
December 11, 1986

Please contact me if you have further questions regarding
the Alaska Railroad Corporation Act.

GU:mkr
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STATE OF ALASKA
THE LEGISLATURE

JAN 22 1987

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 22, 1987

SUBJECT: Budget and fiscal records of the Alaska
Railroad Corporation (Work Order 15-0271)

TO: Representative Bette Cato

FROM: George Utermohle *GU*
Legislative Counsel

You have asked that the budget and fiscal records of the Alaska Railroad Corporation be more available to the legislature.

While the corporation is exempt from the Executive Budget Act and the Fiscal Procedure Act, under AS 42.40.220(a) information in the possession of the corporation is public and is open to public inspection. The only information which the corporation may withhold from the public are matters of a privileged or proprietary nature such as personnel records, communications and work product of legal counsel and other information associated with specific shippers, divisions, and contrast rate agreements. (AS 42.40.220(b)) Budget and fiscal records of the corporation are not included in the matters that the corporation may withhold from disclosure. Thus the legislature should already have access to budget and fiscal information of the corporation as well as the financial and performance audits conducted under AS 42.40.270.

However if the corporation can legally withhold budget and fiscal information under AS 42.40.220(b) or if that information has simply been difficult to obtain, then the following amendment is proposed in order to require the corporation to provide some of the information that you seek:

AS 42.40.260(a) is amended to read:

(a) Within 90 days following the end of the fiscal year of the Alaska Railroad the board shall distribute to the governor and to the legislature a report describing

the operations and financial condition of the corporation. The report shall include

(1) the goals and objectives of the board for the preceding fiscal year and modifications of the goals and objectives for the current fiscal year;

(2) proposed plans to implement goals and objectives, including estimates of future service needs, proposed modifications of existing services and establishment of new services, and the estimated financial and personnel resources to carry out the proposed plan;

(3) a budget to carry out its proposed plans in the current fiscal year including an explanation of services to be provided, the total number of persons employed or under contract by the corporation for personnel services including those for capital improvements, the need for the services, the cost of the services and other related information requested by the governor or legislature;

(4) a report of the receipts and the expenditures during the preceding fiscal year, an estimate of the receipts during the current fiscal year, and an estimate of the receipts for the succeeding fiscal year.

The report may include suggestions for legislation relating to the structure, powers or duties of the corporation or to the operation or facilities of the corporation. Subject to AS 42.40.220, the report shall itemize the cost of providing each category of service offered by the railroad and the income generated by each category.

If I can provide further assistance on this matter, please contact me.

GU:mkr
m8/038

FACSIMILE COVER SHEET

TO: Honorable Bette Cato, Chairman
House Transportation Committee

FROM: Larry D. Wood, Esq.

General Counsel's Office
Alaska Railroad Corporation

DATE: March 5, 1987

NUMBER OF PAGES (including cover sheet): 10

If any questions/problems with transmittal, please call (907) 265-2461.

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ALASKA RAILROAD CORPORATION



P.O. Box 7-2111 • Anchorage, Alaska 99510-7069

VIA TELECOPY

March 5, 1987

Honorable Bette Cato, Chairman
House Transportation Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: HB 100, An Act Relating to the Annual Report of the
Alaska Railroad Corporation

Dear Representative Cato,

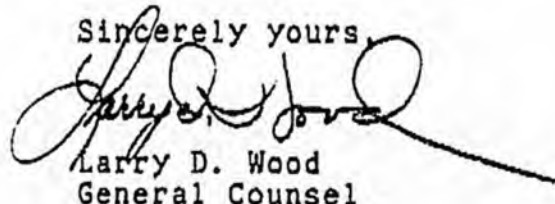
We understand that on Friday, March 6, 1987, the House Transportation Committee will be considering HB 100 which proposes some changes to the annual report of the Alaska Railroad Corporation ("ARRC"). We are hopeful that the committee will find the Corporation's position paper useful as it reviews the bill.

Unfortunately, Frank Turpin is out of town and is unable to present our comments personally. However, I know that he would want me to extend his best regards and to thank you for your continued interest in Railroad-related activities.

Because of travel budget cuts, we do not currently plan to send an ARRC representative to the hearing, but can arrange it if you believe a Railroad presence is imperative. As an alternative, our Director of Administration, Jim Blasingame, or I will be available during Friday afternoon to answer questions or concerns generated by the position paper. Our telephone numbers are 265-2425 and 265-2461, respectively.

Thank you very much.

Sincerely yours,



Larry D. Wood
General Counsel

cc: F. G. Turpin, President & CEO

3897L

HOUSE BILL, NO. 100

An Act Relating to the Annual
Report of the Alaska Railroad Corporation

I. Introduction

The Alaska Railroad Corporation Act ("ARCA") requires the Board of Directors of the Alaska Railroad Corporation ("ARRC") to prepare and distribute an annual report to the governor and legislature within 90 days following the end of each corporate fiscal year. HB 100 proposes amendments to ARCA's annual report section, AS 42.40.260(a), which are intended to add several items which must be discussed in the report.

The substance of these items appear to be generally covered in ARRC's annual report, long-range or five-year capital improvement and program plan and its yearly updates, performance and financial audits, and operating and capital budgets. However, even if the same information may be largely available now, HB 100 reflects a desire that all of it be combined in the railroad's annual report. Should the bill be favorably considered for this reason, ARRC requests that the legislation be amended to call for the items to be presented in a supplement to the annual report. Because year-end financial information would also appear in this supplement, we request that 120 days, rather than 90, be available for annual report preparation.

II. Discussion

Part A of the following discussion explains current ARCA goal setting and reporting requirements in greater detail and compares them to HB 100's modifications of the law. Part B describes changes to HB 100 which will help mitigate its impact on ARRC operations if the bill is passed.

A. ARCA's Present Planning and Reporting
Requirements

In short, HB 100 will require that ARRC's annual report include:

1. The Board's goals and objectives;

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2. Proposed plans to implement these goals and objectives;
3. A budget to carry out proposed plans; and
4. A report of past, present, and future receipts and expenditures.

Currently, the corporation's goals and objectives and its plans to implement them are contained in its long-range or five-year capital improvement and program plan. Goals and objectives are also discussed in ARRC's annual report and a consultant's management audit measures ARRC's success in attaining them. Moreover, ARRC's budget is prepared before the close of each fiscal year. A report of railroad receipts and expenditures appears in the yearly financial audit which is published in the annual report. These plans, reports, audits, and budgets are presently available to the governor and legislature to assist their review of railroad activities.

We have attached ARRC's five-year plan, 1985 annual report, performance audit, and 1987 operating and capital budget. As noted, the financial audit is published in the annual report.

For examples of current ARRC planning and reporting, the reader may turn to ARRC's five-year plan. The plan must be updated annually and copies provided to the governor and legislature by December 1 of each year. It "must explain the manner in which the corporation intends to accomplish the purposes of this chapter and the corporation's anticipated capital improvements during each of the five years after the plan is adopted." AS 42.40.290.

Corporate goals and objectives are divided into four categories, physical plant, revenue, personnel, and general on page four of the current plan. Physical plant goals, for example, include "Major effort to upgrade equipment to improve efficiency and lower maintenance costs will continue throughout the planning period." Page 5. Efforts to implement this goal are explained in the Plans Priority and Classification of Capital section and also appear in the form of a capital spending program on page 18.

The corporation's goals for 1985 also appear on page 4 of the 1985 annual report. Goals and accomplishments are discussed by department throughout the report. In addition, ARCA requires that the annual report describe the operations and financial condition of the corporation during the preceding fiscal year. The report must itemize the cost of providing each category of service offered by the railroad and the income generated by each category.

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The goal of "modernizing the railroad's rolling stock, equipment and physical plant" is repeated in the 1985 annual report. A detailed discussion of improvements and maintenance appears in the performance audit as another means of measuring goal attainment. The operating and capital budget lists those projects and expenditures which propose specific actions to achieve upgrade and maintenance objectives.

Finally, the budget and audited year-end financial statements appearing in the annual report do substantially include the information identified by HB 100's final paragraphs. ARRC's 1987 operating and capital budget lists those services each department will provide during the fiscal year. A manpower budget projects the number of personnel needed to accomplish operating and capital goals.

Although in separate formats, railroad plans, reports, audits, and budgets already largely cover the data and information targeted by HB 100. However, the bill's primary focus may be upon combining the information into an enlarged or supplemented annual report. Should HB 100 receive favorable consideration for this or other reasons, there are two modifications which would greatly alleviate its anticipated impact upon corporate operations.

B. Proposed Amendments to HB 100

First, because financial information would be included in the annual report, ARRC requests that the report be due 120 days, not 90, following the end of the railroad's fiscal year. By this time, audited data would more likely be available. Our experience last year indicates that 90 days is not a realistic deadline given the delays inherent in exhaustive, external financial reviews.

Second, we request that the information directed by HB 100 to be combined or provided in the annual report actually appear in a supplement. To effect this change, HB 100 could be easily modified by adding "A supplement to" before "The report" in line 18.

Although primarily a report to the governor and legislature (who, of course, represent ARRC's "shareholders"), the annual report is also used as a marketing tool. In the manner of private corporations, ARRC provides copies of its annual report to customers, potential customers, carriers, and government officials to promote and market its operations and services. We are concerned that a voluminous report will contain information of little interest to such groups, increase publication costs, and seriously damage this effective marketing tool. On the other hand, a supplemented report can be easily and less expensively provided to meet legislative needs. Finally, goals related to market strategies and costing

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models will contain sensitive, sometimes confidential, information which should not be widely disseminated.

C. Fiscal Impact of HB 100

Because we view the tasks as largely already required by present law, favorable consideration and passage of a modified HB 100 will mostly have an administrative impact upon ARRC. To the extent that composites and additional information may be needed for an supplemented annual report, we presently believe that they can be provided without a great deal of additional expense in the area of staff and Board time, wordprocessing, copying, printing, and postage.

II. Conclusion

HB 100 requires information to be inserted in ARRC's annual report which is largely already available to the legislature in the railroad's annual report, five-year plan and updates, audits, and operating and capital budget. However, should the bill receive favorable legislative consideration, we request two amendments which will ensure a more realistic report deadline and preserve the marketing advantages of the present annual report format.

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ALASKA RAILROAD CORPORATION



Five Year Plan

Issued July, 1986

PROPRIETARY INFO.
NOT FOR PUBLIC DISCLOSURE

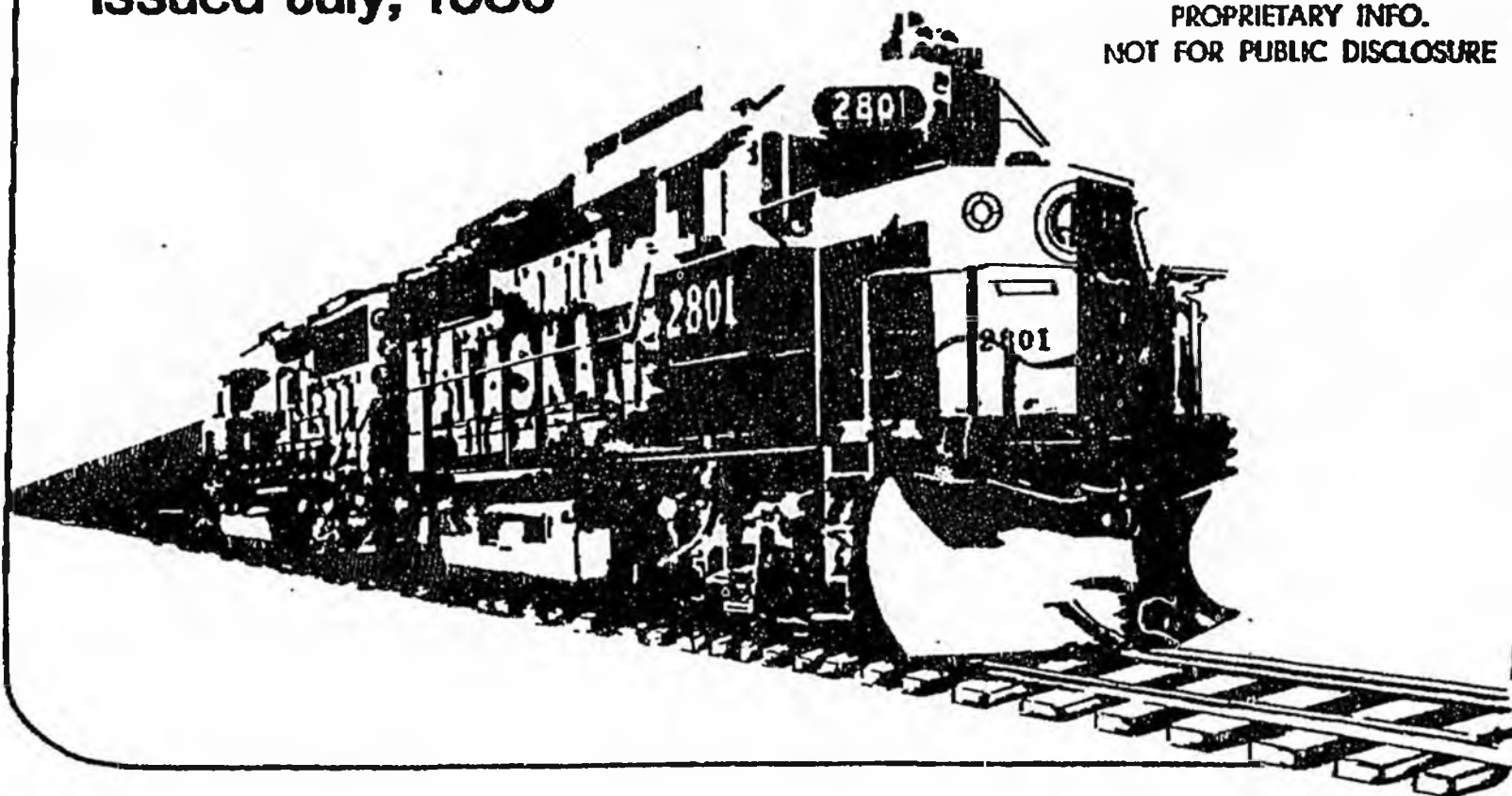


EXHIBIT A

MAR 05 '87 14:14 RRRC. ANCH ALASKA

MAR 05 '97 14:15 ARRC ANCH ALASKA

A N N U A L R E P O R T



1985



EXHIBIT B

TO THE BOARD OF DIRECTORS
OF THE ALASKA RAILROAD CORPORATION

A PERFORMANCE AUDIT
OF THE ALASKA RAILROAD

JANUARY 5, 1985 - DECEMBER 31, 1985

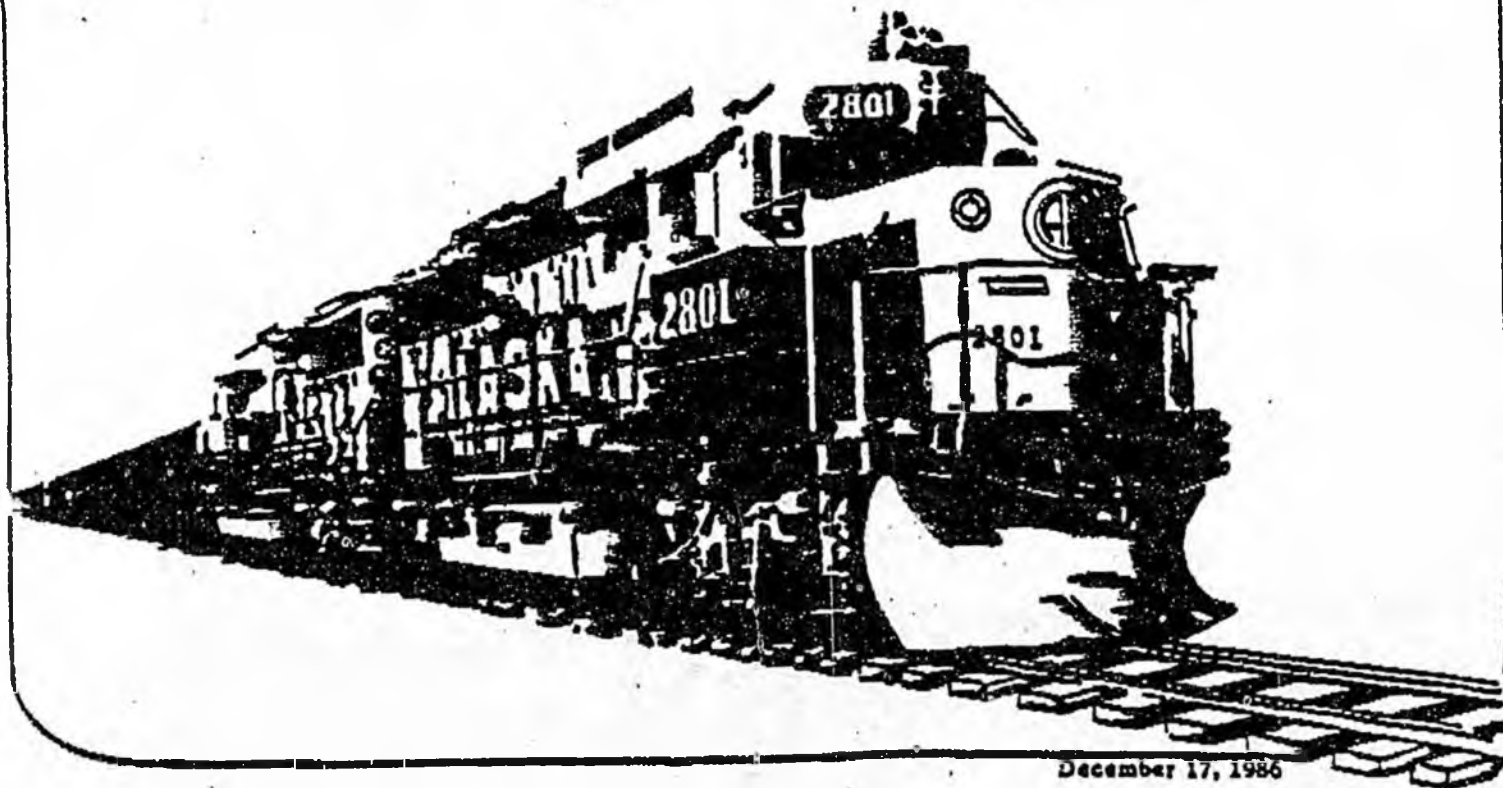
G. W. MAXWELL

JULY 28, 1986

ALASKA RAILROAD CORPORATION



1987
APPROVED
OPERATING
AND
CAPITAL BUDGET



December 17, 1986

ALASKA RAILROAD CORPORATION

Touch 7-2111 • Anchorage, Alaska 99510-7069



January 12, 1987

Ms. Penelope Weyhrauch
Legislative Analyst
Alaska State Legislature House of
Representatives Research Agency
P.O. Box Y
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Juneau, Alaska 99811-3100

Dear Ms. Weyhrauch:

Your letter dated December 4, 1986 to Mr. Larry Wood, General Counsel of the Alaska Railroad Corporation, was referred to me for response.

You have asked for our assessment of negative impacts that the Alaska Railroad Corporation ("ARRC") might experience if the statutory exemptions in AS 42.40.920 were repealed. Unfortunately, your question does not avail itself of a simple response.

In order to answer your question, it is important to understand the various laws and agreements which circumscribe ARRC's existence and operations. The federal Alaska Railroad Transfer Act ("ARTA"), 45 U.S.C. §§1201-1214, authorized the transfer of the Alaska Railroad to ARRC and established the ground rules for the State's purchase of the Railroad. As part of that act, the State was required to make certain declarations and agreements to abide by the sale terms. The state Alaska Railroad Corporation Act ("ARCA"), AS 42.40.010-.990, implemented the State's commitments all within the requirements of ARTA through the creation of a public corporation to own and operate the Alaska Railroad.

ARTA, the State's own declarations and agreements to abide by those sale terms, and ARCA insure that the State-owned railroad shall be a rail carrier generating, retaining, and managing its own revenues for railroad purposes to better serve Alaska's transportation and development needs. In framing the operating characteristics of the public corporation to conform to this expectation, Alaska's leadership, both federal and state, gave ARRC enough independence to conduct its activities as a

Ms. Penelope Weyhrauch
January 12, 1987
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separate and viable economic entity. Exemptions from laws which apply to state agencies mean generally that ARRC promotes, receives, and manages its own revenues, supplies, equipment, facilities, and real estate, establishes its own personnel policies, compensation systems, and employment agreements, promulgates its own rules and regulations to govern internal and external affairs, and manages its own purchasing, financing, and budgeting needs. On the other hand, a desire for public accountability requires open meetings, appointments by the Governor to the railroad board, procurement and ethical codes substantially equivalent to State models, financial and management audits, annual and oversight reports, legislative approval of certain real estate transactions, and long-range capital improvement and program plans. This wise blend of financial and operations independence with State oversight requirements results in a quasi-public, quasi-private railroad armed with the flexibility needed to quickly react to changing market, financial, and legal needs and with the accountability mechanisms necessary to satisfy the governmental aspects of its operations.

As a result of the dual legislative desires of self-sufficiency and public accountability all within the confines of ARTA, the Alaska legislature created a public corporation unlike any other public corporation in Alaska. This is reflected in the legislative findings and purposes which accompanied ARCA. See 1984 Alaska Session Laws, Chapter 153, Section 1. The findings and purposes clauses state that the public corporation is to be exclusively responsible for the management of the financial and legal obligations of the Alaska Railroad, carry out its responsibilities on a self-sustaining basis, and provide for the prudent operation of the railroad according to sound business management practices. Also, ARCA creates a "viable economic entity with the powers and duties necessary to operate and manage the Alaska Railroad pending eventual transfer of the Railroad to the private sector." ARCA and its legislative history reflect a legislative desire that the railroad operate as independently as possible from the State to facilitate the smooth transfer of its business and assets to a private owner. Indeed, AS 42.40.260 requires that ARRC's annual report contain every five years an analysis of potential sale arrangements, including documentation of at least three offers to sell ARRC.

Under AS 42.40.920, ARRC is exempt from the following statutes:

- (1) AS 19;
- (2) AS 30.15;
- (3) AS 35;
- (4) AS 37.05;
- (5) AS 37.07;
- (6) AS 37.10.010 37 10 050;
- (7) AS 37.10.84;
- (8) AS 37.20;