

ALASKA LEGISLATURE

1238

HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994

FISCAL NOTE

No. 1
 Bill Version: SB 3107
 (S) Publish Date: 4-8-94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

BILL #

Revision Date: _____ Dept. Affected: Revenue
 Title: Health Care Reform Committees BRU: Revenue Operations
 Component: Income and Excise Audit
 Sponsor: (S) HES
 Requestor: (S) HES COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE: General	5,397.5	5,397.5	5,397.5	5,397.5	5,397.5	5,397.5
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Changes in CSB 3107 (HES)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.
4/8/94 Dalley
 date Committee (initial)

Prepared by: Larry E. Mevers Phc #: 465-2320
 Division: Director Date: March 25, 1994
 Approved by Commissioner: Darrel J. Rexwinkel Date: March 25, 1994
 Agency: Department of Revenue

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Bill Analysis

This bill relates to health care and insurance for health care.

Section 12 of this bill pertains to Department of Revenue in that it increases the current cigarette tax rate by 5 mills from 14.5 to 19.5 mills. Note that the total mill rate includes 2.5 mills assessed for the School Fund under AS 43.50.090.

	Current Tax Rate	SB 367 Tax Rate	% Increase
Cigarettes	14.5 mills* (29¢/pack)	19.5 mills* (39.0¢/pack)	35%

* Includes 2.5 mills assessed under AS 43.50.090.

The tax increase becomes effective July 1, 1994 under this bill.

Operating Costs

This bill will not affect the Department's operating costs because amendments made under this bill increase the cigarette tax rate only. Department of Revenue will revise its forms to reflect the increased tax rate.

Revenue

In determining the amount of additional revenue generated from this bill, Department of Revenue used consumption data available from FY 93. Amounts below do not reflect impacts on consumption, if any, due to increased tax rates and other factors. Additional revenue generated from this bill is estimated to be \$5,397,500 calculated as follows.

FY93 Consumption	FY 93 Revenue	SB 367 Revenue	Additional Revenue
1,079,500,000	\$15,652,800	\$21,050,300	\$5,397,500

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

Vol. 2
Bill Version: CSSB 367 (HES)
(S) Publish Date: 4/15/94

Revision Date:	_____	Dept. Affected:	Corrections
Title:	Health Care Reform and .08 Level for OMVI	BRU:	All
Sponsor:	S. HESS	Component:	All
Requestor:	S. JUD	Component Serial #:	694-1884

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	81.4	83.8	86.3	88.9	91.6	94.4
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS/CLAIMS						
MISCELLANEOUS	328.5	338.4	348.5	359.0	369.7	380.9
TOTAL OPERATING	409.9	422.2	434.8	447.9	461.3	475.3

CAPITAL EXP	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	147.1	151.4	156.0	160.7	165.5	170.5
1005 GF/Program Receipts	262.8	270.7	278.8	287.2	295.7	304.7
1006 GF/MHTIA						
Other						
TOTAL	409.9	422.2	434.8	447.9	461.3	475.3

Estimate of any current year (FY94) cost \$ 0.0

POSITIONS

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

ANALYSIS: Please see the attached explanation.

Prepared by:	<u>Diane Schenker, Special Assistant</u>	Phone:	<u>465-4643/786-2147</u>
Division:	<u>Office of the Commissioner</u>	Date:	<u>4/12/94</u>
Approved by:	<u>J. Frank Prewitt, Jr., Commissioner</u>	Date:	<u>4/12/94</u>
Agency:	<u>Department of Corrections</u>		Page 1 of 3

The bill lowers the blood alcohol limit for the crime of DWI, from .10 to .08 percent.

Assumptions

1. According to the National Highway Traffic Safety Administration, a study of five other states indicates an average increase in DWI cases of approximately 3.9% as a result of lowering the limit from .10 to .08. On 12/31/93 there were 130 inmates incarcerated for DWI, statewide. However, the department has been informed by the Anchorage district court that, beginning in May, 1995, offenders will be remanded either immediately or within three months instead of being allowed to wait for available bedspace. Most of the offenders allowed to await bedspace have been DWIs. This policy decision is expected to double the number of DWI offenders incarcerated per day during FY95. Therefore, the average daily population of 130 is doubled to an expected 260.

A 3.9 percent increase in this population would raise the DWI population by 10 inmates, or 3,650 inmate-days per year ($10 \times 365 = 3,650$).

2. The cost per day to incarcerate the average DWI case is \$90. The department calculated this cost by using the cost of Community Residential Center (CRC) beds and state correctional beds actually used to incarcerate DWIs last year. Generally, DWI cases are housed in state correctional centers only in unsentenced status or in locations where no CRC is available.

3. A recent change in law requires DWI offenders to pay for some of the costs of incarceration: Regulations require a first-time DWI offender to pay \$270, and a second-time offender to pay \$1,000. The Department of Law, which is expected to collect the fees, expects to collect approximately 80% of the fees, through voluntary compliance and by taking Permanent Fund Dividends. It is expected that the fees will offset costs only for first and second-time offenders.

4. *The Department of Law has recently informed the department that it will require an RSA for approximately \$81.4 to perform the collector function. If this amount is not funded, the department will not have the resources to collect the DWI fees and the full costs of incarceration would have to be funded by general funds instead of program receipts.*

5. The legislation only affects DWIs charged under state statute. DWIs charged under local city ordinances will remain at the .10 level unless the local laws are changed. It is estimated that over half of the DWIs incarcerated in the state correctional system are from Anchorage, charged under city law.

6. Increases in DWI cases may have a "ripple effect" on other crimes, such as Failure to Appear, Failure to Satisfy Judgment, and Driving With License Suspended/Revoked. The department notes that misdemeanants are the fastest-growing incarcerated population. It is assumed that this factor could double the number of additional inmates referenced in Assumption 1. However, it is assumed that Assumption 5 will offset this, since half the DWI population comes from Anchorage on municipal, rather than state, charges.

7. National studies suggest that this type of legislation may reduce the number of traffic fatalities. This could result in some lessening of prisoner-days served for vehicular homicides. This may help offset the costs not reflected in the fiscal note, such as the costs for third-time or higher offenders who cannot pay the costs of incarceration through fees.

8. The costs of incarceration are reflected under "miscellaneous" because some expenses will be incurred in individual institutions, some in CRC contracts, and some in department overhead for administering contracts and providing support services for institutions.

9. A 3% inflation factor is assumed.

Operating Expenses

3,650 inmate-days per year X \$90 per day = \$ 328,500 total expense, FY95

80% (DWI fee collection rate) of \$ 166,590 = \$ 262,800 GF/Program Receipts, FY95

\$328,500 - \$262,590 = \$ 65,910 GF, FY95

Plus \$81.4, contractual (GF), for RSA to Department of Law to collect fees

No. 3

Bill Version: CSSB 367/HESS

(S) Publish Date: 4/15/94

FISCAL NOTE

BILL

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: _____

Title: "An Act relatinn to Health Care..."

Sponsor: Senate HESS

Requestor: _____

Department Affected: Office of the Governor

BRU: Commissions and Soecial Offices

Component: Health Care Plan/Medical Practice

Advisory Committees _____

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	246.6	344.4				
TRAVEL	95.5	100.9				
CONTRACTUAL	209.0	245.9				
SUPPLIES	4.5	6.0				
EQUIPMENT	72.6	1.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	628.2	698.2				

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	628.2	698.2				
1006 GF/MHTIA						
OTHER						
TOTAL	628.2	698.2				

POSITIONS

FULL-TIME	6	6				
PART-TIME						
TEMPORARY						

Estimate of any current year (FY94) cost: 0

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Michael A. Nizich, Director

Division: Division of Administrative Services

Approved by Commissioner: Patrick P. Ryan, Chief of Staff

Agency: Office of the Governor

Phone: 465-3616

Date: 4/13/94

Date: 4/13/94

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Travel - continued

Honorarium:

committee members receive \$400/day honorarium

Health Care Plan Advisory Committee:

	FY95	FY96
assumes 2 day meetings	22,400	28,000
8 teleconferences	6,400	6,400

Medical Practices Advisory Committee:

	FY95	FY96
assumes 2 day meetings	12,800	9,600
3 teleconferences	1,600	3,200

Medical Practices Advisory subcommittees:

	FY95	FY96
assumes 2 day meetings	12,800	12,800

Contractual:

209.0 245.9

Professional Services:

	FY95	FY96
consulting actuary	10,000	10,000
legal services	70,000	70,000

Contractual costs per position:

	FY95	FY96
toll costs, postage, fax, utilities, etc.	54,500	70,400

Communications:

Health Care Plan Advisory Committee:
statewide teleconferences for public hearings

	FY95	FY96
teleconferences	28,000	28,000

SENATE COMMITTEE REPORT

DATE: 4/8/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/25/94

Judiciary Committee considered SENATE BILL NO. 367

Relating to health care and insurance; efd.

and recommends it be replaced with

and recommends:

replace with _____ CS SB 367 (J40)
 or adopt previous _____ CS _____
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

and report it back as follows

adopts _____ Letter of Intent
 further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

*FN Y
 OY*

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
REV			<input checked="" type="checkbox"/>
COLLECTIONS		<input checked="" type="checkbox"/>	
GOV			<input checked="" type="checkbox"/>

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

- ② Suzanne Little Do Not Pass
- ③ Rich Halford NO REC
- ③ ~~By [unclear]~~ NO REC.
- ① Dennis L. Taylor Do Pass

Chair: Signature and Recommendation

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

Just

DATE: 3/24/94

FURTHER: Judiciary
Finance

Date of 5-Day Notice: 3/24/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/7/94

HES Committee considered SB 367

Relating to health care and insurance for health care; to rates and rating factors and civil actions against health care providers; amending Alaska Rules of Civil Procedure and Evidence; efd.

and recommends:

replace with _____ CS SB 367 (HES)

same title
 new title
 technical title change
(HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FN

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
Revenue	3/25/94		✓
HSS/ Gov			✓

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

Mike Miller

OTHER RECOMMENDATIONS:

Donna - DO NOT PASS
Phyllis - Do Not Pass - constitutionally flawed & not comprehensive
Best chance for No Rec
J. Drew - Human Amend to limit basic plan to non-elective procedure

Steve Ray Do Pass
Chair: Signature and Recommendation

S B

3 6 8

HFIN

FILE

(11)

Date Referred: April 27, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 5/2/94

The FINANCE Committee considered:

SB 368

SENATE BILL NO. 368

HUMAN SERVICES COMMUNITY MATCHING GRANTS

"An Act relating to the human services community matching grant program; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____ [] the same title
[] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) DHSS 4/8/94

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Ray Brown</i> Brown	<input checked="" type="checkbox"/>	<i>MacLean</i> MacLean			
<i>Jan Thurnquist</i> Thurnquist	<input checked="" type="checkbox"/>	<i>Richard J. Larson</i> Larson		<input checked="" type="checkbox"/>	
		<i>Larry Martin</i> Martin		<input checked="" type="checkbox"/>	
		<i>Sean Parnell</i> Parnell		<input checked="" type="checkbox"/>	
		<i>Ben Sp...</i> GUSSENACIT		<input checked="" type="checkbox"/>	
		<i>RICHARD J. LARSON</i> Larson		<input checked="" type="checkbox"/>	

Ray Brown
CO CHAIRMAN'S SIGNATURE
MacLean

SENATE BILL NO. 368

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

FIN

Introduced: 3/28/94
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the human services community matching grant program; and
2 providing for an effective date."

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

4 * Section 1. AS 29.60.600(a) is amended to read:

5 (a) Within the limits of appropriations for the purpose, the Department of
6 Health and Social Services shall, upon application, make a matching grant to a
7 qualified municipality equal to 70 [50] percent of the estimated reasonable costs of
8 providing essential human services through private nonprofit agencies within the
9 municipality, including services to persons who travel to the municipality from their
10 residences elsewhere in the state.

11 * Sec. 2. AS 29.60.600(b) is amended to read:

12 (b) To qualify for a grant under this section, a municipality is required to
13 (1) provide [THE SAME AMOUNT OF MONEY] from other sources
14 30 percent of the estimated reasonable costs of providing the services to be funded

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by the grant [AS IS PROVIDED BY THE STATE GRANT UNDER THIS SECTION FOR THE SERVICES]; other sources may include federal or municipal money or money from other private or public sources; in this paragraph, "municipal money" includes money derived from appropriations, allocations, entitlements, grants, or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment, or other in-kind contributions;

(2) comply with the grant application procedure and contractual agreements under AS 29.60.610; and

(3) establish and consult with a citizens' advisory group, the majority of whose membership consists of persons who do not hold elected municipal office, concerning priorities and allocations among services funded under this section.

* Sec. 3. This Act takes effect July 1, 1994.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1

Bill Version: SB 368

(S) Publish Date: 4-8-94

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to the Human Services BRU: Human Serv. Community Match Grant
Community Matching Grant Program Component: Human Serv. Community Match Grant
 Sponsor: Senate Finance
 Requestor: S Finance COMPONENT SERIAL NO. 1821

Expenditures/Revenues:	(Thousands of Dollars)					
	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGES IN REVENUES

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)
 Despite the fact that HB 321 would amend AS 29.60.600(a) by raising the relative percentage of the state's matching grant under this section from 50 to 70 percent, the fiscal impact upon the state's budget will be zero. The explanation for this lies partly in the provision found at AS 29.60.620 (a). That provision states that

If the amount of money appropriated by the legislature...under AS29.60.600 is not adequate to satisfy amounts required... the money shall be allocated proportionately among the qualified municipalities...based on...population...

(continued)

Prepared by: Deborah R. Wing, Director
 Division: Division of Family & Youth Services

Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-3191
 Date: 03/29/94

Date: 3-29-94

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ANALYSIS (cont.):

In the two years of operation since this program was given statutory existence, the amount of money sought by the Executive Branch and the amount of money appropriated has been less than the amount required by the applicants. Because of this, Section 620 then comes into operation.

For FY 94, the total of state dollars sought by the only two eligible municipalities, Anchorage and Fairbanks, was \$3.9 million. The amount both included in the Governor's budget and appropriated, was \$1,957,300. This year, the figure placed in the Governor's budget is \$1,370,100. This figure is 30 percent less than authorized in FY94. By comparison, the total amount sought by the two eligible municipalities is 4.195 million.

Given the difference between what the communities' request and the amount requested, Section 620(a) will apply every time. Further, with the budget process beginning as early as it does, this particular budget item is established prior to applications arriving from the municipalities whose deadline is October 1.

Based on this information, the effect of SB 368, if adopted, is that the municipalities' match would be lowered, and the total amount of grant money available for the eligible municipalities would be less due to the amount of state dollars.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1

Bill Version: SB 368

(S) Publish Date: 4-8-94

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to the Human Services BRU: Human Serv. Community Match Grant
Community Matching Grant Program Component: Human Serv. Community Match Grant
 Sponsor: Senate Finance
 Requestor: S Finance COMPONENT SERIAL NO. 1821

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGES IN REVENUES

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)
 Despite the fact that HB 321 would amend AS 29.60.600(a) by raising the relative percentage of the state's matching grant under this section from 50 to 70 percent, the fiscal impact upon the state's budget will be zero. The explanation for this lies partly in the provision found at AS 29.60.620 (a). That provision states that

If the amount of money appropriated by the legislature...under AS29.60.600 is not adequate to satisfy amounts required... the money shall be allocated proportionately among the qualified municipalities...based on...population...

(continued)

Prepared by: Deborah R. Wing, Director *Deborah R. Wing*
 Division: Division of Family & Youth Services
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. *Margaret R. Lowe*
 Agency: Department of Health & Social Services

Phone: 465-3191
 Date: 03/29/94
 Date: 3-29-94

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ANALYSIS (cont.):

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For FY 94, the total of state dollars sought by the only two eligible municipalities, Anchorage and Fairbanks, was \$3.9 million. The amount both included in the Governor's budget and appropriated, was \$1,957,300. This year, the figure placed in the Governor's budget is \$1,370,100. This figure is 30 percent less than authorized in FY94. By comparison, the total amount sought by the two eligible municipalities is 4.195 million.

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Alaska State Legislature

SENATOR
BERT SHAFER
CHAIRMAN



Senate Transportation Committee

FAIRBANKS

DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7806

SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921

SPONSOR STATEMENT

SB 368

April 27, 1994

The Anchorage and Fairbanks Social Service Block Grants were created in the early 1980's to provide these communities with state assistance for needed social services. In addition to serving local residents, approximately 11% of the total clients and as many as 73% of clients served by some local providers are from other areas of the state.

In 1992, a statutory basis was established for the Human Services Community Matching Grant Program. This program required an increasing match rate, which previously required no local match. It began in FY94 with a 10% match, FY 95 a 30% match and reaching the maximum 50% match starting in FY96, and continuing at that level for the life of the program.

Given that local municipalities are now seeing reductions of municipal assistance and revenue sharing, and most likely will see more reductions in the future, this bill would stabilize the matching grants at the 30/70 match rate.

This would bring the Human Services Community Matching Grant Program into line with other programs that require matching funds such as the Capital Matching Grant Program. Non-profit human services organizations will benefit in the long run because an affordable local matching rate will help ensure the municipalities continued participation in the program.

The information packet on your desks contains resolutions of support from the Anchorage Municipal Assembly and the Fairbanks North Star Borough Assembly.

March 21, 1994

HUMAN SERVICE BLOCK GRANTS

The Anchorage and Fairbanks Social Service Block Grants were created in the early 1980's to provide these communities with state assistance for needed social services. In addition to serving local residents, approximately 11% of the total clients and as many as 73% of clients served by some local providers are from other areas of the state.

Each community's grant was originally given a separate line in the budget.

The grants are given competitively by community-based boards to local non-profits to augment services provided by the Department of Health and Social Services. According to a 1987 survey, non-profit agencies provided approximately 14% of all health and human services delivered in Anchorage. Non-profits are the only providers of emergency shelter and food services.

Between 1989 and 1992, block grant allocations were reduced putting a severe strain on the health and social service system while demand for services continued to increase. The persons served by these programs are those who can least afford to lose them: low-income women, children and senior citizens.

In recent years, fiscal constraints forced the Department of Health and Social Services to find ways to reduce its budget. *The Anchorage and Fairbanks Social Service Block Grants were considered expendable by the Administration because they were "pass-through" grants to the municipalities which the Department did not control. They argued that the grants were not statutorily mandated.*

After several years of having to restore the grants, the Legislature decided to give statutory authority to the grants.

Legislation passed in 1991 created the Human Services Community Match Program, combining the Anchorage and Fairbanks Social Service Block Grants into a single budget line.

AS 29.60.600 calls for the Department of Health and Social Services to provide, within the limits of appropriation, 50% of the estimated reasonable costs of providing essential human services not already delivered by the Department.

Sec. 29.60.620(a) provides that if the amount appropriated is less than the grant requests, the money shall be allocated proportionally by population between the municipalities.

Sec. 29.60.620(b) states that if a city within a borough has an approved grant to provide area wide services (Fairbanks) the allocation under (a) shall be based on the population of the borough.

SUMMARY

In the first year of the new program (FY94), this legislation resulted in a \$188,625 funding shift from Anchorage to Fairbanks even though the total amount appropriated to the new budget line was identical to the prior year's appropriation (\$1,957,300).

Most legislators were unaware of the impacts Sec. 29.60.620 (b) would have on the allocation. It was widely believed that by providing the same appropriation as the previous year that both cities would receive the same funding in FY94 as in FY93.

The legislation also provided a phase-in of the required 50% municipal match, allowing for a 10% match in FY94 and a 30% match in FY95. (see Chapter 74 Sec. 2. Transitional Provisions.) Both communities would like the municipal match be capped at 30%.

Legislation passed last year allowed the North Star Borough to be the "municipality" to make the match for the Fairbanks area grant. It also specified that only the city or the borough could receive the grant in any one year. *Passage of this legislation did not affect the allocation between Anchorage and Fairbanks.*

The Administration proposed a reduction in the level of state support by 10% in FY94 and 30% in FY95. The municipalities had believed when they supported the legislation that they would see the level of state support maintained and that needed increases would come from the community share.

In order to allow the Anchorage grant to be restored to the FY93 level (\$1,656,600), the Human Service Matching Grant line must be increased by \$251,500 over FY94 authorized from \$1,957,300 to \$2,208,800.

However, the Governor's FY95 budget funding level of only \$1,370,100 is a reduction of \$587,200 from FY94 authorized, and \$838,700 less than the amount needed to enable Anchorage to continue to receive \$1,656,600 as it did under the old Social Services Block Grant Program in FY93.

The Municipality of Anchorage has requested that the appropriation for FY95 be funded through separate line item appropriations for Anchorage and Fairbanks to ensure that appropriate funds go to each entity. The Arctic Alliance for People and the Anchorage Human Services Coalition are comfortable with the single line appropriation.

The use of non-profits is an efficient and cost-effective means of delivering needed services. Non-profits raise millions of dollars in local contributions which would not otherwise be available.

These programs are already maximizing other sources of funding especially volunteer contributions. It is not reasonable to expect that these agencies can make up the difference simply through additional fundraising drives.

CLERK'S OFFICE

APPROVED

Date: 1-18-94

Submitted by: Assemblymember LANDERS,
Begich

Prepared by: Assembly Policy and Budget
Office

For reading: January 18, 1994

ANCHORAGE, ALASKA

AR NO. 94-26

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REQUESTING THE
ALASKA STATE LEGISLATURE OR THE GOVERNOR OF THE STATE OF ALASKA
TO AMEND AS.29.60.600 RELATING TO THE HUMAN SERVICES COMMUNITY
MATCH PROGRAM**

WHEREAS, 1 ch 74 SLA 1992 established the Human Services Community Match Program; and

WHEREAS, the purpose of the grants is to assist a qualified municipality in providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state; and

WHEREAS, in Fiscal Year 1994, the grant required a ten percent (10%) match from a qualified municipality and in Fiscal Year 1995, the grant requires a thirty percent (30%) match. In Fiscal Year 1996, the grant will require a fifty percent match; and

WHEREAS, more and more, the local tax payers are required to pay for services mandated by the federal and/or state government or by the local municipality; and

WHEREAS, under the "Human Services Community Match Program," the human services are provided to, not only residents of the municipality, but also to persons living throughout the state; and

WHEREAS, Alaska Statutes, the Legislature, and the Governor currently require a thirty percent community or organization match for capital projects; and

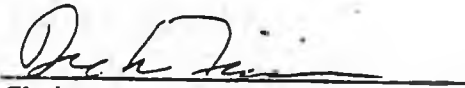
WHEREAS, it is not reasonable to require a municipality to pay fifty percent (50%) of the costs of providing human services, especially since persons who are not members of, and do not pay taxes to a specific municipality, receive the benefits from these services.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

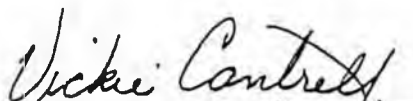
5 Section 1: That the Alaska State Legislature and the Governor of the State of Alaska are
6 requested to amend AS 29.60.600 to establish a municipal matching rate for a Human Services
7 Community Match Program at a maximum of thirty percent (30%).
8

9 Section 2: That copies of this resolution shall be sent to the Honorable Walter J. Hickel,
10 Governor, State of Alaska and all members of the Interior Delegation of the Alaska State
11 Legislature.
12

13 PASSED AND APPROVED by the Anchorage Assembly this 18th day
14 of January, 1994.
15
16

17 
18 _____
19 Chair
20

21 ATTEST:
22

23 
24 _____
25 Municipal Clerk, *Deputy*
26

By: Layne St. John
Cheryl Kilgore
Hank Hove
Nanci A. Jones
Bob Logan
Paul Chizmar
Hank Bartos
Valerie M. Therrien
L.J. Hackenmiller
Dan LaSota

Introduced: 11/04/93
Adopted: 11/04/93

RESOLUTION NO. 93-096

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE OR THE GOVERNOR OF THE STATE OF ALASKA TO AMEND AS. 29.60.600 RELATING TO THE HUMAN SERVICES COMMUNITY MATCH PROGRAM

WHEREAS, 1 ch 74 SLA 1992 established the Human Services Community Match Program; and

WHEREAS, the purpose of the grants is to assist a qualified municipality in providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state; and

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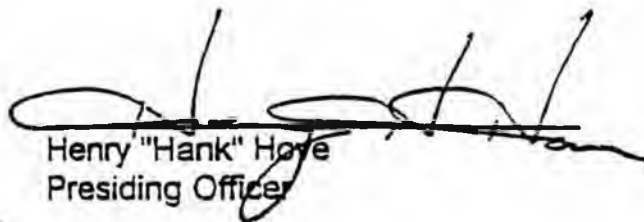
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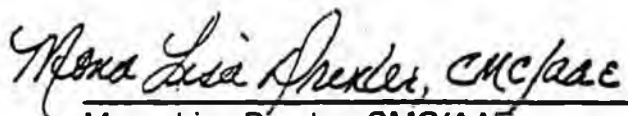
NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly respectfully requests the Alaska State Legislature and the Governor of the State of Alaska to amend AS 29.60.600 to establish a municipal matching rate for a Human Services Community Match Program at a maximum of thirty (30) percent.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska and all member of the Interior Delegation of the Alaska State Legislature.

PASSED AND APPROVED THIS 4TH DAY OF NOVEMBER, 1993.


Henry "Hank" Hove
Presiding Officer

ATTEST:


Mona Lisa Drexler, CMC/AAE
Municipal Borough Clerk

1,450

§ 29.60.600

MUNICIPAL GOVERNMENT

§ 29.60.650

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Sec. 29.60.600. Human services community matching grants.

(a) Within the limits of appropriations for the purpose, the Department of Health and Social Services shall, upon application, make a matching grant to a qualified municipality equal to 50 percent of the estimated reasonable costs of providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state.

70

(b) To qualify for a grant under this section, a municipality is required to

(1) provide the same amount of money from other sources as is provided by the state grant under this section for the services; other sources may include federal or municipal money or money from other private or public sources; in this paragraph, "municipal money" includes money derived from appropriations, allocations, entitlements, grants, or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment, or other in-kind contributions;

(2) comply with the grant application procedure and contractual agreements under AS 29.60.610; and

(3) establish and consult with a citizens' advisory group, the majority of whose membership consists of persons who do not hold elected municipal office, concerning priorities and allocations among services funded under this section.

(c) A city may not receive a human services matching grant during a fiscal year to provide a specific service if, during that same year, the borough within which it is located has received a grant for the same service. A borough may not receive a grant during a fiscal year to provide a particular service if, during that same year, a city within the borough has received a grant for the same service. (§ 1 ch 74 SLA 1992; am § 1 ch 38 SLA 1993)

Effect of amendments. — The 1993 amendment, effective August 25, 1993, added subsection (c).

Sec. 29.60.650. Definitions. In AS 29.60.600 — 29.60.650.

(1) "essential human services" and "services" have the meaning given "social services" in AS 47.75.060 except that they include only services whose unavailability would subject persons needing the services to serious mental or physical hardship;

(2) "municipality" means a (A) city whose population is over 20,000; (B) unified municipality whose population is over 100,000; or (C) second class borough whose population is over 65,000; population for purposes of this paragraph shall be determined by the Department of Community and Regional Affairs. (§ 1 ch 74 SLA 1992; am § 2 ch 38 SLA 1993)

Alaska State Legislature

SENATOR
BERT SHARP
CHAIRMAN



FAIRBANKS

DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7886


SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4021

Senate Transportation Committee

MEMORANDUM

TO: Representative Ron Larson, Co-Chair House Finance
Representative Eileen MacLean, Co-Chair House Finance

FROM: Senator Bert Sharp 

DATE: April 27, 1994

SUBJ: Scheduling SB 368

I respectfully request that SB 368 be scheduled for a hearing in House Finance as soon as possible.

Attached are the following support documents relevant to SB 368:

Sponsor Statement

Zero fiscal note from DHSS

Summary of the Human Services Block Grant

Resolution from the Anchorage Municipal Assembly

Resolution from the Fairbanks North Star Borough Assembly

A.S. 29.60.600 relating to the Human Services Community

Matching Grants.

SB

368

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/94

FURTHER:

Date of 5-Day Notice: 3-31-94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-8-94

Finance Committee considered **SB 368**

"An Act relating to the human services community matching grant program; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DHSS	4/21/94	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Steve Harris
Bob Hayes

OTHER RECOMMENDATIONS:

Tim Kelly - No Rec

1. *Don't make DHSS*

2. *[Signature]*

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 368

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to the Human Services BRU: Human Serv. Community Match Grant
Community Matching Grant Program Component: Human Serv. Community Match Grant
 Sponsor: Senate Finance
 Requestor: S Finance COMPONENT SERIAL NO. 1821

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

Despite the fact that HB 321 would amend AS 29.60.600(a) by raising the relative percentage of the state's matching grant under this section from 50 to 70 percent, the fiscal impact upon the state's budget will be zero. The explanation for this lies partly in the provision found at AS 29.60.620 (a). That provision states that

If the amount of money appropriated by the legislature...under AS29.60.600 is not adequate to satisfy amounts required... the money shall be allocated proportionately among the qualified municipalities...based on...population...

(continued)

Prepared by: Deborah R. Wing, Director *Deborah R. Wing*
 Division: Division of Family & Youth Services
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. *Margaret R. Lowe*
 Agency: Department of Health & Social Services

Phone: 465-3191
 Date: 03/29/94
 Date: 3-29-94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

ANALYSIS (cont.):

In the two years of operation since this program was given statutory existence, the amount of money sought by the Executive Branch and the amount of money appropriated has been less than the amount required by the applicants. Because of this, Section 620 then comes into operation.

For FY 94, the total of state dollars sought by the only two eligible municipalities, Anchorage and Fairbanks, was \$3.9 million. The amount both included in the Governor's budget and appropriated, was \$1,957,300. This year, the figure placed in the Governor's budget is \$1,370,100. This figure is 30 percent less than authorized in FY94. By comparison, the total amount sought by the two eligible municipalities is 4.195 million.

Given the difference between what the communities' request and the amount requested, Section 620(a) will apply every time. Further, with the budget process beginning as early as it does, this particular budget item is established prior to applications arriving from the municipalities whose deadline is October 1.

Based on this information, the effect of SB 368, if adopted, is that the municipalities' match would be lowered, and the total amount of grant money available for the eligible municipalities would be less due to the amount of state dollars.

March 29, 1994

P.O.M. to be sent to Representatives Ron Larson, Mark Hanley, Gene Therrialt, Terry Martin, Sean Parnell, and Cliff Davidson. Senators Drue Pearce, Steve Frank, Tim Kelly, Steve Rieger, Bert Sharpe, Jay Kerttula, and Fred Zharoff.

From: Roger Blackett, P.O. Box 593, Kodiak, Alaska 99615 Phone 486-3505

I request your support in restoring the \$500,000 cut out of the Division of Parks G.F. operating budget by the House Budget Subcommittee. A cut of this magnitude will close a minimum of 18 parks, including Pasagshak Recreational Site in the Kodiak area, and cause numerous lay off of Park employees.

State Parks provide substantial revenues to the Alaska economy in supporting the tourist industry (State Parks are listed in every RV guide published on Alaska). Use increased by 25% last year to 6.6 million visitors. Also, State Parks are already more self-supporting by user fees and volunteers than any other State agency.

It is shortsighted and reflects poorly on this legislature to reduce the State Park budget and to begin closing parks at a time when public need and use of the parks is increasing dramatically, when the State and local economies need tourist revenue and should be working to increase the tourist industry, and the cost of mothballing and future cost of restoring vandalized park facilities as well as potential liability costs associated with closed facilities could exceed the amount cut from the budget.

I urge you to reconsider actions taken to reduce the State Parks budget. This is not the time to be closing State Parks or to jeopardize progress in the user fee and volunteer program of this agency. **Please support the Governor's budget for the Alaska Division of Parks.**

Alaska State Legislature

SENATOR
BERT SHARP

DISTRICT P

CHAIRMAN
TRANSPORTATION COMMITTEE

MEMBER
FINANCE COMMITTEE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HEALTH & SOCIAL SERVICES



Senate

FAIRBANKS

DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7886

SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921

SENATOR BERT SHARP Sponsor Statement for SB 368

In 1992, a statutory basis was established for the Human Services Community Matching Grant Program. This program required an increasing match rate over the next three years. It was to begin in FY94 with a 10% match rate and increase each fiscal year with the maximum 50% match starting in FY96 and continuing at that level for the life of the program.

SB 368 would reduce the maximum match rate from 50% to 30%. This would bring the Human Services Community Matching Grant Program into line with other programs that require matching funds such as the Capital Matching Grant Program. Non-profit human services organizations will benefit in the long run because a reduced local matching rate will help ensure the municipalities continued participation in the program.



REPRESENTING
GOLDEN HEART
OF ALASKA

By: Layne St. John
Cheryl Kliger
Hank Hove
Nanci A. Jones
Bob Logan
Paul Chizmar
Hank Bartos
Valerie M. Therrien
L.J. Hackenmiller
Dan LaSota
Introduced: 11/04/93
Adopted: 11/04/93

RESOLUTION NO. 93-096

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE OR THE GOVERNOR OF THE STATE OF ALASKA TO AMEND AS. 29.60.600 RELATING TO THE HUMAN SERVICES COMMUNITY MATCH PROGRAM

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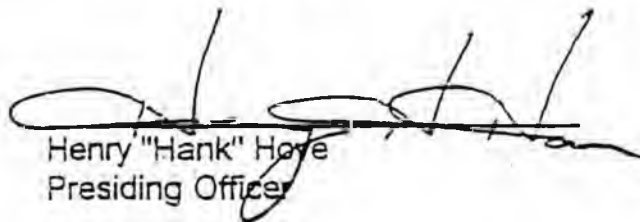
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WHEREAS, it is not reasonable to require a municipality to pay fifty percent of the costs of providing human services, especially since persons who are not members of, and do not pay taxes to a specific municipality, receive the benefits of these services.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly respectfully requests the Alaska State Legislature and the Governor of the State of Alaska to amend AS 29.60.600 to establish a municipal matching rate for a Human Services Community Match Program at a maximum of thirty (30) percent.

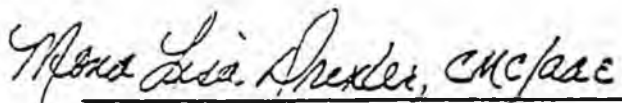
BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska and all member of the Interior Delegation of the Alaska State Legislature.

PASSED AND APPROVED THIS 4TH DAY OF NOVEMBER, 1993.



Henry "Hank" Hove
Presiding Officer

ATTEST:



Mona Lisa Drexler, CMC/AAE
Mona Lisa Drexler, CMC/AAE
Municipal Borough Clerk

CLERK'S OFFICE

APPROVED

Date: 1-18-94

Submitted by: Assemblymember LANDERS,
Begich

Prepared by: Assembly Policy and Budget
Office

For reading: January 18, 1994

ANCHORAGE, ALASKA

AR NO. 94-26

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REQUESTING THE
ALASKA STATE LEGISLATURE OR THE GOVERNOR OF THE STATE OF ALASKA
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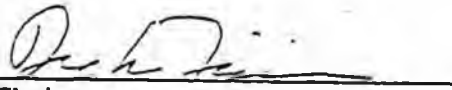
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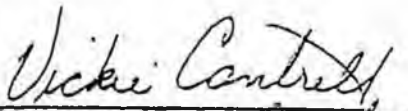
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10 Governor, State of Alaska and all members of the Interior Delegation of the Alaska State
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12

13 PASSED AND APPROVED by the Anchorage Assembly this 18th day
14 of January, 1994.
15
16

17
18 
19 _____
20 Chair

21 ATTEST:

22
23 
24 _____
25 Municipal Clerk, Deputy
26

March 21, 1994

HUMAN SERVICE BLOCK GRANTS

The Anchorage and Fairbanks Social Service Block Grants were created in the early 1980's to provide these communities with state assistance for needed social services. In addition to serving local residents, approximately 11% of the total clients and as many as 73% of clients served by some local providers are from other areas of the state.

Each community's grant was originally given a separate line in the budget.

The grants are given competitively by community-based boards to local non-profits to augment services provided by the Department of Health and Social Services. According to a 1987 survey, non-profit agencies provided approximately 14% of all health and human services delivered in Anchorage. Non-profits are the only providers of emergency shelter and food services.

Between 1989 and 1992, block grant allocations were reduced putting a severe strain on the health and social service system while demand for services continued to increase. The persons served by these programs are those who can least afford to lose them: low-income women, children and senior citizens.

In recent years, fiscal constraints forced the Department of Health and Social Services to find ways to reduce its budget. *The Anchorage and Fairbanks Social Service Block Grants were considered expendable by the Administration because they were "pass-through" grants to the municipalities which the Department did not control. They argued that the grants were not statutorily mandated.*

After several years of having to restore the grants, the Legislature decided to give statutory authority to the grants.

Legislation passed in 1991 created the Human Services Community Match Program, combining the Anchorage and Fairbanks Social Service Block Grants into a single budget line.

AS 29.60.600 calls on the Department of Health and Social Services to provide, within the limits of appropriation, 50% of the estimated reasonable costs of providing essential human services not already delivered by the Department.

Sec. 29.60.620(a) provides that if the amount appropriated is less than the grant requests, the money shall be allocated proportionally by population between the municipalities.

Sec. 29.60.620(b) states that if a city within a borough has an approved grant to provide area wide services (Fairbanks) the allocation under (a) shall be based on the population of the borough.

In the first year of the new program (FY94), this legislation resulted in a \$188,625 funding shift from Anchorage to Fairbanks even though the total amount appropriated to the new budget line was identical to the prior year's appropriation (\$1,957,300).

Most legislators were unaware of the impacts Sec. 29.60.620 (b) would have on the allocation . It was widely believed that by providing the same appropriation as the previous year that both cities would receive the same funding in FY94 as in FY93.

The legislation also provided a phase-in of the required 50% municipal match, allowing for a 10% match in FY94 and a 30% match in FY95. (see Chapter 74 Sec. 2. Transitional Provisions.) Both communities would like the municipal match be capped at 30%.

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The Administration proposed a reduction in the level of state support by 10% in FY94 and 30% in FY95. The municipalities had believed when they supported the legislation that they would see the level of state support maintained and that needed increases would come from the community share.

In order to allow the Anchorage grant to be restored to the FY93 level (\$1,656,600), the Human Service Matching Grant line must be increased by \$251,500 over FY94 authorized from \$1,957,300 to \$2,208,800.

However, the Governor's FY95 budget funding level of only \$1,370,100 is a reduction of \$587,200 from FY94 authorized, and \$838,700 less than the amount needed to enable Anchorage to continue to receive \$1,656,600 as it did under the old Social Services Block Grant Program in FY93.

The Municipality of Anchorage has requested that the appropriation for FY95 be funded through separate line item appropriations for Anchorage and Fairbanks to ensure that appropriate funds go to each entity. The Arctic Alliance for People and the Anchorage Human Services Coalition are comfortable with the single line appropriation.

The use of non-profits is an efficient and cost-effective means of delivering needed services. Non-profits raise millions of dollars in local contributions which would not otherwise be available.

These programs are already maximizing other sources of funding especially volunteer contributions. It is not reasonable to expect that these agencies can make up the difference simply through additional fundraising drives.

Human Services Community Matching Grant

	FY93 Auth	FY94 Auth 10% match	FY95 Gov 30% match	FY95 House 30% match
ANC	1,656.60	1,467.98	1,159.60	1,236.82
ANC match	165.66	146.80	347.88	530.06
Total ANC grant	1,822.26	1,614.77	1,507.48	1,766.88
FBX	300.70	489.33	210.50	412.28
FBX match		48.93	63.15	176.69
Total FBX grant	300.70	538.26	273.65	588.97
Total State Grant	1,957.30	1,957.30	1,370.10	1,649.10

ARCTIC ALLIANCE FOR PEOPLE

January 10, 1994

Dear Chairperson and Committee Members:

The Arctic Alliance for People is an alliance of human service organizations and groups here in the Interior. It has come to our attention that HB 321 has been pre-filed to amend the final match required of communities receiving funds from the Human Service Community Matching Grant Program.

The Arctic Alliance supports this amendment. It would require a final match of 30% from our Borough, bringing this grant in line with the capital matching grant program. We are concerned that the 50% match now required may put Fairbanks out of the running for these funds. This grant program is absolutely vital to Fairbanks citizens. It funds services not provided by any other sector, private or public. The amount of the grant has also been substantially less than our documented need. Therefore competition has always been fierce for these funds. We cannot afford to lose them.

Sincerely,

Mary Kay Brown, Vice President, *for*
Mary Kay Brown, President

ORGANIZATIONAL MEMBERS

- | | |
|--|---|
| 1. Access Alaska | 23. Fairbanks Native Association, Inc. |
| 2. Adult Learning Programs of Alaska, Inc. | 24. Fairbanks North Star Borough |
| 3. Advocacy Services of Alaska | 25. Fairbanks Regional Public Health Center |
| 4. Alaska Crippled Children and Adults, Inc. | 26. Fairbanks Resource Agency |
| 5. Alaska Family Services | 27. Fairbanks Youth Center |
| 6. Alaska Legal Services Corporation | 28. Family Centered Services of Alaska |
| 7. Alaska Work Programs | 29. Family Training Associates |
| 8. Alzheimer's Association | 30. Helping Hands |
| 9. American Cancer Society | 31. Hospice of the Tanana Valley |
| 10. Big Brothers/Big Sisters; Greater Fairbanks Area | 32. Interior AIDS Association |
| 11. Breadline | 33. Literacy Council of Alaska |
| 12. Breast Cancer Detection Center of Alaska | 34. LOVE INC |
| 13. Camp Fire, Alaska Council | 35. North Star Council on Aging |
| 14. Deaf Community Services | 36. North Star Counseling Center |
| 15. Division of Family and Youth Services | 37. Older American Volunteer Program |
| 16. Fairbanks Community Food Bank | 38. Parents and Friends of Lesbians and Gays |
| 17. Fairbanks Counseling and Adoption | 39. Presbyterian Hospitality House |
| 18. Fairbanks Crisis Line | 40. Resource Center for Parents and Children |
| 19. Fairbanks Head Start | 41. The Salvation Army |
| 20. Fairbanks Health and Social Services Commission | 42. Tanana Chiefs Conference |
| 21. Fairbanks Health Center/Public Health Nursing | 43. United Way of the Tanana Valley |
| 22. Fairbanks Memorial Hospital/Dental Center | 44. Volunteer Action Center |
| | 45. Women in Crisis - Counseling and Assistance |

SB

369

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/94

FURTHER:

Date of 5-Day Notice: 3-31-94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

Finance Committee considered SB 369

"An Act relating to the maintenance of and art requirements for certain public buildings and facilities and to the art in public places fund; and providing for an effective date."

Died in SFC 1994.

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

1. _____
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation

ALASKA STATE LEGISLATURE
SENATE BILL NO. 369

HISTORY IN THE SENATE

1947
3/28
FIN

Read first time and referred to:

_____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
 New Title ____ Same Title ____ Previous FN
 ____ FN ____ OFN To _____

_____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
 New Title ____ Same Title ____ Previous FN
 ____ FN ____ OFN To _____

_____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
 New Title ____ Same Title ____ Previous FN
 ____ FN ____ OFN To _____

_____ Rules Calendar(____) CS ____ AM ____ Other
 New Title ____ Same Title ____ Previous FN
 ____ FN ____ OFN

Read second time

_____ CS Adopted (____) _____ New Title
 _____ Amended _____ Advanced

Read third time

_____ Letter of Intent adopted
 _____ Return to second for specific amendment

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration
 Reconsideration not taken up

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
 Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

_____ RPT CS() ____ New Title
 DP ____ DNP ____ NR ____ AM
 FN ____ OFN ____ Previous FN

_____ RPT CS() ____ New Title
 DP ____ DNP ____ NR ____ AM
 FN ____ OFN ____ Previous FN

_____ RPT CS() ____ New Title
 DP ____ DNP ____ NR ____ AM
 FN ____ OFN ____ Previous FN

Read second time
 CS() Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

_____ Intent adopted

Reconsideration
 Reconsideration not taken up

PASSED ON RECON.	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

_____ Intent adopted

Reported correctly engrossed, signed by the Speaker
 and returned to the Senate

Chief Clerk of the House

CS FOR SENATE BILL NO. 369(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the maintenance of and art requirements for certain public
2 buildings and facilities and to the art in public places fund; and providing for
3 an effective date."

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

5 * Section 1. AS 35 is amended by adding a new chapter to read:

6 CHAPTER 50. STATE MAINTENANCE OF STATE-OWNED BUILDINGS.

7 Sec. 35.50.010. STATE BUILDING MAJOR MAINTENANCE FUND. (a)

8 The state building major maintenance fund is established in the Department of
9 Administration. The fund consists of

10 (1) money appropriated to the fund by the legislature;

11 (2) the proceeds of general obligation bonds and revenue bonds issued
12 for major maintenance projects of state buildings;

13 (3) the construction cost proceeds deposited in the fund under
14 AS 35.50.030(a);

ALASKA STATE LEGISLATURE
SENATE BILL NO. 369

HISTORY IN THE SENATE

1947

3/28

Read first time and referred to:

FIN

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To _____

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To _____

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To _____

____ Rules Calendar(____) CS ____ AM ____ Other
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN

Read second time

____ CS Adopted (____) ____ New Title
____ Amended ____ Advanced

Read third time

____ Letter of Intent adopted
____ Return to second for specific amendment

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration

Reconsideration not taken up

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

Read second time

CS(____) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

____ Intent adopted

Reconsideration

Reconsideration not taken up

PASSED ON RECON.	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

____ Intent adopted

Reported correctly engrossed, signed by the Speaker
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
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19	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
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CS FOR SENATE BILL NO. 369(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the maintenance of and art requirements for certain public**
2 **buildings and facilities and to the art in public places fund; and providing for**
3 **an effective date."**

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

5 *** Section 1.** AS 35 is amended by adding a new chapter to read:

6 **CHAPTER 50. STATE MAINTENANCE OF STATE-OWNED BUILDINGS.**

7 **Sec. 35.50.010. STATE BUILDING MAJOR MAINTENANCE FUND. (a)**

8 **The state building major maintenance fund is established in the Department of**
9 **Administration. The fund consists of**

10 **(1) money appropriated to the fund by the legislature;**

11 **(2) the proceeds of general obligation bonds and revenue bonds issued**
12 **for major maintenance projects of state buildings;**

13 **(3) the construction cost proceeds deposited in the fund under**
14 **AS 35.50.030(a);**

1 (4) the major maintenance assessment fees deposited in the fund under
2 AS 35.50.090(a);

3 (5) money from the federal government that is for the major
4 maintenance of state buildings and that is appropriated to the fund; and

5 (6) interest on money in the fund, if appropriated into the fund by the
6 legislature.

7 (b) Subject to appropriation, the money in the state fund shall be used for
8 major maintenance projects for state buildings, and for the costs of employing or
9 contracting with persons to provide the expertise needed by the committee to perform
10 its duties under this chapter.

11 Sec. 35.50.020. UNIVERSITY BUILDING MAJOR MAINTENANCE FUND.

12 (a) The university building major maintenance fund is established as a fund of the
13 University of Alaska. The fund consists of

14 (1) money appropriated to the fund by the legislature;

15 (2) the proceeds of general obligation bonds and revenue bonds issued
16 for major maintenance projects of university buildings;

17 (3) the construction cost proceeds deposited in the fund under
18 AS 35.50.030(b);

19 (4) the major maintenance assessment fees deposited in the fund under
20 AS 35.50.090(b);

21 (5) money from the federal government that is for the major
22 maintenance of university buildings and that is appropriated to the fund; and

23 (6) interest on money in the fund, if appropriated into the fund by the
24 legislature.

25 (b) Subject to appropriation, the money in the university fund shall be used for
26 major maintenance projects for university buildings, and for the costs of employing or
27 contracting with persons to provide the expertise needed by the Board of Regents to
28 perform its duties under this chapter.

29 Sec. 35.50.025. NONLAPSING APPROPRIATIONS. Except as otherwise
30 provided by the particular appropriation, appropriations to the state fund or university
31 fund are not one-year appropriations, and appropriation balances do not lapse under

1 AS 37.25.010.

2 Sec. 35.50.030. REQUIRED DEPOSIT. (a) Subject to an appropriation for
3 the purpose, a state agency that is responsible for the construction of a state building
4 shall deposit into the state fund one percent of the construction costs of the state
5 building.

6 (b) Subject to an appropriation for the purpose, if the university is responsible
7 for the construction of a building, the university shall deposit into the university fund
8 one percent of the construction costs of the building.

9 (c) In this section, "construction costs" means all costs to construct the
10 building, including planning, design, and financing costs, but does not include the cost
11 of the land for the building.

12 Sec. 35.50.040. REVIEW COMMITTEE ESTABLISHED. (a) The State
13 Building Major Maintenance Review Committee is established in the department. The
14 committee consists of

15 (1) the commissioners, or their designees, of

16 (A) the Department of Administration;

17 (B) the Department of Transportation and Public Facilities; and

18 (C) three other departments selected by the governor on a two-
19 year rotating basis;

20 (2) the administrative director of the Alaska Court System, or the
21 director's designee, who serves as a non voting member of the committee; and

22 (3) the executive director of the Legislative Affairs Agency, or the
23 director's designee, who serves as a nonvoting member of the committee.

24 (b) The commissioner of administration shall serve as the chair of the
25 committee.

26 Sec. 35.50.050. EXPERT ASSISTANCE. The committee may employ or
27 contract with persons to provide the expertise needed by the committee to carry out
28 its duties under this chapter. The Board of Regents may employ or contract with
29 persons to provide the expertise needed by the Board of Regents to carry out its duties
30 under this chapter.

31 Sec. 35.50.060. COMMITTEE DUTIES. The committee shall

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- (1) develop criteria for establishing the major maintenance needs of state buildings;
- (2) analyze the major maintenance needs of state buildings;
- (3) establish a method for prioritizing the major maintenance projects needed for state buildings; the method must include consideration of the need for the projects and the cost of the projects;
- (4) prepare and maintain a six-year major maintenance plan for state buildings;
- (5) prepare a complete list of all major maintenance needs of state buildings each year;
- (6) prepare a prioritized list of the major maintenance projects that the committee recommends be performed each year for state buildings; the selection shall be based on the need for the projects, the cost of the projects, and other factors determined significant by the committee;
- (7) review the life cycle costs of state buildings; and
- (8) develop annual maintenance and operating strategies.

Sec. 35.50.070. BOARD OF REGENTS DUTIES. The Board of Regents shall

- (1) develop criteria for establishing the major maintenance needs of university buildings;
- (2) analyze the major maintenance needs of university buildings;
- (3) establish a method for prioritizing the major maintenance projects needed for university buildings; the method must include consideration of the need for the projects and the cost of the projects;
- (4) prepare and maintain a six-year major maintenance plan for university buildings;
- (5) prepare a complete list of all major maintenance needs of university buildings each year;
- (6) prepare a prioritized list of the major maintenance projects that the Board of Regents recommends be performed each year for university buildings; the selection shall be based on the need for the projects, the cost of the projects, and other factors determined significant by the Board of Regents;

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- (7) review the life cycle costs of university buildings; and
- (8) develop annual maintenance and operating strategies.

Sec. 35.50.080. REPORTS TO LEGISLATURE. (a) The commissioner of administration shall provide to the legislature by January 15 of each year

- (1) the committee's list of all current major maintenance needs for state buildings;
- (2) a report on the activities of the committee during the previous fiscal year; and
- (3) a prioritized list of the major maintenance projects recommended by the committee for state buildings for the next fiscal year.

(b) The Board of Regents shall provide to the legislature by January 15 of each year

- (1) the Board of Regents' list of all current major maintenance needs for university buildings;
- (2) a report on the activities of the Board of Regents under this chapter during the previous fiscal year; and
- (3) a prioritized list of the major maintenance projects recommended by the Board of Regents for university buildings for the next fiscal year.

(c) Nothing in this section prevents the

- (1) administrative director of the Alaska Court System from submitting to the legislature for the court system the court system's own prioritized list of the major maintenance projects recommended by the court system for state buildings for a fiscal year;
- (2) executive director of the Legislative Affairs Agency from submitting to the legislature for the legislative branch the legislative branch's own prioritized list of the major maintenance projects recommended by the legislative branch for state buildings for a fiscal year.

Sec. 35.50.090. MAJOR MAINTENANCE ASSESSMENT FEE. (a) Subject to an appropriation for the purpose, each fiscal year a state agency that occupies a state building shall deposit in the state fund an annual major maintenance assessment fee in the amount established by the committee each year for each square foot occupied

1 by the state agency in the building.

2 (b) Subject to an appropriation for the purpose, each fiscal year the university
3 shall deposit in the university fund an annual major maintenance assessment fee in the
4 amount established by the Board of Regents each year for each square foot occupied
5 by the university in a university building.

6 (c) The governor shall use the square foot rates established by the committee
7 and the university each year to prepare the budget submitted by the governor to the
8 legislature under AS 37.07.

9 Sec. 35.50.900. DEFINITIONS. In this chapter,

10 (1) "Board of Regents" means the Board of Regents of the University
11 of Alaska;

12 (2) "building" includes improvements that are connected to the building,
13 but does not include

14 (A) a school for which the major maintenance grant fund under
15 AS 14.11.007 may be used to make a grant to the school; or

16 (B) an international airport; in this paragraph, "international
17 airport" has the meaning given in AS 02.15.260;

18 (3) "committee" means the State Building Major Maintenance Review
19 Committee established by AS 35.50.040;

20 (4) "department" means the Department of Administration;

21 (5) "state agency" means a department, institution, board, commission,
22 division, authority, public corporation, committee, or other administrative unit of the
23 executive, judicial, or legislative branch of state government, but does not include the
24 University of Alaska, the Alaska Railroad Corporation, the Alaska Housing Finance
25 Corporation, the Alaska Aerospace Development Corporation, or the Alaska Industrial
26 Development and Export Authority;

27 (6) "state building" means a building owned by the state;

28 (7) "state fund" means the state building major maintenance fund
29 established under AS 35.50.010;

30 (8) "university" means the University of Alaska;

31 (9) "university building" means a building owned by the University of

1 Alaska;

2 (10) "university fund" means the university building major maintenance
3 fund established under AS 35.50.020.

4 * **Sec. 2.** AS 44.27.052(a) is amended to read:

5 (a) The council may

6 (1) hold public and private hearings;

7 (2) enter into contracts, within the limit of funds available, with
8 individuals, organizations, and institutions for services furthering the educational
9 objectives of the council's programs;

10 (3) enter into contracts, within the limit of funds available, with local
11 and regional associations for cooperative endeavors furthering the educational
12 objectives of the council's programs;

13 (4) accept gifts, contributions, and bequests of unrestricted funds from
14 individuals, foundations, corporations, and other organizations or institutions for the
15 purpose of furthering the educational objectives of the council's programs; and

16 (5) make and sign agreements and to do and perform any acts
17 necessary to carry out the purposes of AS 44.27.040 - 44.27.058 [AS 44.27.040 -
18 44.27.060].

19 * **Sec. 3.** AS 44.35.030 is amended to read:

20 **Sec. 44.35.030. CONSTRUCTION OF MEMORIALS TO ALASKA**
21 **VETERANS.** The Department of Military and Veterans' Affairs may construct
22 memorials to Alaska veterans. A memorial constructed under this section is not
23 subject to AS 35.15 [OR AS 35.27].

24 * **Sec. 4.** AS 35.27; AS 44.27.050(6), and 44.27.060 are repealed.

25 * **Sec. 5. APPLICATION.** (a) Notwithstanding the repeal of AS 35.27 by sec. 4 of this
26 Act, AS 35.27 continues in effect for the purpose of the design, construction, mounting, and
27 administration of a work of art if a contract for the design, construction, mounting, or
28 administration of the work of art is entered into under AS 35.27 before the effective date of
29 sec. 4 of this Act.

30 (b) Notwithstanding the amendment of AS 44.27.052(a)(5) by sec. 2 of this Act and
31 the repeal of AS 44.27.050(6) and 44.27.060 by sec. 4 of this Act, AS 44.27.052(a)(5), as it

1 reads before the effective date of this Act, and AS 44.27.050(6) and 44.27.060 continue in
2 effect for the purpose of the design, construction, mounting, administration, commission, or
3 loan of a work of art if a contract for the design, construction, mounting, administration,
4 commission, or loan of the work of art to be funded in whole or in part under AS 44.27.060
5 is entered into before the effective date of sec. 4 of this Act.

6 * **Sec. 6.** AS 35.50.010(a)(4), 35.50.020(a)(4), and 35.50.090, added by sec. 1 of this Act,
7 take effect July 1, 1995. The other provisions of this Act take effect immediately under
8 AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 369

Revision Date: _____ Dept. Affected: Administration
 Title: An Act relating to the maintenance of and art BRU: General Services
requirements for certain public buildings and facilities Component: Purchasing
 Sponsor: Senate Finance Committee
 Requestor: _____ COMPONENT SERIAL NO. 60

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	122.0	122.0	122.0	122.0	122.0	122.0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	273	0	0	0	0	0
SUPPLIES	20	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	151.3	122.0	122.0	122.0	122.0	122.0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	151.3	122.0	122.0	122.0	122.0	122.0
TOTAL	151.3	122.0	122.0	122.0	122.0	122.0

POSITIONS

FULL-TIME	2	2	2	2	2	2
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: \$ -0-

ANALYSIS: (attach a separate page if necessary.)
 See attachment.

Prepared By: Dugan Petty, Director Phone: 465-2250
 Division: General Services Date: _____

Approved by Commissioner: Nancy Bear Usura Date: 3/30/94
 Agency: Department of Administration

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 369
PAGE 2 of 2

While much of the existing efforts of the Office of Management and Budget, Alaska State Facilities Administrators and agencies will be utilized to meet the requirements of the bill, work is needed to develop forms, procedures and methodology to review projects and prepare required reports between passage of the bill and the next legislative session. This work will have fiscal impact paid from the major maintenance fund.

If sufficient funding is available in the major maintenance project fund for FY95, we believe expenses would be as outlined below. If funding is unavailable, the committee duties outlined in section 35.50.060 would be met to the extent resources permit.

Anticipated Costs for Expert Staff:

Project Manager	75.5
Administrative Assistant I	<u>46.5</u>
	122.0

Anticipated Contractual Services:

• Establish criteria for major maintenance needs assessment and submittal development	8.0
• Cost estimating of projects and developing estimating criteria	11.3
• Assist development six year plan	5.0
• Develop life cycle cost criteria and approach	<u>3.0</u>
TOTAL	27.3

Anticipated Cost of Software & Supplies: 2.0

FISCAL NOTE

Revision Date:
Title: State Bldg. Maintenance; Repeal Art Program

Department Affected: DOT&PF
BRU: E&OS, D&C

Sponsor: Senate Finance
Requestor:

Component: D&C
Component Serial Number: #547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY94) impact: \$0

ANALYSIS: (Attach a separate page if necessary)

There will be some impact and costs to DOT/PF associated with this bill. These costs should be covered and available from the major maintenance fund.

Prepared by: Mal Linthwaite, Director

Phone: 465-6978

Division: Engineering & Operations Standards

Date: March 30, 1994

Approved by Commissioner: 

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: April 5, 1994

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FY95

Agency Request (as found in budget backup)*	Gov Request to the Legislature
---	--------------------------------------

Agency

Governor (ADA only)	4500.0	2000.0
Administration	00.0	00.0
DCRA	00.0	00.0
Commerce	00.0	00.0
Corrections	3075.0	1000.0
Education (excluding schools)	00.0	00.0
Environmental Conservation	00.0	00.0
Fish & Game	2991.0	650.0
Health & Social Services	2568.6	888.9
Labor	00.0	00.0
Law	00.0	00.0
Military & Veterans Affairs	5767.9	765.0
Natural Resources	00.0	00.0
Public Safety	00.0	00.0
Revenue	00.0	00.0
Transportation & Public Facilities	2550.0	1250.0
U of A	00.0	00.0
Judicial	00.0	00.0

* - This worksheet refers only to those capital requests which can be identified based on the Governor's Capital Budget submission.

One may reasonably assume that other departments with large deferred maintenance needs requested an amount which was not forwarded for legislative consideration.



OFFICIAL BUSINESS

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-0310

Sectional Analysis CS SB 369

"An Act relating to the maintenance of and art requirements for certain public buildings and facilities and to the art in public places fund; and providing for an effective date."

Section 1.

- 35.50.010. **STATE BUILDING MAJOR MAINTENANCE FUND.** Creates the State Building Major Maintenance Fund consisting of appropriations, bond proceeds, 1% of construction costs, annual major maintenance assessment fees, federal funds, and interest on the fund.
- 35.50.020. **UNIVERSITY BUILDING MAJOR MAINTENANCE FUND.** Creates the University Building Major Maintenance Fund is parallel in nature to the State Building Major Maintenance Fund but applies only to university buildings.
- 35.50.025. **NONLAPSING APPROPRIATIONS.** Appropriations are not one-year appropriations.
- 35.50.030. **REQUIRED DEPOSIT.** An amount equal to one percent of construction costs of a state building are deposited to the fund, subject to appropriation.
- 35.50.040. **REVIEW COMMITTEE ESTABLISHED.** A review committee is created consisting of the commissioners of Administration, Transportation and Public Facilities, and three other departments selected by the governor on a two-year rotating basis. The commissioner of administration serves as the chair. This committee reviews projects for all covered entities except the university. There are two non-voting members: Administrative Director of Courts and the Executive Director, Legislative Affairs or their designees.
- 35.50.050. **EXPERT ASSISTANCE.** The committee or the Board of Regents may employ or contract for the expertise needed to accomplish the required duties.

- 35.50.060. **COMMITTEE DUTIES.** The committee identifies and prioritizes the major maintenance needs, prepares and maintains a six-year plan, compiles a complete and prioritized list each year of the major maintenance needs, reviews life cycle costs and develops annual maintenance and operating strategies.
- 35.50.070. **BOARD OF REGENTS DUTIES.** These parallel 35.50.060, except that they apply to university buildings.
- 35.50.080. **REPORTS TO LEGISLATURE.** By January 15 each year, the commissioner of administration gives the legislature the committee's list of all current major maintenance needs, a report of the committee's activities for the previous fiscal year, and a prioritized list of projects recommended for the next fiscal year. Nothing prohibits the non-voting members of the committee from submitting their prioritized recommendations separately by the January 15 deadline. Parallel requirements exist for the Board of Regents.
- 35.50.090. **MAJOR MAINTENANCE ASSESSMENT FEE.** Subject to appropriation, a state agency that occupies a state building pays an annual fee intended to pay for major maintenance of state buildings. The annual rate is established by the committee each year for each square foot occupied by the state agency. Parallel requirements exist for the Board of Regents. The rate per square foot is used by the governor to prepare the annual budget.
- 35.50.900. **DEFINITIONS.** Includes definitions for Board of Regents, building, committee, department, state agency, state building, state fund, university, university building, university fund. The definition for construction costs is included in 35.50.030(c).

Section 2.

- 44.27.052. The Alaska State Council on the Arts remains in effect. However, the council's authority over the Art in Public Places Fund is deleted.

Section 3.

44.35.030. Memorials constructed under this statute are no longer subject to the art works in public buildings and facilities statute.

Section 4.

Repeals statutes relating to Art Works in Public Buildings and Facilities, the responsibility of the Alaska State Council on the Arts to manage the art in public places fund, and the fund itself.

Section 5.

Art Works in Public Buildings and Facilities continues in effect for works under contract if the contract is entered into before the effective date of Section 4.

Section 6.

All provisions are effective immediately except for the payment of the major maintenance assessment fee, which becomes effective 7/1/95.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sponsor Statement Senate Bill 369

The State of Alaska owns 1,717 buildings, which have a combined value of \$2.3 billion. This amount is equivalent to one-fifth of the value of Alaska's Permanent Fund. Like the Permanent Fund, these facilities are an investment and require care and maintenance.

The average age of state-owned buildings is approximately 20.7 years and the documented deferred maintenance backlog is about \$251.4 million, or more than 10% of the building value. Through the years, insufficient funds have been appropriated for the scheduled, routine maintenance of our buildings. Deferred maintenance resulted from our inattention to this publicly-owned asset base.

Through our failure to perform scheduled, routine maintenance, small problems became large problems. The leaking roof that could have been repaired for a few thousand dollars became the roof replacement project costing a million dollars.

The sponsor believes it is the duty of the state to preserve and protect existing public buildings. To that end, the sponsor offers SB 369 as the means to ensure that adequate funding is available for the repair of facilities as well as scheduled, routine maintenance

The Facilities Major Maintenance Fund is created in the Department of Administration*. Money into the fund will come from:

- 1% of construction costs on one-time basis
This bill also repeals the statutes affecting the 1% for art program. The rationale is "the buildings are falling down around us; we can't afford the luxury of art when the roof is leaking."
- annual maintenance assessment fee
- proceeds of G.O and revenue bonds (*Not part of this bill*)

- federal funds
- additional appropriations
- interest on the fund

A committee* composed of the commissioners of administration, transportation and public facilities and three others to be named by the governor are responsible to develop a criteria and to recommend annually which maintenance projects will be funded. Costs of gaining the needed expertise will come from the fund.

Another feature of SB 369 is an annual maintenance assessment fee charged to all state agencies that occupy state-owned buildings. Besides the obvious advantage of paying for on-going maintenance rather than waiting for big-ticket deferred maintenance items, this assessment fee, established annually by the committee, will further link the perceived need for space by a state agency to a real cost for occupying that space.

- **Effective Dates:** Bill becomes effective immediately except for the payment of the Major Maintenance Assessment Fee, which becomes effective 7/1/95 (allows for a full budget cycle).

* University of Alaska buildings are included in the provisions of this bill, but all provisions regarding the University are parallel and separate. Schools and international airport facilities are not included in this bill.

The State of Alaska, through twelve different state agencies and the University of Alaska, owns, operates and manages 1,717 buildings which have a combined value of \$2.3 billion; an amount equivalent to one-fifth of the value of Alaska's Permanent fund.

Like the permanent fund, these facilities are an investment in Alaska's future and represent a "Building Trust" requiring the same degree of care and maintenance as the permanent fund if they are to continue to contribute to the development of Alaska's future economy. How well the "Building Trust" serves Alaska's future needs is directly related to the degree of attention these facilities receive today.

The ability of state agencies to carry out public programs and provide public services depends upon the serviceability of its facilities. Buildings that are not kept in good condition and have deferred maintenance, due to either inadequate capital or general funding, will eventually and mandatorily require extensive repair work. This cost in turn will reduce the funding available for operating the programs served by the building.

This updated report documents that State buildings are an extremely valuable public asset. It identifies the basic costs required to maintain the value of these assets. Without adequate operations, maintenance, repair and building renewal funding, the buildings will deteriorate, interfering with the operation of the occupying agencies and develop into a liability rather than an asset. The report has four sections:

Alaska's Building Trust
Funding Requirements
Deferred Maintenance
Conclusions

This update to the 1990 State-owned Buildings Inventory and Assessment was prepared by the Alaska State Facilities Administrators (ASFA). ASFA is an ad hoc interdepartmental organization of facilities managers, whose goal is to improve building management within their respective agencies through cooperative problem solving. ASFA has identified adequate levels of maintenance funding as one of Alaska's greatest facility needs. The report's statistics were provided by the state agencies to ASFA. Facilities which are owned by the state, but not maintained with general funds, such as international airports, are not addressed within this analysis.

Agencies currently participating in ASFA include:

Alaska Court System
Alaska State Building Authority
Department of Administration
Department of Commerce and Economic
Development
Department of Community and Regional Affairs
Department of Corrections
Department of Education

Department of Fish and Game
Department of Health and Social Services
Department of Military and Veterans Affairs
Department of Natural Resources
Department of Public Safety
Department of Transportation and Public
Facilities
University of Alaska

MEMORANDUM

State of Alaska

Department of Military & Veterans Affairs
Facilities Management Division

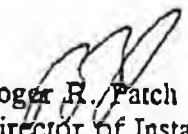
SB 369

TO: Senator Steve Frank
Senate Finance Co-Ch.

Date: March 30, 1994

File Id: 033094SF.MEM

Telephone No.: 428-6770

FROM:  Roger R. Patch
Director of Installations

Subject: Operating Shortfalls
Lead to Deferred
Maintenance in the
Capital Budget

Thank you for your interest in DMVA's capital budget. The following information is submitted in response to your question about the departments backlog of deferred maintenance. As the Director of Installations for this department and the President of the Alaska State Facility Administrators, I have had a great deal of exposure with the states backlog of deferred maintenance. Research for the past fifteen years indicates that when there is a shortfall in the operating budget, which forces an agency to curtail routine and preventative maintenance, it will lead to a backlog of deferred maintenance which will then have to be addressed in the capital budget. As an example, during our routine preventative maintenance, we inspect our roofs and make minor repairs in flashing and surface cracks as they are detected. If the operating budget is reduced to the point where I cannot do all of my preventative maintenance, failure to accomplish these minor repairs lead to roof leaks which if not corrected in time will spread and then require a roof replacement.

The attached chart shows you the shortfalls that DMVA has experienced from 1990 through 1994. In 1993, our shortfall was \$399,300.00 and this total shortfall reduced the amount of maintenance that we were able to perform by 50%. As you know, we must first meet our fixed expenses i.e. utilities, administrative overhead, premiums for risk management, etc., before we can apply money to maintenance. These maintenance tasks that were not accomplished often times develop into major projects that then have to be funded out of the capital budget. If that were not bad enough by itself, failure to do P.M. reduces the efficiency of our heating systems which then consume higher levels of fuel, increasing our utility expenses and again decreasing the amount of money available for maintenance.

I hope the information provided answers your questions. Please feel free to contact me if I can be of any further assistance either by phone or during my next visit to Juneau.

Attachment

Operating Shortfalls

An example of one department's experiences with operating budget requests versus actual appropriations.

****SHORTFALLS IN OPERATING BUDGET REQUESTS LEADS TO AN INCREASE IN THE BACKLOG OF DEFERRED MAINTENANCE.****

DMVA ARMY GUARD OPERATING BUDGET REQUESTS - FY1890 THRU FY1994

FY	AGENCY REQUEST		GOVERNOR AMENDED		PERCENTAGE OF DIFFERENCE		CONFERENCE COMMITTEE		PERCENTAGE OF DIFFERENCE		TOTAL FUNDING SHORTFALL**
	GF	GFM	GF	GFM	GF	GFM	GF	GFM	GF	GFM	GF&GFM
1994	\$2,234,700	\$402,200	\$2,149,900	\$390,400	-3.78%	-2.93%	\$2,149,900	\$390,400	-3.78%	-2.93%	(\$96,600)
1993	\$2,633,500	\$402,200	\$2,633,500	\$402,200	0.00%	0.00%	\$2,234,200	\$402,200	-15.16%	0.00%	(\$399,300)
1992	\$2,761,000	\$428,000	\$2,472,600	\$389,500	-11.09%	-9.00%	\$2,448,200	\$389,500	-12.04%	-9.00%	(\$373,300)
1881	\$1,483,600	\$323,100	\$1,384,700	\$323,100	-6.67%	0.00%	\$1,348,700	\$323,100	-9.09%	0.00%	(\$134,900)
1990	\$1,517,400	\$258,000	\$1,273,500	\$258,000	-16.07%	0.00%	\$1,214,700	\$258,000	-19.35%	0.00%	(\$302,700)

SB

370

HFIN

FILE

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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FAX (907) 465-2029

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130 Seward Street, Suite 409

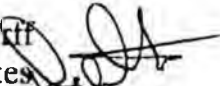
Juneau, Alaska 99801-2105

MEMORANDUM

May 5, 1994

SUBJECT: Constitutionality of sec. 6, HCS C3SB 370(FIN)

TO: Representative Ron Larson
Co-chair, House Finance Committee

FROM: David R. Dierdorff 
Revisor of Statutes

Enclosed is the final you requested. Please be advised that the amendments made to sec. 6 are probably in violation of the United States Constitution in one or two respects. First, it probably violates the right to free speech; second it may impinge unreasonably on interstate commerce.

I do not have time to adequately research the question at this point, and the drafting attorney is not immediately available for comment, but I wanted to alert you to the possibility that the amendment could be challenged.

DRD:Imb
94-143.lmb

Enclosure

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 5/5/94

The FINANCE Committee considered:

CSSB 370(FIN)

CS FOR SENATE BILL NO. 370(FIN)

CRUISE SHIP GAMBLING & PROMOTIONS

"An Act providing an exemption from gambling laws for gambling conducted by cruise ships for their ticketed passengers in the offshore water of the state; relating to promotions on board cruise ships; defining 'cruise ship'; providing for exemption procedures for certain cruise ships before they can conduct gambling in the offshore water of the state; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____

HCS CS SB 370(FIN)

the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) DOR, 5/2/94

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Mackean</u> Eileen P. Mackean		Terry Martin	<input checked="" type="checkbox"/>		
<u>Larson</u> Ronald J. Larson	<input checked="" type="checkbox"/>				
<u>Brussendorf</u> Ben Brussendorf	<input checked="" type="checkbox"/>				
<u>Brown</u> Ken Brown	<input checked="" type="checkbox"/>				
<u>Foster</u> Richard J. Foster	<input checked="" type="checkbox"/>				

Ronald J. Larson E P Mackean
CHAIRMAN'S SIGNATURE

**HOUSE CS FOR CS FOR SENATE BILL NO. 370(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE TRANSPORTATION COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling laws for gambling conducted by
2 cruise ships for their ticketed passengers in the offshore water of the state;
3 relating to promotions on board cruise ships; defining 'cruise ship'; providing for
4 exemption procedures for certain cruise ships before they can conduct gambling
5 in the offshore water of the state; and providing for an effective date."

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

7 * Section 1. AS 05.15 is amended by adding a new section to read:

8 **ARTICLE 4. CRUISE SHIP EXEMPTION.**

9 **Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS.** (a) A cruise ship may
10 conduct gambling as permitted under AS 11.66.275 in the offshore water of the state
11 if

12 (1) the operator of the cruise ship annually applies on a date set by the
13 department on a form provided by the department;

CSSB 370 (FIN)

Estimated Costs

Personal Services	[Seasonal Investigator III]	\$27.0
Contractual		
Legal Services		10.0
Communications		.5
Printing & Binding		.5
Postage		.5
Supplies	[pens, paper, file folders, etc.]	.1
Total Annual Costs		<u>\$38.6</u>

One Time Costs

Contractual	[phone line installation]	.2
Equipment		
Office Furniture		1.0
Phone		.3
Computer		3.5
Total Start-up Costs		<u>\$5.0</u>

CSSB 370 (FIN)

Estimated Revenues

Fee Schedule

Passengers	Fee	1994	1995
		Total Ships	Total Ships
Fewer than 500	\$10.0	10	10
500 to 1,000	\$20.0	08	08
1,000 or more	\$30.0	11	12
	Total Exemption Fees	\$590.0	\$620.0

Prepared by: Alaska Department of Revenue
Charitable Gaming Division
April 27, 1994

(7)
Date Referred: May 3, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Finance

Date of Committee Action: 4 May 94

The JUDICIARY Committee considered:

CSSB 370(FIN)

CS FOR SENATE BILL NO. 370(FIN)

ALLOW GAMBLING ON CRUISE SHIPS

"An Act providing an exemption from gambling laws for gambling conducted by cruise ships for their ticketed passengers in the offshore water of the state; relating to promotions on board cruise ships; defining 'cruise ship'; providing for exemption procedures for certain cruise ships before they can conduct gambling in the offshore water of the state; and providing for an effective date."

- RECOMMENDATIONS:
 be replaced with HCS 28 SB 370 (JUD) [the same title
 [] a new title
 [] have attached amendments(s)
 [] do pass
 [] do not pass
 [] no recommendations
 [] individual recommendations
 [] additional referral to the _____ Committee

ADOPTS: HOUSE JUDICIARY letter of Intent

- ATTACHES NEW FISCAL NOTE(s): (Dept)
 [] fiscal impact _____
 [] zero fiscal note _____

- APPROVES PREVIOUS: (Dept/Date)
 [] Senate Revenue 5/2/94
 [] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Pete Kott</u> Kott	X	<u>Phillips</u> PhillipS		<input checked="" type="checkbox"/>	
<u>James</u> James	<input checked="" type="checkbox"/>	<u>Green</u> Green		<input checked="" type="checkbox"/>	
<u>Porter</u> Porter	<input checked="" type="checkbox"/>	<u>Nordlund</u> Nordlund		<input checked="" type="checkbox"/>	
	(3)			(3)	

Brian Porter
CHAIRMAN'S SIGNATURE