

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994

1241

We oppose this bill because it is not in the best interest of the state.

The present Municipal Land Act limits what lands can be used to calculate municipalities' entitlement and, more importantly, what type of land is suitable to be conveyed to municipalities. The present definition limits this to land classified agricultural, grazing, material, public recreation, or settlement. It does not include land classified for forest, geothermal, heritage resources, oil and gas, reserved use, resource management, transportation corridor, or wildlife habitat.

These land classifications, that could be used to determine entitlements and eventual ownership were carefully decided in 1978, when the Municipal Land Act became law. The classifications were individually looked at and put into categories that were in the states interest to retain, and those that were appropriate for local ownership to support local activities and revenue generation.

If this bill becomes law, municipalities will be able to select and obtain ownership over any state land, including land within legislatively designated areas such as parks, game refuges, sanctuaries, and recreational areas. This will leave the state in a position of not being able to protect the overall interest of all its citizens.

The following chart depicts the additional land that would need to be conveyed, just to boroughs:

Boroughs	State Land	10% State Land	Present Entitlement
Aleutians East Borough	1,184,113	118,411.3	Not Certified
Municipality of Anchorage	543,184	54,318.4	44,893
Bristol Bay Borough	105,213	10,521.3	2,898
Denali Borough	3,017,661	301,766.1	Not Certified
Fairbanks North Star Borough	2,973,355	297,335.5	112,000
Haines Borough	155,171	15,517.1	2,800
City and Borough of Juneau	40,069	4,006.9	19,584
Kenai Peninsula Borough	2,171,394	217,139.4	185,780
Ketchikan Gateway Borough	27,692	2,769.2	11,593
Kodiak Island Borough	628,817	62,881.7	56,500
Lake and Peninsula Borough	4,198,660	419,866.0	Not Certified
Matanuska-Susitna Borough	9,881,324	988,132.4	355,210
North Slope Borough	8,644,282	864,428.2	89,850
Northwest Arctic Borough	3,242,039	324,203.9	285,000
City and Borough of Sitka	15,499	1,549.9	10,500
Yakutat	5,000	500.0	Not Certified

In some cases, such as for the Municipality of Anchorage, the State does own enough land to convey the additional entitlement unless land is removed from legislatively designated areas (Chugiak State Park). In addition, there are 29 cities that presently have an entitlement of 26,810 acres. All of the boroughs, plus all cities that have state land within their boundaries, will have to be recertified. It should also be noted that all entitlements are vested property rights that must be full-filled. It should also be noted that we currently have a back log of unprocessed applications for 20 municipalities that total 620,000 acres.

Current law, AS 29.65.030 (b), requires that municipal entitlements be certified within two years and six months of incorporation, or within six months if a municipality requests certification on an expeditious basis. Current law, AS 29.65.040 (d), also requires that municipalities must select land within one year after certification. Finally, AS 29.65.050(c), requires that all selections must be approved or disapproved within nine months of selection.

This fiscal note reflects these requirements. If a more moderate approach is adopted this fiscal note needs to be amended.

FISCAL NOTE No. 2

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BI Bill Version: SB 375
 (S) Publish Date: 5-2-94

Revision Date: 28-Apr-94 Dept Affected: Natural Resources
 Title: "An Act relating to general grant
land entitlements." BRU: Resource Development
 Component: Land Development
 Sponsor: Senate Judiciary Committee
 Requestor: Senate Judiciary Committee Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	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	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimate of any current year (FY94) cost: \$ None

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED.

Prepared by: Ron Swanson, Director Phone: 762-2692
 Division: Land Date: 28-Apr-94
 Approved by Commissioner: Harry A. Noah Date: 28-Apr-94
 Agency: Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

While we support the transfer of land to municipalities, we do not support this bill in its present form because it is not in the best interest of the state.

The present Municipal Land Act limits what lands can be used to calculate municipalities' entitlement and, more importantly, what type of land is suitable to be conveyed to municipalities. The present definition limits this to land classified agricultural, grazing, material, public recreation, or settlement. It does not include land classified for forest, geothermal, heritage resources, oil and gas, reserved use, resource management, transportation corridor, or wildlife habitat.

These classifications were carefully decided in 1978 when the Municipal Land Act became law. The classifications were individually looked at and put into categories that were in the states interest to retain, and those that were appropriate for local ownership to support local activities and revenue generation.

By including all land classifications, the land use planning process, which includes a public process, essentially becomes moot.

The following chart approximately depicts the additional land that would need to be conveyed to boroughs. The chart has not taken into account state land that has already been conveyed to municipalities, University or Mental Health land and Legislatively Designated Areas.

Boroughs	State Land	10% State Land	Present Entitlement
Aleutians East Borough	1,184,113	118,411.3	Not Certified
Municipality of Anchorage	543,184	54,318.4	44,893
Bristol Bay Borough	105,213	10,521.3	2,898
Denali Borough	3,017,661	301,766.1	Not Certified
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City and Borough of Juneau	40,069	4,006.9	19,584
Kenai Peninsula Borough	2,171,394	217,139.4	155,780
Ketchikan Gateway Borough	27,692	2,769.2	11,593
Kodiak Island Borough	628,817	62,881.7	56,500
Lake and Peninsula Borough	4,198,660	419,866.0	Not Certified
Matanuska-Susitna Borough	9,881,324	988,132.4	355,210
North Slope Borough	8,644,282	864,428.2	89,850
Northwest Arctic Borough	3,242,039	324,203.9	285,000
City and Borough of Sitka	15,499	1,549.9	10,500
Yakutat	5,000	500.0	Not Certified

In addition, there are 29 cities that presently have an entitlement of 26,810 acres. All of these, plus all other cities that have state land within their boundaries will have to be readjudicated.

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

No. 3

Bill Version: SB 375

(S) Publish Date: 5-2-94

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: "An Act relating to general grant land entitlements." BRU: _____
 Sponsor: Senate Judiciary Committee by Request Component: _____
 Requestor: Senator Phillips COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
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						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
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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	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Changes in CS SB 375 (RES)
 have no fiscal impact. This
 fiscal note is appropriate.
5-2-94 date SS-S Comte Aide (initial)

Prepared by: Remond Henderson *Remond Henderson* Director Phone: 465-4708
 Division: Administrative Services Date: 4/19/94
 Approved for the Commissioner by: Bruce Geraghty *Bruce Geraghty* Deputy Commissioner Date: 4-19-94
 Agency: Community & Regional Affairs

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SB

376

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/94

FURTHER:

Date of 5-Day Notice: Waived 4-13-94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-21-94

Finance Committee considered SB 376

"An Act relating to fees charged by state agencies for certain services and to reimbursement for expenses incurred by the state in providing certain services; and providing for an effective date."

and recommends:

- replace with _____ CS SB 376 (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
DPS- D. Services	4/13/94		1.5
DPS-Fire	4/13/94	<input checked="" type="checkbox"/>	
DEC	4/13/94		1280
Doc	4/13/94		670.2 Rev.
DOC	4/13/94	<input checked="" type="checkbox"/>	
DOR	4/13/94	<input checked="" type="checkbox"/>	0.4 Rev.

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

 Trip Kell

 Steve Kim

 J. G. ... De ...

1. _____
 Co-Chair: Signature/Recommendation

2. _____
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: SB 376

Revision Date: _____ Dept. Affected: Public Safety
 Title: State Agency Fees & Collections BRU: Motor Vehicles
 Component: Driver Services
 Sponsor: RLS by Request
 Requestor: (S) Finance COMPONENT SERIAL NO. 500

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL	1.5	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1.5	1.5	1.5	1.5	1.5	1.5
CAPITAL EXPENDITURES						
CHARGE IN REVENUES ()	1.5	1.5	1.5	1.5	1.5	1.5
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	1.5	1.5	1.5	1.5	1.5	1.5
1006 GF/MHTIA						
Other						
TOTAL	1.5	1.5	1.5	1.5	1.5	1.5

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The Division of Motor Vehicles currently issues licenses for 13 commercial driving schools and 25 instructor permits. Setting the school license fee at \$100, and the instructor permits at \$25 would bring in approximately 1.5 in new general fund program receipts. The fiscal note reflects 1.5 for travel and per diem to conduct annual inspections of these schools and vehicles.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 04/13/94
 Approved by Commissioner: *[Signature]* Date: 04/13/94
 Agency: Richard L. Burton, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: CSSB 376(FIN)

Revision Date: 4/21/94 Dept. Affected: Public Safety
 Title: State Agency Fees & Collections BRU: Fire Prevention
 Component: Fire Prevention Operations
 Sponsor: RLS by Request
 Requestor: (S) Finance COMPONENT SERIAL NO. 453

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	*	45.6	84.2	84.2	84.2	84.2
<small>Revenue Code</small>						

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

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

* This change would allow the Division of Fire Prevention to charge a fee for the permits the Division issues. The fees proposed are based on the average charged by other states with similar permit programs. The increased revenue would go into the general fund in the form of program receipts that could be used to support the Division's programs.
 There will be little or no change in FY 95 because regulations will have to be changed to implement the fees.

Prepared By: Jack McIary Phone: 269-5491
 Division: Fire Prevention Date: 04/21/94
 Approved by Commissioner: Richard L. Burton Date: 04/13/94
 Agency: Richard L. Burton, Dept. of Public Safety

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Handwritten: 4/21/94

FY 1996

Fire Extinguishers

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

Fire Works

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
Fireworks Wholesale Permit	10 @	500	5,000
Fireworks Retail Permit	50 @	100	5,000
			<u>\$16,500</u>

TOTAL \$45,675

FY 97, FY 98, FY 99, FY 00

Fire Extinguishers

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

Fire Works

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
Fireworks Wholesale Permit	10 @	500	5,000
Fireworks Retail Permit	50 @	100	5,000
			<u>\$16,500</u>

Fire Systems

Class IA	20 @	\$100	\$ 2,000
Class IB	50 @	150	7,500
Class IC	25 @	200	5,000
Class IIA	40 @	200	8,000
Class IIB	15 @	400	6,000
Class IIIA	20 @	200	4,000
Class IIIB	15 @	400	6,000
			<u>\$38,500</u>

TOTAL \$84,175

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 376

Revision Date: _____
 Title: State Agency Fees and Collections
 Sponsor: Rules Committee
 Requestor: Senate Finance Committee

Department Affected: Environmental Conservation
 BRU: Various
 Component: Various (see attached)
 COMPONENT SERIAL NO. Various (see attached)

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	67.5	133.4	133.4	133.4	133.4	133.4
TRAVEL						
CONTRACTUAL	49.3	27.0	27.0	27.0	27.0	27.0
SUPPLIES	1.2	1.8	1.8	1.8	1.8	1.8
EQUIPMENT	10.0	5.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	128.0	167.2	162.2	162.2	162.2	162.2

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	670.2	820.2	820.2	820.2	820.2	820.2

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	128.0					
1005 GF/Program Receipt		167.2	162.2	162.2	162.2	162.2
1006 GF/MHTIA						
Other						
TOTAL						

Estimate of any current year (FY94) cost: \$ _____

POSITIONS:

FULL-TIME	2.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
 See attached.

Prepared by: Bob Poe, Director
 Division: Information & Administrative Services

Phone: 465-5010
 Date: 4/13/94

Approved by Commissioner: _____
 Agency: Department of Environmental Conservation

Date: 4/13/94

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3/10/94

Section 29. AS 44.46.025 is amended to read:

(10) regulating pesticides and broadcast chemicals
 under AS 46.03.320

Environmental Health BRU Palmer Lab Component (#651)

Anticipated Revenues (Begin collections FY96 = \$150.0)

Anticipated Costs

DLaw Reg Development

Forms/Printing

(FY96 = Add 1 PFT Enviro Specialist ! = \$50.0PS, \$2.0 Contractual, \$.6 Supplies, \$5.0 Equip)

(11) the on-site water and sewer system certification and audit
 program under AS 46.03.026

Environmental Quality BRU, Wasterwater & Water Treatment Component (#1426)

Anticipated Revenues

Anticipated Costs

DLaw Reg Development

Forms/Printing

(12) plans for sewage and industrial waste disposal or treatment
 under AS 46.03.090

Environmental Quality BRU, Wasterwater & Water Treatment Component (#1426)

Anticipated Revenues

Anticipated Costs

DLaw Reg Development

Forms/Printing

(13) analysis of public water system samples authorized for
 submission to the department for analysis

Environmental Quality BRU, Monitoring & Lab Component (#643)

Anticipated Revenues

Anticipated Costs

(14) regulating motor vehicle fuels to control emissions under
 AS46.14.510

Environmental Quality BRU, Air Quality Component (#1428)

Anticipated Revenues

Anticipated Costs

General Regulation Support

Administration BRU, Commissioner's Office Component

1 PFT Regulations Specialist Position + related costs

Administration BRU, Information & Administrative Services Component

1 PFT Accounting Clerk III Position + related costs

FY95 Request	
Anticipated Revenues	Gen Fund Costs
0.0	
	12.0
	3.0
250.0	
	20.0
	6.0
75.0	
	5.0
	1.3
20.2	
	0.0
325.0	
	46.1
	34.6
670.2	128.0

Position Title Regulations Specialist II		No. of Positions 1	Range / Step 16B	Barg. Unit GGU
Time Status PFT	Staff Months 9	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification	
Salary	28.4		This position would assist all divisions in developing their needed regulations. The position will be working under the auspices of the Department's paralegal in the Commissioner's Office.	
Benefits	11.2			
Premium Pay				
Other				
Total Personal Services	39.5	39.5	Unless regulations are developed and adopted, the Department cannot exercise its program receipt authority and collect user fees.	
Travel				
Contractual		1.0		
Commodities		0.6		
Equipment		5.0	First year costs are for 9 months and are general funds.	
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST		46.1		
Federal Receipts	1002		Future years' costs are for 12 months and will be funded by program receipts.	
GF Match	1003			
General Fund	1004	46.1		
IA Receipts	1007			
CIP Receipts	1061			
Other	Program Receipts			

**REQUEST FOR
NEW POSITION**

AGENCY ENVIRONMENTAL CONSERVATION

FY 94

BRU ADMINISTRATION

COMPONENT COMMISSIONER'S OFFICE

Page 1 of 1
Revised Date

Position Title Accounting Clerk III		No. of Positions 1	Range / Step 10B	Barg. Unit GGU
Time Status 1 PFT	Staff Months 9	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount		
Salary	19.1	Justification An additional staff person is essential for receiving, recording, and depositing fees collected under the expanded user fee program. This position would also issue invoices, track receipts and reports on collections to program staff. During FY95, staff would aid in planning document flow procedures and record keeping system/database expansion. First year costs are for 9 months and are general funds. Future years' costs are for 12 months and will be funded by program receipts.		
Benefits	8.9			
Premium Pay				
Other				
Total Personal Services	28.0			
Travel				
Contractual	1.0			
Commodities	0.6			
Equipment	5.0			
Other				
Total Cost		34.6		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
GF Match	1003			
General Fund	1004	34.6		
IA Receipts	1007			
CIP Receipts	1061			
Other	Program Receipts			

**REQUEST FOR
NEW POSITION**

AGENCY ENVIRONMENTAL CONSERVATION

FY 94

BRU ADMINISTRATION

Page 1 of 1
Revised Date

COMPONENT INFORMATION & ADMINISTRATIVE SERVICES

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO.: SB 376

Revision Date: _____	Dept. Affected: _____	Corrections _____
Title: <u>Re. fees by state agencies</u>	BRU: _____	all _____
Sponsor: <u>S. Rules</u>	Component: _____	all _____
Requestor: <u>S. FIN</u>	Component Serial #: _____	694-1884 _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	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 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	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MITLA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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:

Prepared by: Diane Schenker, Special Assistant
 Division: Office of the Commissioner
 Approved by: J. Frank Prewitt, Jr., Commissioner
 Agency: Department of Corrections

Phone: 465-4643/786-2147
 Date: 4/14/94
 Date: 4/14/94
 Page 1 of 1

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 376

Revision Date: _____
 Title: Fees charged by state agencies...
 Sponsor: Senate Finance Committee
 Requestor: Senate Finance Committee

Dept. Affected: Revenue
 BRU: Alcoholic Beverage Control Board
 Component: _____
 COMPONENT SERIAL NO. 0100

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE: 1005	0.4	0.4	0.6	0.0	0.2	0.0

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

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

ANALYSIS: (Attach a separate page if necessary.)
 The Board estimates that a single alcohol servers course will seek certification in FY 95. It is anticipated that a second course will seek certification in FY 96. Certifications are valid for three years. The fee for initial certification is \$400 and the renewal fee is \$200.

Prepared by: Patrick L. Sharrock, Director
 Division: Alcoholic Beverage Control Board
 Approved by Commissioner: Darrel J. Rexwinkel
 Agency: Department of Revenue

Phone: (907) 277-8638
 Date: April 13, 1994
 Date: April 13, 1994

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Frank MOVED
ADOPTED

AMENDMENT # 2

TO SENATE BILL 376

BY SENATOR FRANK

Page 5
Line 6

Insert the following after "is certified":

"or is reasonably expected to become certified"

AMENDMENT #3

TO SENATE BILL 376

BY SENATOR FRANK

Page 5 line 9
Section 8

Insert the following after "AS 46.14.510":

"to comply with mandated programs under the Clean Air Act and federal regulations. ~~The fees shall be adopted in accordance with the Administrative Procedures Act and limited to the actual cost of the specific program.~~"

*per Done
in Sen. Frank
Remove 2nd
Sentence*

Amend #3 SB 376

*Frank - 2nd sentence
restates existing law.*

*AS 37.10.050(a)
limits charging of fees.*

6655 Dave Dierdorff

CS 4 line 19420
deleted
amend #1

CS SENATE BILL NO. 376 (*Fin.*)

IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/13/94
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to fees charged by state agencies for certain services and to
2 reimbursement for expenses incurred by the state in providing certain services;
3 and providing for an effective date."

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

5 * Section 1. AS 04.06.100(b) is amended to read:

6 (b) The subjects covered by regulations adopted under (a) of this section may
7 include [, BUT ARE NOT LIMITED TO,] the following matters:

8 (1) employment, conduct, and duties of the director and of regular and
9 contractual employees of the board;

10 (2) procedures for the issuance, denial, renewal, transfer, revocation,
11 and suspension of licenses and permits;

12 (3) terms and conditions of licenses and permits issued;

13 (4) fees for licenses and permits issued for which no fees are prescribed
14 by statute;

- 1 (5) conduct of regular and special meetings of the board;
2 (6) delegation to the director of routine administrative functions and
3 powers;
4 (7) the temporary granting or denial of issuance, transfer, and renewal
5 of licenses;
6 (8) manner of giving any notice required by law or regulation when not
7 provided for by statute;
8 (9) requirements relating to the qualifications of licensees, the
9 conditions upon which a license may be issued, the accommodations of licensed
10 premises, and board inspection of those premises;
11 (10) making of reports by wholesalers;
12 (11) purchase of fidelity bonds by the state for the director and the
13 employees of the board;
14 (12) prohibition of possession of alcoholic beverages by drunken
15 persons and by minors;
16 (13) required reports from corporations licensed under this title,
17 including reports of stock ownership and transfers and changes of officers and
18 directors;
19 (14) creation of classifications of licenses or permits not provided for
20 in this title;
21 (15) establishment and collection of fees to be paid on application for
22 a license, a [OR] permit, or an approval of an alcohol server education course;
23 (16) required reports from partnerships and limited partnerships licensed
24 under this title, including reports of transferred interests of 10 percent or more.

25 * Sec. 2. AS 18.70.080(b) is amended to read:

26 (b) The commissioner of public safety may establish by regulation and the
27 department may charge reasonable fees for

28 (1) fire and life safety plan checks made to determine compliance with
29 regulations adopted under (a)(2) of this section; and

30 (2) permits issued under regulations adopted under this chapter.

31 * Sec. 3. AS 18.72.010(b) is amended to read:

1 (b) A person desiring to use dangerous fireworks for industrial, agricultural,
2 wildlife control, or public display purposes shall first comply with the permit
3 requirements of the fire safety code. The department may charge fees established
4 in regulations for a permit issued under this subsection.

5 * Sec. 4. AS 18.72.020(a) is amended to read:

6 (a) A person holding a permit required by the fire safety code may sell or offer
7 for sale salable fireworks [,] if

8 (1) the person has submitted to the state fire marshal a policy, or a
9 certified true copy of a policy, of public liability and products liability insurance,
10 including both accident and occurrence coverage, provided by the wholesale company
11 selling fireworks to the person, in the amount of at least \$200,000 for bodily injury or
12 death and at least \$50,000 property damage and the person is named as an insured
13 party upon the policy and the policy is continuously in force while the person is
14 engaged in the retail sale of fireworks; and

15 (2) an endorsement fee in an amount established in regulations
16 adopted by the department [OF \$10] is paid to the state fire marshal for an
17 endorsement that is valid for two years or portions of two years during which the
18 permit holder is engaged in the retail sale of fireworks.

19 * Sec. 5. AS 18.72.030(a) is amended to read:

20 (a) A person who desires to sell fireworks at wholesale in the state shall first
21 make verified application for a license to the state fire marshal on forms provided by
22 the state fire marshal. The application shall be accompanied by an annual license fee
23 established in regulations adopted by the department [OF \$50].

24 * Sec. 6. AS 28.17.031(b) is amended to read:

25 (b) Every application for an original or renewed school license must be
26 accompanied by a fee of \$100 [S25], and each application for an original or renewed
27 instructor license must be accompanied by a fee of \$25 [S5]. No fee specified in this
28 section may be refunded if a license is refused, suspended, or revoked.

29 * Sec. 7. AS 33.30.011 is amended by adding a new subsection to read:

30 (b) The commissioner is authorized to seek payment for medical,
31 psychological, psychiatric, or other services provided under (a) of this section from any

1 source, including the prisoner, the prisoner's health insurance carrier, or any other
2 third-party insurer or payor to cover the services provided by the commissioner on
3 behalf of the prisoner. The duty established under (a) of this section does not relieve
4 the prisoner or any other person from a duty established by law, contract, or other
5 agreement to pay for or provide the services. The department shall adopt regulations
6 to interpret and implement this subsection.

7 * **Sec. 8.** AS 44.46.025(a) is amended to read:

8 (a) The Department of Environmental Conservation may adopt regulations that
9 prescribe reasonable fees, and establish procedures for the collection of the fees, to
10 cover the applicable direct costs, not including travel, of inspections, permit
11 preparation and administration, plan review and approval, and other services provided
12 by the department relating to

13 (1) agriculture and animals under AS 03.05; food, drugs, and cosmetics
14 under AS 17.20; and public accommodations and facilities under AS 18.35;

15 (2) certificates of inspection for motor vehicles under AS 46.14.400 or
16 46.14.510;

17 (3) sewerage system and treatment works and wastewater disposal
18 systems, and drinking water systems, under AS 46.03.720;

19 ~~(4) oil discharge financial responsibility under AS 46.04.040;~~

20 ~~(5) oil discharge contingency plans under AS 46.04.030;~~

21 (6) water and wastewater operator training under AS 46.30;

22 (7) control of solid waste facilities under AS 46.03.020(10) and
23 46.03.100;

24 (8) certification of laboratories conducting environmental analyses of
25 public drinking water systems or of oil or hazardous substances, or conducting other
26 analyses required by the department;

27 (9) certification of federal permits or authorizations under 33 U.S.C.
28 1341, sec. 401 (Clean Water Act);

29 (10) regulating pesticides and broadcast chemicals under
30 AS 46.03.320;

31 (11) the on-site water and sewer system certification and audit

- 1 program under AS 46.03.026;
- 2 (12) plans for sewage and industrial waste disposal or treatment
- 3 under AS 46.03.090;
- 4 (13) analysis of public water system samples authorized for
- 5 submission to the department for analysis if no commercial laboratory in the state
- 6 is certified for the analysis and holding times are too short to send the samples
- 7 to an out-of-state laboratory;
- 8 (14) regulating motor vehicle fuels to control emissions under
- 9 AS 46.14.510.

10 * Sec. 9. TRANSITION. Notwithstanding sec. 11 of this Act, an agency of the state that
11 has regulation adoption authority or that is authorized by this Act to adopt regulations, may
12 proceed to adopt regulations necessary to implement that agency's respective provisions in this
13 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
14 before July 1, 1994.

15 * Sec. 10. Section 9 this Act takes effect immediately under AS 01.10.070(c).

16 * Sec. 11. Except as provided in sec. 10 of this Act, this Act takes effect July 1, 1994.

SENATE BILL - RELATING TO FEES CHARGED BY STATE AGENCIES - SECTIONAL

Section	Department	Brief Description	Revenues
1	Revenue	Allows the department to charge fees for approving alcohol server education courses	0.4
2	Public Safety	Allows the department to set and charge fees for permits issued to persons who service portable fire extinguishers and persons who design, install, or service fire alarm and fire	
3	Public Safety	Allows the department to set and charge fees for permits issued to persons who use dangerous fireworks displays	
4	Public Safety	Allows the department to set in regulations the fee charged for retail fireworks permits	Revenues expected in FY96
5	Public Safety	Allows the department to set in regulations the fee charged for wholesale fireworks permits	Revenues expected in FY96
6	Public Safety	Increases the fees charged for driver training school and instructor licenses	
7	Corrections	Allows the department to seek payment for medical care from third party payers	
8	Environmental Conservation	Allows the department to adopt regulations to charge for pesticide registration, collect a fee for subdivision plan reviews, charge fees for bank loan audits, charge fees for analyses of water systems, and for regulation motor vehicle fuels	
9		Allows departments to proceed to adopt necessary regulations to implement their respective sections in this bill	

SENATE BILL - RELATING TO FEES CHARGED BY STATE AGENCIES - SECTIONAL

Section	Department	Brief Description	Revenues
10		Provides an immediate effective date for section 9	
11		Provides for a July 1, 1994 effective date for all other sections	

Alaska Department of Environmental Conservation
SB 376

Section 8. AS 44.46.025(a) is amended to read:

(14) regulating motor vehicle fuels to control emissions under AS 46.14.510.

What is the reason for this statute change?

The purpose of this section is to enhance the departments ability to collect program receipts. One benefit of the fees will be associated with the cost to transport our goods and commodities within the State. Without a petition to exempt Alaska from federal fuel requirements, the cost for diesel fuel could go up by as much as 40 percent (\$0.50 per gallon), which will substantially increase the cost to move our goods and commodities.

Why is the statute change needed?

Under section 110(a)(2)(E) of the Clean Air Act, the State is required to demonstrate adequate personnel, funding, and authority to implement their Air Quality Plan. This amendment clarifies the authority for funding.

When would the department utilize this fee authority?

The department would utilize this fee authority to fund programs associated with motor vehicle emissions. It is limited in scope and must be associated with motor vehicles and emissions from those vehicles. One such program is the low sulfur program. Current federal law requires low sulfur diesel fuel to be used in all motor vehicles.

The proposed language would enable the department to collect program receipts to prepare a waiver, under the Clean Air Act, to exempt Alaska from the sulfur requirements. Only the State may petition for such an exemption.

Currently, the State has been successful in obtaining an exemption for those areas of Alaska not on the marine highway or the contiguous road system. However, to prepare the request for the marine highway communities and the contiguous road system would require a more detailed petition, which necessitates additional funds.

Working with industry, the department has determined that the cost of retrofitting the refineries and distribution system would cost in excess of \$150 million. This would result in an increase in diesel fuel costs which has been estimated to be as much as \$0.50 per gallon.

The cost of complying with this federal requirement is extremely high. This unusual cost of compliance, which will be passed on to the citizen's of Alaska, demonstrates the need for the department to be able to proceed with its low sulfur diesel petition. The petition will also be dealing with the dye issue that is currently causing some problems.

4-15-94
 JFC-94
 DPS

FIRE EXTINGUISHER, FIRE SYSTEM, FIREWORKS PERMIT FEE COMPARISON

	FIRE EXTINGUISHER THREE YEARS			FIRE ALARM TWO YEARS			FIRE SPRINKLER SYSTEMS TWO YEARS		SPECIAL SYSTEMS TWO YEARS		KITCHEN HOOD TWO YEARS	PYROTECHNIC OPERATOR THREE YEARS	DANGEROUS FIREWORKS PER DISPLAY
	CLASS I	CLASS II	CLASS III	CLASS IA	CLASS IB	CLASS IC	CLASS IIA	CLASS IIB	CLASS IIIA	CLASS IIIB	CLASS IV		
*ALASKA (PROPOSED)	\$75.00	\$150.00	\$225.00	\$100.00	\$150.00	\$200.00	\$200.00	\$400.00	\$200.00	\$400.00	\$200.00	\$350.00	\$100.00
CALIFORNIA	\$300.00	\$300.00	\$1,200.00	\$580.00	\$580.00	\$580.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,050.00	\$200.00
DELAWARE	\$150.00	\$150.00	\$150.00	\$200.00+	\$200.00+	\$200.00+	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	NO CHARGE	NO CHARGE
KENTUCKY	NOT REGULATED			\$80.00	\$80.00	\$80.00	\$600.00	\$800.00	\$600.00	\$800.00	\$800.00	LOCAL PERMIT	LOCAL PERMIT
LOUISIANA	\$150.00+	\$150.00+	\$150.00+	\$100.00+	\$100.00+	\$100.00+	\$100.00+	\$100.00+	\$100.00+	\$100.00+	\$100.00+	\$750.00	\$10.00
MICHIGAN	NOT REGULATED			\$150.00+	\$150.00+	\$150.00+	\$150.00+	\$150.00+	\$150.00+	\$150.00+	\$150.00+	LOCAL PERMIT	LOCAL PERMIT
MONTANA	\$600.00	\$600.00	\$600.00	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	LOCAL PERMIT	NO CHARGE
NEVADA	\$1,200.00	\$1,200.00	\$1,200.00	\$800.00+	\$800.00+	\$800.00+	\$800.00+	\$800.00+	\$800.00+	\$800.00+	\$800.00+	\$150.00+	LOCAL PERMIT
NEW YORK	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$120.00+	\$150.00	LOCAL PERMIT
OKLAHOMA	NOT REGULATED			\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	\$400.00+	N/A	LOCAL PERMIT
TENNESSEE	\$150.00+	\$150.00+	\$150.00+	\$175.00+	\$175.00+	\$175.00+	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	NO PERMIT REQUIRED	\$10.00
TEXAS	\$150.00+	\$150.00+	\$150.00+	\$300.00+	\$300.00+	\$300.00+	\$350.00+	\$350.00+	\$350.00+	\$350.00+	\$350.00+	\$75.00	\$400.00
TOTAL	\$90.00+	\$90.00+	\$90.00+	NOT REGULATED								\$600.00	LOCAL PERMIT FEE

NOTES: *All fees shown are based on cost for a two or three year permit. However most states require permits to be renewed each year.
 + There are additional fees for each company that works on systems that are not shown on this chart.
 1. Many states do not charge fees for any permits because the Fire Prevention/State Fire Marshal's Office is funded from an excise tax on Fire Insurance.
 NOT REGULATED - This information was obtained from the various State Fire Marshal Offices and does not include fees that may be charged by other state agencies, such as Occupational Licensing

FIRE EXTINGUISHER, FIRE SYSTEM, FIREWORKS PERMIT FEE COMPARISON

**FIREWORKS WHOLESALE AND RETAIL
PERMIT FEE COMPARISON ***

	WHOLESALE	RETAIL
ALASKA - (NOW)	\$ 50.00	\$ 5.00 PER LOCATION
ALASKA - (PROPOSED)	\$ 500.00	\$ 100.00 PER LOCATION
ALABAMA	\$ 350.00	\$ 100.00 PER LOCATION
CALIFORNIA	\$ 2000.00	\$ 50.00 PER LOCATION
COLORADO	\$ 750.00	\$ 25.00 PER LOCATION
FLORIDA	\$ 1000.00	\$ 200.00 PER LOCATION
LOUISIANA	\$ 2000.00	\$ 75.00 PER LOCATION
MISSOURI	\$ 250.00	\$ 25.00 PER LOCATION
NEW MEXICO	\$ 1000.00	\$ 100.00 PER LOCATION
OREGON	\$ 1000.00 \$ 1500.00 OUT OF STATE	\$ 25.00 PER LOCATION
SOUTH CAROLINA	\$ 1000.00	\$ 50.00 PER LOCATION
TENNESSEE	\$ 750.00	\$ 750.00 PER LOCATION
WASHINGTON	\$ 2000.00	\$ 40.00 PER LOCATION

* FEES ARE PER YEAR

1. MANY STATES DO NOT ALLOW FIREWORKS TO BE SOLD OR ARE SO RESTRICTIVE ON WHAT CAN BE SOLD THAT PERMITS ARE NOT REQUIRED.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: SB 376

Revision Date: _____ Dept. Affected: Public Safety
 Title: State Agency Fees & Collections BRU: Fire Prevention
 Component: Fire Prevention Operations
 Sponsor: BLS by Request
 Requestor: (S) Finance COMPONENT SERIAL NO. 494

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	0	35.6	74.2	74.2	74.2	74.2

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

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

* This change would allow the Division of Fire Prevention to charge a fee for the permits the Division issues. The fees proposed are based on the average charged by other states with similar permit programs. The increased revenue would go into the general fund in the form of program receipts that could be used to support the Division's programs. There will be little or no change in FY 95 because regulations will have to be changed to implement the fees.

Prepared By: Jack McGary Phone: 269-5491
 Division: Fire Prevention Date: 04/13/94
 Approved by Commissioner: *Richard Burton* Date: 04/13/94
 Agency: Richard Burton, Dept. of Public Safety

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FY 1996

Fire Extinguishers

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

Fire Works

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
			<u>\$ 6,500</u>

TOTAL \$35,675

FY 97, FY 98, FY 99, FY 00

Fire Extinguishers

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

Fire Works

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
			<u>\$ 6,500</u>

Fire Systems

Class IA	20 @	\$100	\$ 2,000
Class IB	50 @	150	7,500
Class IC	25 @	200	5,000
Class IIA	40 @	200	8,000
Class IIB	15 @	400	6,000
Class IIIA	20 @	200	4,000
Class IIIB	15 @	400	6,000
			<u>\$38,500</u>

TOTAL \$74,175

SB

377

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 377

Revision Date: _____ Dept. Affected: Statewide
 Title: *An Act relating to state agency fiscal BRU: Statewide
procedures * Component: Statewide
 Sponsor: Senate Finance
 Requestor: Senate Finance COMPONENT SERIAL NO. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

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

Estimate of current year (FY94) cost: none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Don Wanie, Director
 Division: Finance

Phone: 465-2240
 Date: _____

Approved by Commissioner: Nancy Bear Usura
 Agency: Administration

Date: 4/13/94

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 377

ANALYSIS:

Sections 1 and 2 of this bill have no fiscal impact on the Division of Finance.

Section 3: Under the current statute (AS 39.20.250), terminating employees receive pay for their accumulated leave as though they had remained in pay status until the leave is exhausted. This means holidays that occur in the payoff period become state paid holidays.

With the proposed change, terminating employees will be paid only for the hours of annual/personal leave on the books at the time of termination. No state paid holidays would be included.

Approximately 20 percent of state employees are affected by the proposed change. They represent approximately 600 terminations per year with an average leave payoff of six weeks pay. An average leave payoff would include 1.5 state paid holidays per person. This translates to 900 state paid holidays for this group annually. The statewide value of these holidays for this group of employees is \$147.7 annually.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 377

Revision Date: _____	Dept. Affected: <u>Revenue</u>	_____
Title: <u>State Agency Fiscal Procedures</u>	BRU: <u>Permanent Fund Dividend</u>	_____
_____	Component: <u>Permanent Fund Dividend</u>	_____
Sponsor: <u>SENATE FINANCE COMMITTEE</u>	_____	
Requestor: <u>Senate Finance Committee</u>	COMPONENT SERIAL NO. <u>981</u>	_____

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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-

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-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS:

The amendment in section 4 of this legislation will have no effect on the operations of the Permanent Fund Dividend division or Permanent Fund Dividend applicants.

Prepared by: <u>Thomas C. Williams</u> <i>Thomas C. Williams</i>	Phone: <u>465-2323</u>
Division: <u>Permanent Fund Dividend</u>	Date: <u>04-15-94</u>
Approved by Commissioner: <i>[Signature]</i>	Date: <u>4/15/94</u>
Agency: <u>Department of Revenue</u>	

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ADOPTED

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 377

SENATE FINANCE
COMMITTEE
Amendment Number: ①
Bill Number: SB 377
Sponsor: _____ Date: 4/19/94
Logged In By: (RM)

Page 1, after line 12:

Insert a new bill section to read:

"* Sec. 2. AS 37.07 is amended by adding a new section to read:

Sec. 37.07.085. PRORATION OF PAYMENTS. (a) At the beginning of each fiscal year, an agency that administers grants, reimbursement, revenue sharing, public assistance, or other programs to distribute state money under a statute shall determine whether appropriations for the fiscal year are sufficient to pay all anticipated claims and entitlements under the statute. Except as provided in (d) of this section or as otherwise provided by law prescribing agency action in response to insufficient appropriations, if appropriations are not sufficient, the agency shall reduce the amount to be paid to eligible recipients by prorating the shortfall among the eligible recipients.

(b) An agency that is paying reduced payments under (a) of this section shall determine, on December 30 of the fiscal year, whether money available is sufficient to fund the reduced payment level for the remainder of the fiscal year.

(c) An agency that has determined that appropriations are insufficient under (a) or (b) of this section shall report to the governor, and the governor shall report to the legislature by the 10th day of the next regular legislative session, the amount of additional money needed for the remainder of that fiscal year to fund payments at the reduced level and the amount of additional money needed to make full payments to eligible recipients.

(d) An agency that has determined that appropriations are insufficient under (a) of this section may not reduce payments if the reduction would violate the terms of an agreement between the state and the federal government or would violate a requirement for participation in a federal program in which the state is participating.

As required by (c) of this section, the agency and the governor shall report regarding the amount of money needed to make full payments to eligible recipients.

(e) The commissioner of administration may adopt regulations necessary to implement this section."

Renumber following bill sections accordingly.

ADOPTED

AS37.05.510

WORKING RESERVE ACCOUNT.

(a) There is established in the general fund a working reserve account. The working reserve account consists of amounts appropriated to state agencies for

- (1) cash payment of accrued leave;
- (2) cash payment of terminal leave;
- (3) payment of the employer's contribution for unemployment benefits of former employees; and
- (4) payment of claims for workers' compensation and general liability.

(b) The Department of Administration shall allocate to the working reserve account amounts appropriated to all state agencies for the benefits set out in (a) of this section after the appropriation Act implementing the state operating budget is enacted. The department shall charge the reserve account with all payments for the benefits set out in (a) of this section. [IF PAYMENTS FOR A FISCAL YEAR EXCEED THE UNEXPENDED BALANCE OF APPROPRIATIONS ALLOCATED TO THE ACCOUNT, THE DEPARTMENT MAY, EXCEPT FOR PAYMENTS UNDER (A)(4) OF THIS SECTION, PAY THOSE BENEFITS BY CHARGING THE UNENCUMBERED BALANCE OF ANY APPROPRIATION ENACTED TO FINANCE THE PAYMENT OF EMPLOYEE SALARIES AND BENEFITS THAT IS DETERMINED TO BE AVAILABLE FOR LAPSE AT THE END OF THE FISCAL YEAR.]

SENATE FINANCE
 COMMITTEE
 Amendment Number: 3
 Bill Number: SB 377
 Sponsor: _____ Date: 4/2/94
 Logged In By: BA

ADOPTED

AS37.07.060 GOVERNOR'S RECOMMENDATION. (a) The governor shall formulate the operating and capital improvements programs and financial plans required to be recommended to the legislature by AS 37.07.020 after considering the state agency proposed program and financial plans, and other programs and alternatives that the governor considers appropriate. The plans must include the governor's recommended goals and policies, recommended plans to implement the goals and policies, recommended operating program for the succeeding fiscal year, recommended capital improvements program for the succeeding six fiscal years, recommended programs for the upgrading of public buildings and facilities prepared in accordance with AS 35.10.015, and recommended revenue measures to support the programs.

(b) The governor shall present the proposed comprehensive operating and capital improvements programs and financial plans in a message to a joint session of the legislature before the fourth legislative day following the convening of the legislature in regular session. The message must be accompanied by an explanatory report that summarizes recommended goals, plans, and appropriations. The report must contain

(1) the coordinated program goals and objectives which the governor recommends to guide the decisions on the proposed program plans and budget appropriations;

(2) the governor's operating program and budget recommendations for the succeeding fiscal year organized by agency as required by AS 37.07.020(a). If an appropriation has been made from the Constitutional Budget Reserve Fund (art. IX, sec. 17, Constitution of the State of Alaska), and until the amount appropriated is repaid, the governor shall propose the amount of money in the general fund available for appropriation at the end of the preceding fiscal year that shall be appropriated to the Constitutional Budget Reserve Fund;

(3) the governor's capital improvements program and budget recommendations for the succeeding fiscal year and capital improvements program for the succeeding six fiscal years which must include.....(et. al.)

SENATE FINANCE
COMMITTEE
Amendment Number: 4
Bill Number: SB 377
Sponsor: _____ Date: 1/24/94
Logged In By: RM

From Rep. Larsen

ADOPTED

Amendment for Granting Authority for Infant Learning Program

* Section 1. AS 47.20.070 is amended by adding a new subsection to read:

(d) The department may award grants necessary to the performance of its duties under this chapter. If the department determines that it is appropriate to further program objectives, the department may award grants for a period of two years, subject to legislative appropriation.

SENATE FINANCE
COMMITTEE

Amendment Number: 5
Bill Number: SB 377
Sponsor: _____ Date: 4/20/94
Logged In By: RW

AMENDMENTS TO SB 377, FISCAL PROCEDURES

- adopted* 1. suggested by Finance Co-chairs, relating to proration of payments.
- held* 2. suggested by House Finance Committee, relating to State Insurance Catastrophe Reserve Account.
- adopted* 3. suggested by House Finance Committee, relating to a working reserve account.
- ADOPTED* 4. suggested by Rep. Larson, relating to the Constitutional Budget Reserve.
- ADOPTED* 5. suggested by the Department of Health and Social Services, relating to the Infant Learning Program.

AS37.05.289

STATE INSURANCE CATASTROPHE RESERVE ACCOUNT.

(a) There is established in the general fund a state insurance catastrophe reserve account consisting of assets appropriated to it by the legislature, assets allocated to the account by the Department of Administration as provided in this section, and amounts deposited into the account as provided in this section. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program. Interest earned on money in the account shall be remitted to the Department of Revenue in accordance with AS 37.10.050.

(b) The Department of Administration may allocate to the state insurance catastrophe reserve account, from the appropriations to all state agencies for insurance-related purposes, an amount that the commissioner of administration determines to be necessary to provide an adequate insurance program for the operations of state government. Money remaining in the account at the end of a fiscal year is not a one-year appropriation under AS 37.25.010 and does not lapse, except for amounts determined by the commissioner of administration to be unnecessary to maintain this account at an appropriate level and not to exceed \$5,000,000. [IF THE AMOUNT NECESSARY TO SATISFY CLAIMS OR JUDGMENTS FOR WHICH PAYMENT MAY BE DUE UNDER THE STATE INSURANCE PROGRAM IN A FISCAL YEAR EXCEEDS THE UNEXPENDED BALANCE OF THE AMOUNTS ALLOCATED TO THE ACCOUNT, THE DEPARTMENT MAY CHARGE AN ADDITIONAL AMOUNT FROM THE UNENCUMBERED BALANCE OF ANY APPROPRIATION THAT IS DETERMINED BY THE COMMISSIONER OF ADMINISTRATION TO BE AVAILABLE FOR LAPSE AT THE END OF THE FISCAL YEAR.]

(c) The \$5,000,000 cap, set in (b) of this section, on money that may be retained in the state insurance catastrophe reserve account applies only to unobligated money in the account at the end of a fiscal year.

(d) Amounts received in settlement of insurance claims or as recovery for losses shall be deposited into the state insurance catastrophe reserve account.

SENATE FINANCE
COMMITTEE

Amendment Number: SB 377

Bill Number: SB 377

Date: 4/20/94

Sponsor: [Signature]

Logged in By: [Signature]

Rec'd by her bill 12/0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS SB 377 (FIN)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: State Fiscal Procedures BRU: Health Grants
 Component: Infant Learning Program Grants
 Sponsor: Senate Finance
 Requestor: House Finance COMPONENT SERIAL NO. 298

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) cost \$ NONE

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact

Prepared by: Peter M. Nakamura, MD, MPH Phone: (907) 465-3090
 Division: Public Health Date: 04/22/94

Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. Date: 4-25-94
 Agency: Department of Health & Social Services

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SENATE BILL - STATE AGENCY FISCAL PROCEDURES - SECTIONAL

Section	Department	Brief Description	Revenues (or savings)
1	Administration	Limits the life of a warrant to one year	
2	Administration	Allows payment of obligations from current year's appropriation if the obligation date is not more than 4 years rather than 2 years old. This would reduce the annual request for miscellaneous claims supplemental appropriation	
3	Administration	Terminating non-covered employees would be paid based on hours of annual/personal leave accumulated at separation date. Currently, these employees are paid for hours accumulated and state holidays that would have occurred had the employee been on leave	147.7
4	Revenue	Limits the life of a Permanent Fund Dividend warrant to one year and brings this statute in line with section 1	
5	Administration	Repeals AS 39.20.250(b) that provides for recovery of terminal leave payments and restoration of equivalent leave credit if an employee is reemployed during the period covered by terminal leave - see section 35	
6		Provides for a July 1, 1994 effective date	

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

MARGARET R. LOWE, COMMISSIONER

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465 3030

MEMORANDUM

Date: April 20, 1994

To: Nancy Slagle, Director
Division of Budget Review
Office of Management & Budget

From: Elmer A. Lindstrom, Special Assistant
Office of the Commissioner

Subj: Amendment to Infant Learning Program Statute

On Monday, April 18th, I received a call from Assistant Attorney General Deborah Behr, who is presently reviewing proposed regulations relating to the Infant Learning Program administered through the Division of Public Health. Ms. Behr indicated that she would be unable to approve the proposed regulations due to a technical flaw in the governing statute which no longer gives the Division explicit authority to make grants for Infant Learning Program services. Apparently a 1992 amendment to the statute inadvertently resulted in the deletion of our granting authority for the program.

The Division, unaware of the implications of the 1992 amendment, has continued to administer the program through the grant process--the most appropriate and cost-effective means of awarding funds for these services. In the absence of a statutory amendment to restore our grant authority this legislative session, the Division will now be required to shift to a contract format to award these funds. Attached is a memorandum from the Division to Commissioner Lowe which describes the numerous problems associated with this change.

At this time, the Department requests an amendment to the Governor's Omnibus bill relating to the financial administration of State government, Senate Bill 365, to restore our granting authority under the Infant Learning Program. An amendment drafted by Ms. Behr to accomplish this is also attached.

I understand the potential title problems with SB 365 and am available to assist you in any way possible in securing inclusion of the amendment in any other vehicle that is appropriate.

Your approval and support of this request will be appreciated.

cc: Margaret R. Lowe, Commissioner
Jay Livey, Deputy Commissioner
Peter Nakamura, Director, Public Health
Janet Clarke, Director, Administrative Services

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC HEALTH

P.O. BOX 110610
JUNEAU, ALASKA 99811-0610
PHONE: (907) 465-3030
FAX: (907) 586-1877

MEMORANDUM

TO: Margaret R. Lowe, M.Ed., Ed.S.
Commissioner, Department of Health
and Social Services

FROM: Peter Nakamura, M.D., M.P.H. *P.N.*
Director, Division of Public Health

DATE: April 19, 1994

SUBJ: Infant Learning Program Regulations

A technical problem is holding up changes in the regulations covering the state's Infant Learning Program (ILP). The regulation changes need to be in effect by the beginning of FY 95.

The FY 95 budget has been reduced by \$200,000 in anticipation of the grantees being able to generate revenue from fees to clients and from medicaid/insurance charges. A practice generally prohibited under the current regulations.

The regulation changes also modify the focus of the program toward family centered, community based services; increase the technical support role for the department; tighten the standards for professional services to the clients and increase the flexibility permitted grantees in managing the program.

Problem: The department now lacks explicit statutory authority to administer the ILP through a grant process.

In 1992 the legislature changed the basic statute (AS 47.20) that authorizes the ILP so that the statute conforms more closely with federal law governing the education of children with disabilities and special needs. Through a technical oversight the explicit grant authority in the old statute was not carried over into the wording of the revised statute. The Department of Law advises that without explicit statutory authority to use grants to carry out the program the department must use a contracting process.

Impact: This \$5,000,000 program will provide comprehensive services to children (and their families) from birth to three years of age. Infants and children who have, or are at risk of developing, disabling conditions. The program includes screening, evaluation and public awareness components. For FY 95 we anticipate the program will provide some level of service to 3,600 Alaskan children. The department administers the program and the services are delivered through a statewide network of 24 grantees.

Commissioner Lowe
Re: ILP Regulations

April 19, 1994

Delay of the regulation changes will have an impact in two areas -- loss of money for services and additional administrative time from the department and grantees. Also the procurement process for managing contracts is less flexible than the process for administering grants. This is potentially troublesome in a program geared toward meeting complex medical and developmental needs.

Loss of money. Shifting to a contract process will require that the regulations be reworked and re-noticed. As the ordinary process has already taken almost ten months from notice to formal Department of Law review it would require promulgation of emergency regulations for changes to be effective in FY 95. The emergency process places a 120 day term for emergency regulations unless they are made permanent within that time. Absent this extraordinary effort the program would lose an estimated five percent of direct service funding (\$200,000+).

Administrative time. Generally contract administration requires slightly more approval/monitoring steps than grant administration. Once the shift to a contracting process is complete there will be a continued moderate increase in administrative overhead for the department. Currently the grants range from a little over \$50,000 to slightly more than \$1,000,000. Because of the disparity in amounts, different procedures for approval would be required, depending on the department's delegated purchasing authority.

The one-time impact is far more problematical. The current grant RFP is out and the grant applications have been returned. The PEC review is scheduled. Cancellation of the grant process at this time would incite the grant applicants who have already invested an estimated month's worth of person hours, each, in application preparation. This is already approximately two years worth of staff time which could otherwise have been directed to client related services.

Reworking the grant applications into contract applications would presumably not take nearly the amount of time as the preparation of a completely new proposal; but would still involve several hours of staff time for each applicant -- plus the cost of materials and equipment usage. One day per applicant is still approximately another month of staff time away from other duties.

It is questionable if the department can secure necessary purchasing authority, re-draft the RFP to conform to contracting requirements, issue the RFP for a reasonable length of time, review the resulting responses, negotiate a couple of dozen contracts and have continuing services in place by July 1 -- approximately ten weeks from today.

Commissioner Lowe
Re: ILP Regulations

April 19, 1994

Under the best of circumstances the logistics would be formidable. Currently the staff for this program consists of seven positions, four of which are vacant. Absent a contract being in place by July 1, some mechanism would need to be found to extend the current program for whatever amount of time would be required.

The alternative is a break in service to the clients and their families. An unacceptable alternative considering the vulnerability of all the clients and the fragility of many.

Other. Political backlash. The program has been a grant program since inception. The original statutory language explicitly required that the program be grant based. Although the language was not carried forward, nothing in the legislative process, or in the budget process since passage, has indicated any intent to change that delivery mechanism. The degree to which any changes in the administrative delivery system inconvenience providers and clients will probably reflect the intensity of complaints to members of the legislature.

A final issue is the potential erosion of trust between the program staff and the grantees. Substantial time and effort have gone into developing an atmosphere of trust between the grantees and department staff. An abrupt, disruptive, expensive change in the program at this point would negate much of the progress that has made. We could also very well lose providers -- which could disrupt services for months in an effected area.

14 * Sec. 66. AS 37.07 is amended by adding a new section to read:

15 Sec. 37.07.085. PRORATION OF PAYMENTS. (a) At the beginning of each
16 fiscal year, an agency that administers grants, reimbursement, revenue sharing, public
17 assistance, or other programs to distribute state money under a statute shall determine
18 whether appropriations for the fiscal year are sufficient to pay all anticipated claims
19 and entitlements under the statute. Except as provided in (d) of this section or as
20 otherwise provided by law prescribing agency action in response to insufficient
21 appropriations, if appropriations are not sufficient, the agency shall reduce the amount
22 to be paid to eligible recipients by prorating the shortfall among the eligible recipients.

23 (b) An agency that is paying reduced payments under (a) of this section shall
24 determine, on December 30 of the fiscal year, whether money available is sufficient
25 to fund the reduced payment level for the remainder of the fiscal year.

26 (c) An agency that has determined that appropriations are insufficient under
27 (a) or (b) of this section shall report to the governor, and the governor shall report to
28 the legislature by the 10th day of the next regular legislative session, the amount of
29 additional money needed for the remainder of that fiscal year to fund payments at the
30 reduced level and the amount of additional money needed to make full payments to
31 eligible recipients.

SB0099e

-19-

CSSB 99(FIN) am1efd fld

New Text Underlined (DELETED TEXT BRACKETED)

1 (d) An agency that has determined that appropriations are insufficient under
2 (a) of this section may not reduce payments if the reduction would violate the terms
3 of an agreement between the state and the federal government or would violate a
4 requirement for participation in a federal program in which the state is participating.
5 As required by (c) of this section, the agency and the governor shall report regarding
6 the amount of money needed to make full payments to eligible recipients.

7 (e) The commissioner of administration may adopt regulations necessary to
8 implement this section.

56 377

AS37.05.299

STATE INSURANCE CATASTROPHE RESERVE ACCOUNT.

(a) There is established in the general fund a state insurance catastrophe reserve account consisting of assets appropriated to it by the legislature, assets allocated to the account by the Department of Administration as provided in this section, and amounts deposited into the account as provided in this section. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program. Interest earned on money in the account shall be remitted to the Department of Revenue in accordance with AS 37.10.050.

(b) The Department of Administration may allocate to the state insurance catastrophe reserve account, from the appropriations to all state agencies for insurance-related purposes, an amount that the commissioner of administration determines to be necessary to provide an adequate insurance program for the operations of state government. Money remaining in the account at the end of a fiscal year is not a one-year appropriation under AS 37.25.010 and does not lapse, except for amounts determined by the commissioner of administration to be unnecessary to maintain this account at an appropriate level and not to exceed \$5,000,000. [IF THE AMOUNT NECESSARY TO SATISFY CLAIMS OR JUDGMENTS FOR WHICH PAYMENT MAY BE DUE UNDER THE STATE INSURANCE PROGRAM IN A FISCAL YEAR EXCEEDS THE UNEXPENDED BALANCE OF THE AMOUNTS ALLOCATED TO THE ACCOUNT, THE DEPARTMENT MAY CHARGE AN ADDITIONAL AMOUNT FROM THE UNENCUMBERED BALANCE OF ANY APPROPRIATION THAT IS DETERMINED BY THE COMMISSIONER OF ADMINISTRATION TO BE AVAILABLE FOR LAPSE AT THE END OF THE FISCAL YEAR.]

(c) The \$5,000,000 cap, set in (b) of this section, on money that may be retained in the state insurance catastrophe reserve account applies only to unobligated money in the account at the end of a fiscal year.

(d) Amounts received in settlement of insurance claims or as recovery for losses shall be deposited into the state insurance catastrophe reserve account.

AS37.05.510

WORKING RESERVE ACCOUNT.

(a) There is established in the general fund a working reserve account. The working reserve account consists of amounts appropriated to state agencies for

- (1) cash payment of accrued leave;
- (2) cash payment of terminal leave;
- (3) payment of the employer's contribution for unemployment benefits of former employees; and
- (4) payment of claims for workers' compensation and general liability.

(b) The Department of Administration shall allocate to the working reserve account amounts appropriated to all state agencies for the benefits set out in (a) of this section after the appropriation Act implementing the state operating budget is enacted. The department shall charge the reserve account with all payments for the benefits set out in (a) of this section. [IF PAYMENTS FOR A FISCAL YEAR EXCEED THE UNEXPENDED BALANCE OF APPROPRIATIONS ALLOCATED TO THE ACCOUNT, THE DEPARTMENT MAY, EXCEPT FOR PAYMENTS UNDER (A)(4) OF THIS SECTION, PAY THOSE BENEFITS BY CHARGING THE UNENCUMBERED BALANCE OF ANY APPROPRIATION ENACTED TO FINANCE THE PAYMENT OF EMPLOYEE SALARIES AND BENEFITS THAT IS DETERMINED TO BE AVAILABLE FOR LAPSE AT THE END OF THE FISCAL YEAR.]

SB

378

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/20/94

FURTHER:

DATE TURNED INTO OFFICE: 5-1-94

The Finance Committee considered **SENATE BILL NO. 378**

"An Act relating to permanent fund dividend program notice requirements and to dividends of individuals convicted of felonies or misdemeanors; and providing for an effective date."

and recommends:

- replace with CS SB 378 (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
Corrections	4/15/94	<input checked="" type="checkbox"/>	
Revenue 981	4/18/94	<input checked="" type="checkbox"/>	
Courts	4/19/94		* <i>init.</i>

Appropriation No Fiscal Note

DO PASS:

Tim Kelly
Steve...
Bob...

OTHER RECOMMENDATIONS:

1. Mike D. Pass
 Co-Chair: Signature/Recommendation

2. Steve...
 Co-Chair: Signature/Recommendation

No. 3

Bill Version: SB 378

(S) Publish Date: 4-21-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date:	_____	Dept. Affected:	_____
Title:	<u>Re. PFD for felons/misdemeanants</u>	BRU:	<u>All</u>
Sponsor:	<u>S. FIN</u>	Component:	<u>All</u>
Requestor:	<u>S.ST.A.</u>	Component Serial #:	<u>694-1884</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	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 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
---------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (1050 PFD)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0			

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

Changes in CSSB378 (STA) have no fiscal impact. This fiscal note is appropriate.

POSITIONS

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

4/20/94 date [Signature] Comte Aide (initial)

ANALYSIS:

FISCAL NOTE

No. 2

Bill Version: SB 378

(S) Publish Date: 4-21-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL

Revision Date: _____ Dept. Affected: Revenue
 Title: No PFD: Persons Jailed for Felony or Misdemeanor BRU: Permanent Fund Dividend
 Sponsor: SENATE FINANCE COMMITTEE Component: Permanent Fund Dividend
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. 981

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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-

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-

POSITIONS:

FULL-TIME			
PART-TIME			
TEMPORARY			

Changes in CSSB 378 (STA) have no fiscal impact. This fiscal note is appropriate.

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

4/20/94 [Signature]
Date Comptroller (initial)

ANALYSIS:

This fiscal note is predicated on the assumption that either the Department of Corrections or the Court System will annually provide the Department of Revenue with a computer tape file of all felons and misdemeanants as the Department of Corrections currently provides related to incarcerated felons.

This legislation would also reduce the pool of dividend applicants whose dividend could be attached or levied by various government agencies as well as private creditors. Please see the attached 1989-1993 summary of attachment and assignment activity.

Prepared by: Thomas C. Williams
 Division: Permanent Fund Dividend
 Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Phone: 465-2323
 Date: 04-18-94
 Date: 4/18/94

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ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND DIVISION
1989 - 1993 PFD ATTACHMENT AND ASSIGNMENT ACTIVITY

As of January 18, 1994

<u>Services Held</u>	<u>5 Year</u>	<u>Permanent Fund Dividend Year (A)</u>				
	<u>Total</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
<u>Attachments (B)</u>						
IRS (Federal Taxes)	68,594	19,758	18,125	12,413	11,548	6,750
CSED (Child Support Delinquencies)	36,977	7,368	7,883	7,571	7,112	6,543
Non-municipal Writs (Judgements) (C)	34,740	7,251	6,749	8,218	6,462	6,060
ACPE (Student Loan Delinquencies)	34,355	7,684	8,568	7,282	5,997	4,824
Municipal Writs (Fines & Taxes)	5,938	294	1,200	1,224	1,323	1,897
Certified Services (Judgements) (C)	2,510	2,156	354	(D)	(D)	(D)
PFDD (Repayment of Dividends)	2,423	525	106	760	549	483
Department of Law (Judgements)	1,365	1,365	0	0	0	0
DOL (Employment Taxes)	811	267	113	121	127	190
IEAD (State Taxes)	191	0	20	34	52	85
Court Orders (Judgements)	27	0	5	1	20	1
<u>Total Attachments</u>	<u>187,938</u>	<u>47,168</u>	<u>43,123</u>	<u>37,624</u>	<u>33,190</u>	<u>26,833</u>
<u>Assignments (E)</u>	<u>21,867</u>	<u>5,907</u>	<u>4,628</u>	<u>3,753</u>	<u>4,502</u>	<u>3,077</u>
<u>Total Services Held</u>	<u>209,805</u>	<u>53,075</u>	<u>47,751</u>	<u>41,377</u>	<u>37,692</u>	<u>29,910</u>

Notes

- (A) The figures reported for 1989-1992 are for the period April 1 through March 31 of the year indicated. The 1993 figures are for the period April 1, 1993 through December 31, 1993.
- (B) The attachment figures represent the number of attachments that actually were held. Some of the attachments received are returned because they are for an individual who is not on file. Others correspond to individuals who are on file but are released by the individual or agency filing the attachment before the department makes payment. The figures reported correspond to unreleased attachments held during the periods indicated.
- Not all these attachments received funds. For example, an individual may have been attached by both CSED and the IRS. If the CSED attachment equaled or exceeded the amount of the dividend, CSED would receive the entire dividend, and IRS would receive nothing. However, the statistics would still reflect 2 attachments.
- (C) Until December 30, 1990 the exemption from attachment for these items was 50%. Effective January 1, 1991 the exemption from attachment for these items was reduced to 45% by § 3, Ch 198, SLA 1990. Non-municipal Writs are served by Process Servers.
- (D) Certified services were only available starting in 1992 as a result of amendments to AS 43.23.065 enacted by Ch 52, SLA 1992.
- (E) Since 1989 assignments can only be made to governmental agencies or a court.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Alaska Court System
 Title: No PFD: Persons jailed for felony or BRU: Trial Courts
misdemeanor Components: _____
 Sponsor: Finance
 Requestor: _____ COMPONENT SERIAL NO. 768

EXPENDITURES/REVENUES (Thousands of Dollars)

	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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

POSITIONS

FULL-TIME				
PART-TIME				
TEMPORARY				

Changes in CSB 378 (STA)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.
4-20-94 [Signature]
 date Comte Aide (initial)

Estimate of current year (FY 94) cost: \$ None

ANALYSIS: (Attach a separate page if necessary)
 * - see attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel [Signature] Phone: 264-8228
 Agency: Alaska Court System Date: 04/19/94
 Approved by: Arthur H. Snowden, II, Administrative Director [Signature]
 Agency: Alaska Court System Date: 04/19/94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

ALASKA COURT SYSTEM
CSSB 378 (STA)
FISCAL ANALYSIS

AS 43.23.005(d) provides that a person who is convicted of a felony is ineligible for a permanent fund dividend for a year when, during all or a part of the previous calendar year, the person is incarcerated. CSSB 378 (STA) amends this to provide that a person convicted of a felony is ineligible for a dividend during the following year, whether or not the person is incarcerated. It further provides that a person convicted of a misdemeanor is ineligible for a permanent fund dividend for a year when, during all or part of the previous calendar year, the person is incarcerated. The list of ineligible persons would be compiled by the Department of Revenue, working with the Department of Corrections and the Department of Public Safety.

CSSB 378 (STA) further provides that monies which would otherwise be paid to felons and misdemeanants may be appropriated to the court system. The court system will not be submitting requests to the legislature for appropriations from that fund, because of the conflict of interest that would be perceived if judges' sentencing practices had a direct effect on the court system's operating budget.

Minor changes in criminal law or procedure often have a significant impact on the trial rate. For example, felony trial rates doubled during the first year following the attorney general's ban on plea bargaining, and tripled during the second year. Similarly, trial rates increased following the enactment of presumptive sentencing laws. As a general rule, there is a direct relationship between the trial rate for a particular crime and the size or the certainty of a penalty for that crime. For example, crimes with a mandatory minimum penalty or presumptive sentence generally have a higher trial rate than crimes of the same class without a minimum or presumptive penalty. CSSB 378 (STA) may increase misdemeanor trial rates by raising the penalty. A defendant who is willing to plead guilty to a crime for which the likely sentence is a \$100 fine and a day or two in jail may demand a trial if the penalty also includes loss of a dividend. Because any increase in trial rates is speculative, this note does not reflect the costs that would be incurred. If trial rates do increase significantly, the court system will need to request additional funds at a later time.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR FRANK

TO: CSSB 378(STA)

Adopted

Page 3, after line 22:

Insert a new bill section to read:

"* Sec. 6. Notwithstanding the amendment to AS 43.23.028(b) made in sec. 3 of this Act, the notice requirements of AS 43.23.028(a) do not apply to appropriations from the dividend fund made for fiscal year 1995 to the crime victim compensation fund established under AS 18.67.162, to the Council on Domestic Violence and Sexual Assault established under AS 18.66.010, to the court system, or to the Department of Corrections to the extent that amounts appropriated do not exceed the total amount that would have been paid during fiscal year 1994 and fiscal year 1995 to individuals who are ineligible to receive dividends under AS 43.23.005(d) if they had been eligible."

Renumber the following bill sections accordingly.

Page 3, line 24:

Delete "1, 3, 4, and 6"

Insert "1, 3, 4, 6, and 7"

SENATE FINANCE
COMMITTEE

Amendment Number: ①
Bill Number: SB 378
Sponsor: FRANK Date: 4/30/94
Logged In By: [Signature]

final

CS FOR SENATE BILL NO. 378(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

*Frank
writing for
Dane O'Id*

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to permanent fund dividend program notice requirements, to the
2 ineligibility for dividends of individuals convicted of felonies or incarcerated for
3 misdemeanors, and to the determination of the number and identity of certain
4 ineligible individuals; and providing for an effective date."

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

6 * Section 1. PURPOSES. The purposes of the amendments made to AS 43.23.005(d) and
7 43.23.028(b) in this Act are to obtain

8 (1) a source of additional funding for the state agencies listed in
9 AS 43.23.028(b); and

10 (2) full or partial reimbursement from individuals convicted of a felony or
11 misdemeanor for costs imposed on the state criminal justice system related to convictions and
12 incarcerations.

13 * Sec. 2. AS 43.23.005(d) is amended to read:

14 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual

L

1 [WHO HAS BEEN CONVICTED OF A FELONY] is not eligible for a permanent
2 fund dividend for a dividend year when

3 (1) during the calendar year immediately preceding the dividend
4 year the individual was convicted of a felony; or

5 (2) [.] during all or part of the [PREVIOUS] calendar year immediately
6 preceding that dividend year, as a result of the conviction of a felony or
7 misdemeanor, the individual was [IS] incarcerated.

8 * Sec. 3. AS 43.23.028(b) is amended to read:

9 (b) The notice requirements of (a) of this section do not apply to
10 appropriations from the dividend fund to the crime victim compensation fund
11 established under AS 18.67.162, to the council on domestic violence and sexual assault
12 established under AS 18.66.010, to the court system, or to the Department of
13 Corrections to the extent that amounts appropriated for a fiscal year do not exceed the
14 total amount that would have been paid during that same [THE PREVIOUS] fiscal
15 year to individuals who are ineligible to receive dividends under AS 43.23.005(d) if
16 they had been eligible.

17 * Sec. 4. AS 43.23.055 is amended to read:

18 Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

19 (1) annually pay permanent fund dividends from the dividend fund;

20 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
21 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures
22 and time limits for claiming a permanent fund dividend; the department shall determine
23 the number of eligible applicants by October 1 of the year for which the dividend is
24 declared and pay the dividends by December 31 of that year;

25 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
26 that establish procedures and time limits for an individual upon emancipation or upon
27 reaching majority to apply for permanent fund dividends not received during minority
28 because the parent, guardian, or other authorized representative did not apply on behalf
29 of the individual;

30 (4) assist residents of the state, particularly in rural areas, who because
31 of language, disability, or inaccessibility to public transportation need assistance to

1 establish eligibility and to apply for permanent fund dividends;

2 (5) use a list of individuals ineligible for a dividend under
3 AS 43.23.005(d) provided annually by [ANNUALLY DETERMINE, IN
4 COOPERATION WITH] the Department of Corrections and the Department of
5 Public Safety to determine [,] the number and identity of those individuals
6 [INELIGIBLE FOR A PERMANENT FUND DIVIDEND UNDER AS 43.23.005(d)];

7 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

8 (7) adopt regulations that establish procedures for the parent, guardian,
9 or other authorized representative of a disabled individual to apply for prior year
10 permanent fund dividends not received by the disabled individual because no
11 application was submitted on behalf of the individual;

12 (8) adopt regulations that establish procedures for an individual to apply
13 to have a dividend warrant reissued if it is returned to the department as undeliverable
14 or it is not paid within two years of the date of its issuance; however, the department
15 may not establish a time limit within which an application to have a warrant reissued
16 must be filed;

17 (9) adopt regulations establishing an optional longevity bonus program
18 to provide for the direct payment by the department of an individual's permanent fund
19 dividend to an annuity program selected by the individual.

20 * **Sec. 5.** Notwithstanding the amendment to AS 43.23.005(d) made in sec. 2 of this Act,
21 for purposes of determining eligibility for 1995 dividends, AS 43.23.005(d) shall be applied
22 as though it had not been amended by this Act.

23 * **Sec. 6.** Notwithstanding the amendment to AS 43.23.028(b) made in sec. 3 of this Act,
24 the notice requirements of AS 43.23.028(a) do not apply to appropriations from the dividend
25 fund made for fiscal year 1995 to the crime victim compensation fund established under
26 AS 18.67.162, to the Council on Domestic Violence and Sexual Assault established under
27 AS 18.66.010, to the court system, or to the Department of Corrections to the extent that
28 amounts appropriated do not exceed the total amount that would have been paid during fiscal
29 year 1994 and fiscal year 1995 to individuals who are ineligible to receive dividends under
30 AS 43.23.005(d) if they had been eligible.

31 * **Sec. 7.** Sections 3 and 4 of this Act are retroactive to January 1, 1994.

1 * Sec. 8. Sections 1, 3, 4, 6, and 7 of this Act take effect immediately under
2 AS 01.10.070(c).

3 * Sec. 9. Sections 2 and 5 of this Act take effect January 1, 1995.

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO.: CSSB 378(FIN) am

Revision Date: <u>May 7, 1994</u>	Dept. Affected: <u>Corrections</u>
Title: <u>Re. PFD for felons/misdemeanants</u>	BRU: <u>All</u>
Sponsor: <u>S. FIN</u>	Component: <u>All</u>
Requestor: <u>S. FIN</u>	Component Serial #: <u>694-1884</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	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 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
---------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (1050 PFD)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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:

Prepared by: Diane Schenker, Special Assistant
 Division: Office of the Commissioner
 Approved by: J. Frank Prewitt, Jr., Commissioner
 Agency: Department of Corrections

Phone: 465-4643/786-2147
 Date: 5/7/94
 Date: 5/7/94
 Page 1 of 1



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sponsor Statement

Current statute provides that individuals who are incarcerated for a felony conviction are ineligible for a PFD in the next calendar year (AS 43.23.005(d)); the total amount that would have been paid to these individuals if they had been eligible is available for appropriation from the dividend fund during the next fiscal year to the crime victim compensation fund, the council on domestic violence and sexual assault, or the Department of Corrections (AS 43.23.028(b)).

SB 378 would change this process in two ways. First, it would increase the pool of individuals who are ineligible for a PFD to include convicted misdemeanants during a year in which they were incarcerated as a result of the conviction. Second, it would shorten the length of time necessary before the forfeited dividend funds are available for appropriation.

Misdemeanants impose a significant burden on the criminal justice system; in fact, the average misdemeanor costs the State at least \$1,559.60, based on the following estimates:

Department of Law	\$207.00
Department of Public Safety	\$300.00
Department of Corrections	\$852.60
Public Defender Agency	\$200.00
Court System	Unable to isolate costs

It is entirely appropriate that individuals convicted of a misdemeanor should forfeit the dividend and contribute towards the expenses incurred by the State's law enforcement, judicial, and correctional agencies.

Currently it takes three years before the forfeited dividend funds are available for appropriation; for example, the appropriation from the dividend fund for FY95 reflects convicted felons who were incarcerated in CY92. SB 378 would shorten this process to two years. This would have the effect of "bumping up" future appropriations by one year, thereby allowing a second appropriation from the dividend fund for FY95.

Additionally, SB 378 would add the court system to the list of agencies eligible to receive appropriations from the dividend fund; since every individual convicted of a felony or misdemeanor must appear before the court at some point, its inclusion should decrease the possibility of an equal protection challenge.

David,

The number of misdemeanors that we handle which result in conviction is roughly 14,000 each year. In addition, we handle roughly 3,000 probation revocations in misdemeanor cases. Because these revocation proceedings are usually simple and straightforward, we have not included them in the cost-per-case estimate calculated below.

The percentage of the attorney staff assigned to misdemeanor cases is roughly one-third, except in Anchorage where it is roughly one-quarter (most misdemeanor cases in Anchorage are handled by the municipal prosecutor's office).

The annual cost of misdemeanor prosecution is shown below, based on the FY 94 authorized budget. The costs fall into four components only, because misdemeanor cases are not handled by the components for special prosecutions and appeals or criminal justice litigation.

1st Jud. Dist.	$1074 \times 1/3 = 358$
2nd Jud. Dist.	$701 \times 1/3 = 234$
3rd -- Anch	$2905 \times 1/4 = 726$
3rd -- all other	$2784 \times 1/3 = 928$
4th Jud. Dist.	$1956 \times 1/3 = \underline{652}$
	$2898 \div 14 = \$207.00$

The misdemeanor cases fall into the following general categories. Next to each is the number of cases (rounded to the nearest hundred) that were sent to prosecution offices by police agencies in FY 93 to be reviewed for possible prosecution.

Assault	3300
Property Offens	2500
Disorderly Conduct/ Harrassment	700
Liquor Offenses	1700
Drug Offenses	500
Fish & Game	800
DVT	4200
Driv w/ Susp Lic	2400
Reckless/Neg Driv	200
Oth Driv Offenses	1900
All Other Misd Crimes	1600
Probation Revocation	<u>3300</u>
	23100

Attached is a listing of the crimes (and some other provisions) in Title 4 (alcohol), Title 11 (criminal code), Title 12 (criminal procedure), Title 16 (fish and game) and Title 28 (motor vehicles). The most common misdemeanors are highlighted. For your convenience, I have also included a copy of our criminal law manual, which contains all these provisions. In addition, however, there are a number of other offenses (usually punishable by fines only) that appear in regulations adopted by the Department of Fish and Game (related to hunting and fishing) and the Department of Public Safety (relating to motor vehicles, rules of the road, etc.)

Let me know if you have further questions.

Dean Guaneli

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY
DIVISION OF ADMINISTRATIVE SERVICES

Richard L. Burton
Commissioner

P.O. BOX 111200
JUNEAU, ALASKA 99811-1200
PHONE (907) 465-4336

April 13, 1994

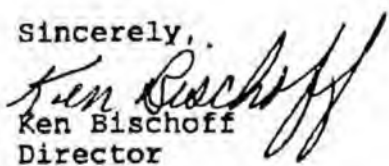
The Honorable Steve Frank
Co-chair, Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Senator Frank:

In response to your staff's request to "estimate the average cost imposed on the Department of Public Safety by a misdemeanor arrest", a ballpark estimate is \$300 per arrest [5 hours X \$60 per hour]. The average time spent on a misdemeanor arrest can vary widely depending on whether it occurs in the bush or on a road system, the local court system's arraignment process, whether there is a state correctional institution or local contract jail nearby, and of course, the type of offense. The amount of time spent investigating a case can vary greatly. An "on sight" arrest can be very quick, but a theft case may take much time to investigate to the point of arrest. Also, violent offenses typically take much more time than a simple case.

Management reports are based on cases reported, and of course, not all cases result in an arrest, so it is not practical at this time to be definitive about the average time involved in a misdemeanor arrest. The most common misdemeanor arrest, Driving While Intoxicated, probably takes about three to four hours on the average. Some misdemeanor arrests take up to 60 hours of Trooper time. The 5 hour per arrest average is probably a low estimate.

The Alaska State Troopers currently contract with the US Forest Service to provide law enforcement in certain areas at a rate of \$60 per hour [which includes salary, benefits, and some support costs]. This rate has not been adjusted in recent years, and is due to be raised, but can be used as a rough estimate of the cost for an hour of Trooper time, a low estimate when all costs are taken into consideration.


Sincerely,

Ken Bischoff
Director

MEMORANDUM

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

TO: David Skidmore
Legislative Assistant to Senator Steve Frank

FROM: Diane Schenker 
Special Assistant to the Commissioner

DATE: April 13, 1994

This memorandum is in response to your question regarding the average length of stay in a correctional center for a misdemeanant. According to Steve Schwartz, our Research Analyst, the average length of incarceration for a misdemeanant is 8.7 days.

This average was calculated based upon a formula used by the National Institute of Corrections, using the Department's OBSCIS data from calendar year 1993, as follows:

559 (1993 average daily population of misdemeanants, both pretrial and sentenced) X 365 (days per year) divided by 23,468 (1993 total admissions for misdemeanants) = 8.7 days, average length of stay.

The average daily cost of care, including state correctional beds as well as community residential center beds, is \$98 per day. Therefore, incarceration for the average misdemeanant costs the department \$852.60 ($\98×8.7).

M E M O R A N D U M

DATE: 4-14-94
TO: Senator Steve Frank
FROM: John B. Salemi, Public Defender
RE: Average cost of Misdemeanor case

Per your 4-13-94 request, this memo contains the Alaska Public Defender Agency's best guess as to the average cost of providing legal representation for a client charged with a misdemeanor level offense. Please be advised that this estimate was prepared with less than one day's notice. It is also noteworthy that misdemeanor charges vary greatly, and therefore there really is no such thing as an average misdemeanor case. Finally, this estimate is not generated by computer number-crunching, but based on the collective experience of the attorneys presently handling misdemeanors in our Anchorage office. No information was gathered from our rural offices. Here goes:

ATTORNEY TIME

1. File review and client interview(s): 1.5 hours
 2. Pre-trial motion review, drafting, research: 1.0 hours
 3. Negotiations, phone calls, bail hearing(s): 1.0 hours
 4. Change of plea hearing (preparation and court): .75 hours
- TOTAL: 4.25 HOURS

A staff attorney doing misdemeanor cases is paid a salary which is the equivalent of \$22.38/hour. $4.25 \times \$22.38 = \95.12 .

The remaining costs on an "on average basis" are even more speculative. Secretary time, photocopying, equipment costs, lease space expenses--the list of overhead items and allocation to misdemeanor work cannot be readily determined. Neither should it be ignored or minimized. So, a wild guess: \$100/case.

In summary, a quick, best guess, based on attorney-generated information (as opposed to statistical analysis) is approximately \$200 per case.

I hope this helps. Call if you would like to discuss this issue.

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 15, 1994

The Honorable Steve Frank
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Senate Bill No. 378

Dear Senator Frank:

You asked me yesterday for a brief review of SB 378 to see if it raised any constitutional concerns. I do not believe SB 378 would be found unconstitutional; however, there are a few areas of concern.

SB 378 amends AS 43.23.005(d), which provides that incarcerated felons are ineligible for permanent fund dividends ("pfd's"). The amendments add misdemeanants to those who are ineligible for pfd's, and also provide that the ineligibility extends to the year of conviction as well as any year in which the individual is incarcerated.

The Alaska Supreme Court has issued two opinions on the constitutionality of the original version of AS 43.23.005(d): State v. Anthony, 810 P.2d 155 (Alaska 1991) ("Anthony I"); and State v. Anthony, 816 P.2d 1377 (Alaska 1991) ("Anthony II"). I enclose copies of those cases for your information.

In Anthony I, the Supreme Court discussed the purposes of the statute. The legislative history stated the purpose was to obtain money for the Crime Victim Compensation Fund. While both parties agreed another purpose for the statute was to obtain partial reimbursement for the cost of incarceration, the Court did not find any indication of this in the legislative history, so they did not discuss the statute in relation to that purpose. 810 P.2d at 159.

The Court held in Anthony I that AS 43.23.005(d) does not violate the equal protection provision of the Alaska or United States Constitution. Plaintiffs argued the statute made two improper classifications: between felons and misdemeanants, and between incarcerated and non-incarcerated felons. The Court, however, found that neither classification was improper. 810 P.2d at 161. In both cases, the class which lost eligibility for a

WALTER J. HICKEL, GOVERNOR

PLEASE REPLY TO:

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ANCHORAGE, ALASKA 99501-1604
PHONE: (907) 261-1100
FAX: (907) 261-3697

KEY BANK BUILDING
100 CUSHMAN ST., SUITE 400
FAIRBANKS, ALASKA 99701-4670
PHONE: (907) 451-2811
FAX: (907) 451-2848

P.O. BOX 110900 - STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-9600
FAX: (907) 465-8735

dividend (felons as opposed to misdemeanants, and incarcerated as opposed to non-incarcerated felons) may be deemed to have caused greater harm than the other class which retained eligibility (misdemeanants and non-incarcerated felons). Therefore the classifications drawn were sufficiently related to the purpose of obtaining funds for crime victims to meet equal protection requirements. 810 P.2d at 161-2.

It is unlikely, given the Anthony decision's discussion of this issue, that the amendment contained in SB 378 would be found violative of equal protection. The only classification it draws is between persons convicted of crimes and those not convicted of crimes. Depending upon the intent of the amendment, as shown through its legislative history, it is quite likely it would withstand a constitutional challenge based on equal protection.¹

Anthony II dealt with whether AS 43.23.005(d) is an ex post facto law, that is, a law which punishes as a crime an act previously committed which was innocent when done, or which imposes additional punishment after a crime was committed. The Court ruled the statute did not violate the ex post facto prohibition, since it was not intended as punishment. The Court noted, "It is significant that a person who is not sentenced to incarceration is not made ineligible for a permanent fund dividend. Since the purpose of the statute is compensatory rather than punitive, we conclude that it does not violate the ex post facto clause of either the United States or the Alaska Constitution." 816 P.2d at 1378.

If the purposes of the amendment are similar to those of the original enactment of AS 43.23.005(d), there should not be a problem with ex post facto. The intent would have to be broad enough to cover not only incarcerated but also convicted, non-incarcerated misdemeanants and felons. If the Court were to find the purposes punitive rather than compensatory, it should merely invalidate the statute's application to persons whose crimes were committed prior to the effective date.

¹ There is a potential equal protection problem. The effect of the amendment will be that a person who is convicted of an offense and serves his time for the conviction all in one calendar year will lose only one dividend, while a person who is convicted in December and who serves his time in January will be ineligible for two dividends. Cf., Anthony I, 810 P.2d at 162. The Court has clearly stated that perfection is not required in order to comply with equal protection, however, it is possible this might be considered to be outside the range of a reasonable means/ends fit.

Senator Steve Frank
State Senate

April 15, 1994
Page 3

As you can see from the Anthony decisions, it is important to make the purpose of the amendment clear, either through written language such as that found in Ch. 54, § 5, SLA 1988, or through oral testimony. If your intent is to raise additional funds to cover the cost of incarceration or other costs related to conviction, or if it is to raise funds for specific programs, it should be spelled out. All the various purposes for the amendment should be stated. If a constitutional challenge is raised, the courts will look to that history to determine the legislature's intent, which can be determinative of the outcome of the challenge.

I have not researched whether Section 2 of SB 378 violates the prohibition on dedicated funds, but it certainly raises the question. I assume this was researched when that section was initially enacted.

There is a potential double jeopardy problem if one of the purposes of the amendment is to obtain reimbursement for the cost of incarceration. AS 28.35.030(k) and AS 28.35.032(o) were recently amended to provide that persons convicted of DWI or refusal are required to pay the cost of their imprisonment. The Attorney General's Office collections unit is collecting on those judgments for the Department of Corrections. I have not had an opportunity to research this fully, but it certainly raises an issue is a person may be paying twice for the same purpose.

As we discussed, there may be concern that the misdemeanants' pfd's are no longer available for child support, restitution, criminal fines and other debts. This should not be a big problem since the misdemeanant would presumably be eligible the next year for the pfd and the creditors would simply be delayed a year in achieving eventual satisfaction.

Finally, there is a potential logistical problem in connection with finding out when people are convicted. As I understand it, the Departments of Corrections and Revenue have worked out a system to determine the number of incarcerated felons who would otherwise have been eligible. This bill extends ineligibility for the pfd to persons convicted but not incarcerated. I am unsure where that information would come from. If it needs to come from the courts, they are not all computerized, and the Department of Revenue would have to manually input the necessary data. Additionally, various municipalities as well as the state do criminal prosecutions; if this is intended to cover persons convicted of municipal offenses, somehow the Department of Revenue will need to obtain data from them. If it does not cover municipal offenses, perhaps that could be clarified.

Senator Steve Frank
State Senate

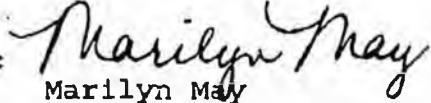
April 15, 1994
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These are the areas which come to mind in the brief time I have had to consider the bill. If you would like to discuss this further, or need more in-depth information, please feel free to call.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By:


Marilyn May
Assistant Attorney General

MM:bld

cc: Raga Elim
Senior Legislative Liaison
Office of the Governor

Deborah E. Behr
Assistant Attorney General

Enclosures

REPRESENTATIVE LIST OF MISDEMEANORS

ALCOHOLIC BEVERAGES

Failure to obtain required license or permit
Possession or consumption of alcohol by persons under the age of 21
Furnishing or delivery of alcoholic beverages to persons under 21

CRIMINAL LAW

Assault in the fourth degree
Reckless endangerment
Theft in the third degree
Theft in the fourth degree
Criminal trespass in the first degree
Criminal trespass in the second degree
Criminal mischief in the third degree
Criminal mischief in the fourth degree
Escape in the fourth degree
Unlawful evasion in the first degree
Unlawful evasion in the second degree
Resisting or interfering with arrest
Violating a domestic violence restraining order
Disorderly conduct
Harassment
Misconduct involving weapons in the fourth degree
Misconduct involving weapons in the fifth degree
Misconduct involving a controlled substance in the fifth degree
Misconduct involving a controlled substance in the sixth degree
Violation of conditions

FISH AND GAME

Strict liability commercial fishing penalties
Misdemeanor commercial fishing penalties
Wanton waste of big game animals and wild fowl

MOTOR VEHICLES

Driving without a drivers license
Driving on a suspended, revoked, or limited drivers license
Operating a vehicle, aircraft, watercraft, or commercial motor vehicle while intoxicated
Refusal to submit to chemical test
Reckless driving
Negligent driving

ALASKA DEPARTMENT OF REVENUE
 PERMANENT FUND DIVIDEND DIVISION
1989 - 1993 PFD ATTACHMENT AND ASSIGNMENT ACTIVITY
 As of January 18, 1994

<u>Services Held</u>	<u>5 Year Total</u>	<u>Permanent Fund Dividend Year (A)</u>				
		<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
<u>Attachments (B)</u>						
IRS (Federal Taxes)	68,594	19,758	18,125	12,413	11,548	6,750
Non-municipal Writs (Judgements) (C)	34,740	7,251	6,749	8,218	6,462	6,060
CSED (Child Support Delinquencies)	36,977	7,868	7,883	7,571	7,112	6,543
ACPE (Student Loan Delinquencies)	34,355	7,684	8,568	7,282	5,997	4,824
Municipal Writs (Fines & Taxes)	5,938	294	1,200	1,224	1,323	1,897
PFDD (Repayment of Dividends)	2,423	525	106	760	549	483
Certified Services (Judgements) (C)	2,510	2,156	354	(D)	(D)	(D)
Department of Law (Judgements)	1,365	1,365	0	0	0	0
DOL (Employment Taxes)	818	267	113	121	127	190
IEAD (State Taxes)	191	0	20	34	52	85
Court Orders (Judgements)	27	0	5	.1	20	1
<u>Total Attachments</u>	<u>187,938</u>	<u>47,168</u>	<u>43,123</u>	<u>37,624</u>	<u>33,190</u>	<u>26,833</u>
<u>Assignments (E)</u>	<u>21,867</u>	<u>5,907</u>	<u>4,628</u>	<u>3,753</u>	<u>4,502</u>	<u>3,077</u>
<u>Total Services Held</u>	<u>209,805</u>	<u>53,075</u>	<u>47,751</u>	<u>41,377</u>	<u>37,692</u>	<u>29,910</u>

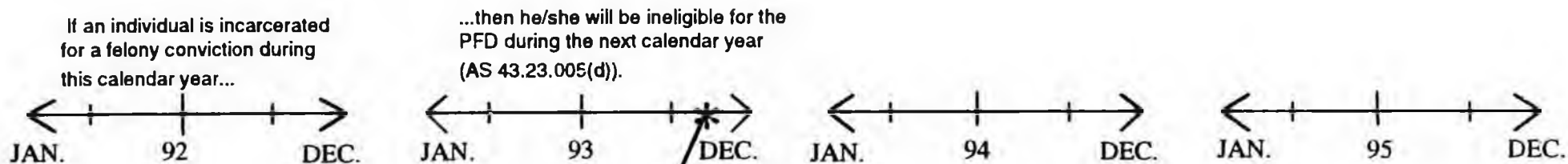
Notes

- (A) The figures reported for 1989-1992 are for the period April 1 through March 31 of the year indicated. The 1993 figures are for the period April 1, 1993 through December 31, 1993.
- (B) The attachment figures represent the number of attachments that actually were held. Some of the attachments received are returned because they are for an individual who is not on file. Others correspond to individuals who are on file but are released by the individual or agency filing the attachment before the department makes payment. The figures reported correspond to unreleased attachments held during the periods indicated.

 Not all these attachments received funds. For example, an individual may have been attached by both CSED and the IRS. If the CSED attachment equaled or exceeded the amount of the dividend, CSED would receive the entire dividend, and IRS the would receive nothing. However, the statistics would still reflect 2 attachments.
- (C) Until December 30, 1990 the exemption from attachment for these items was 50%. Effective January 1, 1991 the exemption from attachment for these items was reduced to 45% by § 3, Ch 199, SLA 1990. Non-municipal Writs are served by Process Servers.
- (D) Certified services were only available starting in 1992 as a result of amendments to AS 43.23.065 enacted by Ch 52, SLA 1992.
- (E) Since 1989 assignments can only be made to governmental agencies or a court.

CURRENT PROCEDURE: Forfeiture of PFD by Individuals Convicted of Felony

CALENDAR YEARS:



FISCAL YEARS:

