

ALASKA LEGISLATURE

1475

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

## Alaska Court System

### Fiscal Analysis

#### CSSB 46 (JUD)

At the present time, a minor is charged, prosecuted and sentenced in the district court in the same manner as an adult if the minor is accused of committing certain infractions, violations, or misdemeanors. These include traffic statutes, regulations or ordinances; AS 11.76.105, relating to the possession of tobacco by a minor; fish and game statutes or regulations under AS 16; and parks and recreational facilities statutes or regulations under AS 41.21.

CSSB 46 (JUD) adds certain new misdemeanor offenses to this list. These include AS 04.16.049, relating to access to licensed premises; 04.16.051, relating to furnishing of alcoholic beverages to a minor; AS 04.16.060, relating to alcoholic beverage purchases; and any misdemeanor drug offense defined in AS 11.71 or AS 17.30. CSSB 46 (JUD) also adds a new infraction to this list, AS 04.16.050, relating to possession or consumption of alcohol. This infraction would require a mandatory court appearance.

The practical effect of this legislation is to take a number of juveniles who previously had been dealt with by the juvenile justice system (DFYS and the superior court) and move them to the adult system (district court). Statistics obtained from DFYS indicate that in FY 94, DFYS handled 138 cases involving the additional misdemeanors listed in CSSB 46 (JUD), and 1116 cases involving the infraction of minor consumption. DFYS handled approximately 1173 of those cases without filing a delinquency petition with the superior court. None of the 81 cases referred to superior court resulted in a jury trial. Thus, actual costs to the court system were relatively low. On the other hand, if CSSB 46 (JUD) had been law in FY 94, virtually all 1254 cases would have gone straight to the court system (understand that police officers generally file citations for infractions and misdemeanors directly with the court, not with the municipal prosecutor or the district attorney; thus, prosecutors do not serve a screening function that will keep some of these cases out of court). There would have been judicial costs associated with 138 additional misdemeanor arraignments, approximately 136 sentencing hearings, judicial costs associated with 1116 additional infraction arraignments, clerical costs associated with processing the citations and collecting the fines, and a trial rate of approximately two percent (the rate at which adults go to trial for misdemeanors and infractions) resulting in additional judicial time and juror costs. The misdemeanor trials would have been expected to last one day, and utilize a six member jury. The infraction trials would have been expected to last under one hour and would not have required a jury.

Note that the actual number of charged offenses is likely to increase dramatically as a result of the changes made by CSSB 46 (JUD). It is common for state troopers and municipal police officers to simply take juveniles home with a warning when they are caught committing the specified offenses, rather than refer them to DFYS; while DFYS received 1254 referrals in FY 94 for the listed offenses, the Division of Motor Vehicles was notified by police officers of juvenile alcohol or drug use over 3200 times (this was done for purposes of revoking the minor's driver's license or privilege to obtain a license pursuant to AS 28.15.183). The reason that officers generally do not refer these offenses to DFYS is to avoid overloading DFYS with relatively minor cases when its resources have been strained by the substantial increase in serious juvenile crime. This is likely to change if the officer is empowered to simply write a citation for the juvenile to appear before a magistrate as an adult. This note assumes that the court system will receive 2000 citations for processing which involve cases that were not previously seen by either DFYS or the court system.

Alaska Court System  
Fiscal Analysis  
CSSB 46

Personal Services

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
In-Court Clerk, 12A, Anchorage, PPT, 4 months	\$9,036	\$2,385	\$11,421
Committing Magistrate, range 22A, PPT, Anchorage, 4 months	17,768	4,689	22,457
Court Clerk II, 10A, Anchorage, PFT, 12 months	24,012	11,440	<u>35,452</u>

Total Personal Services 69,330

Offset of judicial time (master and superior court judge) for 81 superior court juvenile cases estimated at one hour each.

(4,849)

Net Personal Services 64,481

This legislation will require over 80 hours of court time for a committing magistrate for arraignments and trials. For purposes of this analysis, this time requirement is offset by a reduction in the time currently used by superior court judges and standing masters for petition review. Most of the new cases will be processed as citations, approximately one clerical position is needed for every 3,000 citations.

Contractual

Jury fees - 3 one-day trials with 6 jurors at \$25 a day 450

Supplies

Offices supplies for processing additional cases 1,000

Equipment

Desk, chair and filing cabinet for permanent full-time position 1,000

Total estimated cost \$66,931

# FISCAL NOTE

No. 7  
 Bill Version: SB 46 proposed  
JuDam  
 (S) Publish Date: 3.6.95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date: 3/3/95 Dept. Affected: Department of Law  
 Title: "...revising the provisions ... under which a minor  
may be charged, prosecuted, and sentenced as an adult ..." BRU: Prosecution  
 Sponsor: Senator Taylor Component: All  
 Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 0085-0090

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

**POSITIONS**

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

The Senate Judiciary Committee amendment to SB 46 changes the penalty for possession, control, or consumption of an alcoholic beverage by a minor from a class A misdemeanor to a violation. Consequently, the costs shown in the Department of Law fiscal note analysis of 2/24/95 will not be required, because the large majority of misdemeanor cases expected were for the offense of possession, control, or consumption. Although we anticipate an increase in paperwork and forms processing, this increased work does not warrant fiscal note costs. Generally, violations are presented in District Court by arresting officers and the services or prosecutors (or publically paid defenders) are not required.

Prepared by: Richard I. Peques, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 3/3/95  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/3/95  
 Agency: Department of Law

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9-LS0155K✓  
Chenoweth

~~3/22/95~~  
3/22/95  
Adopted  
Planned legal  
for final  
11:00 am

CS FOR SENATE BILL NO. 46( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS TAYLOR, Kelly, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act revising the provision of law under which a minor may be charged,  
2 prosecuted, and sentenced as an adult in the district court, and adding to the  
3 list of offenses for which a minor may be prosecuted as an adult in the district  
4 court; amending the criminal jurisdiction of the district court to provide for the  
5 disposition of certain offenses relating to possession, control, or consumption of  
6 alcoholic beverages by a person under 21 years of age and possession of  
7 tobacco by a person under 19 years of age; allowing a person under age 21  
8 to be arrested by a peace officer without a warrant for acts relating to illegal  
9 possession, consumption, or control of alcohol; and amending the penalty  
10 applicable to persons under 21 years of age who possess, control, or consume  
11 alcoholic beverages."

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

1 \* Section 1. AS 04.16.050 is amended by adding a new subsection to read:

2 (b) A person who violates (a) of this section is guilty of a violation. Upon  
3 conviction in the district court, the court may impose a fine of not less than \$100.

4 \* Sec. 2. AS 04.16.180(a) is amended to read:

5 (a) Except as provided in AS 04.11.015, AS 04.16.050(b), 04.16.051  
6 [AS 04.16.051], 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates a  
7 provision of this title or a regulation adopted by the board is guilty, upon conviction,  
8 of a class A misdemeanor. Each violation is a separate offense.

9 \* Sec. 3. AS 12.25.030(b) is amended to read:

10 (b) In addition to the authority granted under (a) of this section, a peace officer  
11 without a warrant may arrest a person when the peace officer has reasonable cause for  
12 believing that the person

13 (1) has committed a crime under, or violated conditions imposed as part  
14 of the person's release before trial on misdemeanor charges brought under

15 (A) [(1)] AS 11.41.270 or AS 11.56.740; or

16 (B) [(2)] AS 11.41, AS 11.46.330, or AS 11.61.120, or has  
17 violated an ordinance with elements substantially similar to the elements of a  
18 crime under AS 11.41, AS 11.46.330, or AS 11.61.120, when the victim is a  
19 spouse or former spouse of the person who committed the crime; a parent,  
20 grandparent, child, or grandchild of the person who committed the crime; a  
21 member of the social unit comprised of those living together in the same  
22 dwelling as the person who committed the crime; or another person who is not  
23 a spouse or former spouse of the person who committed the crime but who  
24 previously lived in a spousal relationship with the person who committed the  
25 crime or is in or has been in a dating, courtship, or engagement relationship  
26 with the person who committed the crime; or

27 (2) has violated AS 04.16.050.

28 \* Sec. 4. AS 22.15.060(a) is amended to read:

29 (a) The district court has jurisdiction

30 (1) of the following crimes:

31 (A) a misdemeanor, unless otherwise provided in this chapter;

1 (B) a violation of an ordinance of a political subdivision;

2 (C) a violation of AS 04.16.050 or AS 11.76.105;

3 (2) to provide post-conviction relief under the Alaska Rules of Criminal  
4 Procedure, if the conviction occurred in the district court.

5 \* Sec. 5. AS 47.10.010(b) is amended to read:

6 (b) When a minor is accused of violating a statute specified in this  
7 subsection, other than [A TRAFFIC STATUTE OR REGULATION, A TRAFFIC  
8 ORDINANCE OR REGULATION OF AN INCORPORATED MUNICIPALITY,  
9 AS 11.76.105 RELATING TO THE POSSESSSION OF TOBACCO BY A MINOR,  
10 A FISH AND GAME STATUTE OR REGULATION UNDER AS 16, OR A PARKS  
11 AND RECREATIONAL FACILITIES STATUTE OR REGULATION UNDER  
12 AS 41.21, EXCEPTING] a statute the violation of which is a felony, [THE  
13 PROCEDURE PRESCRIBED IN] AS 47.10.020 - 47.10.090 and the Alaska  
14 Delinquency Rules do not apply and the [MAY NOT BE FOLLOWED, EXCEPT  
15 THAT A PARENT, GUARDIAN, OR LEGAL CUSTODIAN SHALL BE PRESENT  
16 AT ALL PROCEEDINGS. THE] minor accused of the [AN] offense [SPECIFIED IN  
17 THIS SUBSECTION] shall be charged, prosecuted, and sentenced in the district court  
18 in the same manner as an adult. If a minor is charged, prosecuted, and sentenced  
19 for an offense under this subsection, the minor's parent, guardian, or legal  
20 custodian shall be present at all proceedings. The provisions of this subsection  
21 apply when a minor is accused of violating

22 (1) a traffic statute or regulation, or a traffic ordinance or  
23 regulation of a municipality;

24 (2) AS 11.76.105, relating to the possession of tobacco by a person  
25 under 19 years of age;

26 (3) a fish and game statute or regulation under AS 16;

27 (4) a parks and recreational facilities statute or regulation under  
28 AS 41.21;

29 (5) each of the following statutes relating to alcoholic beverages:

30 (A) AS 04.16.049, relating to access to licensed premises;

31 (B) AS 04.16.050, relating to possession or consumption;

1  
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4  
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6  
7

(C) AS 04.16.051, relating to furnishing of alcoholic beverages; or  
(D) AS 04.16.060, relating to alcoholic beverage purchases;  
and  
(6) an offense defined in AS 11.71 or AS 17.30.

\* Sec. 6. APPLICABILITY. This Act applies to an offense committed on or after the effective date of this Act.

Fiscal Notes

SB 46 - PROSECUTE JUVENILE AS ADULT IN DIST. CT.

<u>NO.</u>	<u>Dept.</u>	<u>Date</u>	<u>SB 46</u>	<u>Jud. Amend</u>	<u>CSSB(Fin)</u>
1.	Courts	2/15/95	\$ 28.0		
2.	DOLaw (3rdD)	2/24/95	143.6		
3.	DH&SS (SC)	2/10/95	0	0	
4.	DH&SS (North)	2/10/95	0	0	
5.	DH&SS (SE)	2/10/95	0	0	
6.	Courts	3/03/95		66.9	
7.	DOLaw (All)	3/03/95		0	
New	DOA(PDA)	3/22/95			0
Total			\$171.6	\$66.9	0

SFC  
Updated 3/21/95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

No. 5 SB 46 and  
Bill Version: JLD proposed sim  
(S) Publish Date: 3.6.95

Revision Date: \_\_\_\_\_  
Title: Revising the Provision of law under which a minor  
may be charged as an adult in district court.  
Sponsor: Senator's Taylor, Kelly and Pearce  
Requestor: Senate (JUD)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: Southeastern Region  
COMPONENT SERIAL NO. 258  
See also (SN#): 254.255

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 50.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the division if this bill were to become law unless youth are sentenced to detention for status offenses. Detention time for status offenders is a violation of OJJDP (Office of Juvenile Justice and Delinquency Prevention) criteria and could result in a 25% reduction of the \$600.0 grant from that program.

Prepared by: Kathy Tibbles, Acting Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 02/07/95  
Date: 2/10/95

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STATE OF ALASKA  
1995 LEGISLATIVE SESSION

No. 4 SB 46 and  
Bill Version: JUD proposed am  
(\$ Publish Date: 3.6.95)

Revision Date: \_\_\_\_\_  
Title: Revising the Provision of law under which a minor  
may be charged as an adult in district court.  
Sponsor: Senator's Taylor, Kelly and Pearce  
Requestor: Senate (JUD)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: Northern Region  
COMPONENT SERIAL NO. 255  
See also (SN#): 254,258

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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 (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the division if this bill were to become law unless youth are sentenced to detention for status offenses. Detention time for status offenders is a violation of OJJDP (Office of Juvenile Justice and Delinquency Prevention) criteria and could result in a 25% reduction of the \$600.0 grant from that program.

Prepared by: Kathy Tibbles, Acting Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 02/07/95  
Date: 2/10/95

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STATE OF ALASKA  
1995 LEGISLATIVE SESSION

to. 3 SB 46 and  
Bill Version: JUD proposed am  
(S) Publish Date: 3.6.95

Revision Date: \_\_\_\_\_  
Title: Revising the Provision of law under which a minor  
may be charged as an adult in district court.  
Sponsor: Senator's Taylor, Kelly and Pearce  
Requestor: Senate (JUD)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: Southcentral Region  
COMPONENT SERIAL NO. 254  
See also (SN#): 255.258

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the division if this bill were to become law unless youth are sentenced to detention for status offenses. Detention time for status offenders is a violation of OJJDP (Office of Juvenile Justice and Delinquency Prevention) criteria and could result in a 25% reduction of the \$600.0 grant from that program.

Prepared by: Kathy Tibbles, Acting Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 02/07/95  
Date: 2/10/95

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# FISCAL NOTE

10. 2  
 Bill Version: SB 46  
 (S) Publish Date: 3.6.95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "...revising the provision...under which a minor ma BRU: Prosecution  
be charged, prosecuted, and sentenced as an adult..." Component: Third Judicial District  
 Sponsor: Senator Taylor  
 Requester: Governor's Office/OMB COMPONENT SERIAL NO. 0087

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	108.3	108.3	108.3	108.3	108.3	108.3
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	14.6	14.6	14.6	14.6	14.6	14.6
SUPPLIES	5.7	5.7	5.7	5.7	5.7	5.7
EQUIPMENT	15.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>143.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	143.6	128.6	128.6	128.6	128.6	128.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>143.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>

Estimate of any current year (FY95) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

This bill adds to the list of offenses under which a minor may be charged, prosecuted, and sentenced as an adult in the district court. These currently include traffic offenses, possession of tobacco by a minor, fish and game violations, and violations of regulations and statutes prohibiting certain activities in parks and recreational areas. The misdemeanor offenses being added include access to licensed premises, possession or consumption of alcohol, purchase of alcoholic beverages, and all misdemeanor drug offenses.

During FY94, the Division of Family and Youth Services received 1,254 alcohol or drug related referrals involving minors. Nearly all of these referrals (1,173) were handled by DFYS administratively and only 81 resulted in a juvenile court proceeding. Thus, all of the offenses now being handled administratively, and those few being handled in juvenile court, will be filed as misdemeanors in District Court. This will require additional prosecutor time to attend and participate in arraignments, conduct trials, arrange for pleas for those defendants who elect to plead guilty, and to attend sentencing. Consequently, one attorney and one legal

Prepared by: Richard I. Peques, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 2/24/95  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/24/95  
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO.

ANALYSIS CONTINUATION:

secretary will be needed in Anchorage to handle the large number of offenses that occur in Southcentral Alaska. Although these cases do not generally take very much time there will be lots of them. The additional secretarial time is needed for scheduling purposes, and due to the volume of paperwork and forms that must be processed because of the large number of cases.

It is also important to point out that substantially more incidents of minor in possession and consumption of alcohol are occurring than are being reported to DFYS. In these cases, the minors are caught in possession, the alcohol is seized, and the minors are returned to their parents or guardians. During the same reporting period, FY94, that the 1,254 juvenile referrals took place, about 3,500 minors had their driver's licenses revoked under the "use it, lose it" provisions of AS 28.15. Because this fiscal note is based on the 1,254 reported cases, the department is very concerned that if enforcement policies change, and a sizeable part of the incidents now going unreported begin being charged as misdemeanors, we could see a doubling of the new cases over the number that we have estimated. In this event, the department would have to request additional resources or be forced to decline unanticipated cases.

02/24/95

15:32:50.2

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE: 2

DEPARTMENT OF LAW

SCENARIO: 2

COMPONENT #: 6501020300 NAME: THIRD JUDICIAL DISTRICT

BRU NAME: PROSECUTION

PCH	UNAUTII PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B S C U	R&S MDS BUDG	SALARY	PREM PAY	BENES	PER.SERV. COSTS	G. F. AMOUNT
-----	----------------	-----------------	--------	---------------	--------------	-----------------	--------	-------------	-------	--------------------	-----------------

Indictments and overcoming a tougher defense due to the substantially increased penalties.

OTHER COSTS	0.00	
TOTAL COSTS	53503.52	36603.52

\*\*\* FUNDING DETAIL:

100% GENERAL FUND RECEIPTS	36603.52
TOTAL FUNDING	36603.52

03/069	ATTORNEY III	F ANCHORAGE		A XE AA 22A 12	53304	0	10385	71689.98		
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\*\*\*\* JUSTIFICATION:  
This position will be needed to handle several hundred misdemeanor actions that will occur if alcohol or drug related offenses, now being handled administratively by the Division of Family and Youth Services, are moved to the District court for prosecution by state prosecutors.

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	8600.00	
SUPPLIES COSTS	3300.00	
EQUIPMENT COSTS	6500.00	
OTHER COSTS	0.00	
TOTAL COSTS	90089.98	71689.98

\*\*\* FUNDING DETAIL:

100% GENERAL FUND RECEIPTS	71689.98
TOTAL FUNDING	71689.98

03/070	LEGAL SECRETARY I	F ANCHORAGE		A GG 2A 10A 12	25140	0	11463	36603.52		
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\*\*\*\* JUSTIFICATION:  
This position will be needed to handle several hundred misdemeanor actions that will occur if alcohol or drug related offenses, now being handled administratively by the Division of Family and Youth Services, are moved to the District court for prosecution by state prosecutors.

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	6000.00	
SUPPLIES COSTS	2400.00	
EQUIPMENT COSTS	8500.00	
OTHER COSTS	0.00	
TOTAL COSTS	53503.52	36603.52

\*\*\* FUNDING DETAIL:

100% GENERAL FUND RECEIPTS	36603.52
TOTAL FUNDING	36603.52

W

# FISCAL NOTE

No. 1  
 Bill Version: SB 46  
 (S) Publish Date: 3-6-95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
 Title: Prosecute juvenile as adult in District BRU: Trial Courts  
 Court: \_\_\_\_\_ Components: \_\_\_\_\_  
 Sponsor: Sen. Taylor, Kelly, Pearce  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 768

EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	23.2	23.2	23.2	23.2	23.2	23.2
TRAVEL						
CONTRACTUAL	3.8	3.8	3.8	3.8	3.8	3.8
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
<b>TOTAL OPERATING</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.0	28.0	28.0	28.0	28.0	28.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>

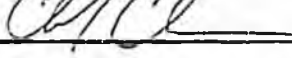
POSITIONS

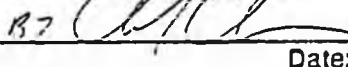
FULL-TIME						
PART-TIME	3.0	3.0	3.0	3.0	3.0	3.0
TEMPORARY						

Estimate of current year (FY 95) cost: \$ None

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel  Phone: 264-8228  
 Agency: Alaska Court System Date: 02/15/95

Approved by: Arthur H. Snowden, II, Administrative Director  Date: 02/15/95  
 Agency: Alaska Court System

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

Alaska Court System  
Fiscal Analysis  
SB 46

At the present time, a minor is charged, prosecuted and sentenced in the district court in the same manner as an adult if the minor is accused of committing certain infractions, violations, or misdemeanors. These include traffic statutes, regulations or ordinances; AS 11.76.105, relating to the possession of tobacco by a minor; fish and game statutes or regulations under AS 16; and parks and recreational facilities statutes or regulations under AS 41.21.

SB 46 adds certain new misdemeanor offenses to this list. These include AS 04.16.049, relating to access to licensed premises; AS 04.16.050, relating to possession or consumption of alcohol; AS 04.16.051, relating to furnishing of alcoholic beverages to a minor; AS 04.16.060, relating to alcoholic beverage purchases; and any misdemeanor drug offense defined in AS 11.71 or AS 17.30.

The practical effect of this legislation is to take a number of juveniles who previously had been dealt with by the juvenile justice system (DFYS and the superior court) and move them to the adult system (district court). Statistics obtained from DFYS indicate that in FY 94, 1254 cases were dealt with by DFYS involving the additional misdemeanors listed in SB 46. DFYS handled approximately 1173 of those cases without filing a delinquency petition with the superior court. None of the 81 cases referred to superior court resulted in a jury trial. Thus, actual costs to the court system were relatively low. On the other hand, if SB 46 had been law in FY 94, virtually all 1254 cases would have gone straight to the court system (understand that police officers generally file misdemeanor citations directly with the court, not with the municipal prosecutor or the district attorney; thus, prosecutors do not serve a screening function that will keep some of these cases out of court). There would have been judicial costs associated with 1254 additional arraignments, clerical costs associated with processing the citations and collecting the fines, and a trial rate of approximately two percent (the rate at which adults go to trial for misdemeanor offenses) resulting in additional judicial time and juror costs.

Note that the actual number of charged offenses is likely to increase as a result of the changes made by SB 46. It is not uncommon for state troopers and municipal police officers to simply take juveniles home with a warning when they are caught committing the specified offenses, rather than referring them to DFYS. This is done to avoid overloading DFYS with relatively minor cases when its resources have been strained by the substantial increase in serious juvenile crime. This is likely to change if the officer is empowered to write a misdemeanor citation for the juvenile to appear in district court as an adult. Because the increase in the number of charged offenses cannot be reliably determined, this fiscal note does not include those costs.

Alaska Court SystemFiscal AnalysisSB 46Personal Services

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
In-Court Clerk, 12A, Anchorage, PPT, 1 month	\$2,259	\$607	\$2,866
District Court Judge, 50% vested pro tem, PPT, Anchorage, 1 month	4,265	2,277	6,542
Court Clerk I, 8A, Anchorage, PPT, 5 months	8,890	4,941	<u>13,831</u>
Total Personal Services			23,239

This legislation will require approximately 100 additional hours of district court judge time for arraignments. For purposes of this analysis, this time requirement is offset by a reduction in the time currently spent by superior court judges or standing masters for petition review. Most of the new cases will be processed as citations, approximately one clerical position is needed for every 3,000 citations.

Contractual

Jury fees - 25 one-day trials with 6 jurors at \$25 a day	3,750
---	-------

Supplies

Offices supplies for processing additional cases	<u>1,000</u>
--	--------------

Total	<u><u>\$27,989</u></u>
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**SENATE COMMITTEE REPORT**  
**First Committee of Reference**

*JMB*

DATE: 1/25/95

FURTHER: *Asst. Dir. JMB*

Date of 5-Day Notice: 2-9-95  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-6-95

Judiciary Committee considered SB 46

Revising the provision of law and adding to the list of offenses for which a minor may be charged, prosecuted, and sentenced as an adult in the district court.

*OPINION & FINDINGS*

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s) *L*
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title

House Bill:

- technical change
- new: SCR" \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS:	DP	DNP	NR	AM
<i>Lynne Melton</i>	<input checked="" type="checkbox"/>			
<i>Mike Miller</i>	<input checked="" type="checkbox"/>			
<i>De Adams NA</i>			<input checked="" type="checkbox"/>	
CHAIR: <i>Adrian Taylor</i>	<input checked="" type="checkbox"/>			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
SB Court	2/10		28.7
SB Law	2/24		143.6
SB JUD AM HSS-Southcentral	2/10	<input checked="" type="checkbox"/>	
SB JUD AM HSS-Northern	2/10	<input checked="" type="checkbox"/>	
SB JUD AM HSS-Southeastern	2/10	<input checked="" type="checkbox"/>	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>proposed amend<sup>SUB</sup></i>			
Court	3/3		66.9
Law	3/3	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

LS 2124

2123195 #5  
(5) JUD

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB46

Revision Date: \_\_\_\_\_  
Title: Revising the Provision of law under which a minor  
may be charged as an adult in district court.  
Sponsor: Senator's Taylor, Kelly and Pearce  
Requestor: Senate (JUD)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: Southeastern Region  
COMPONENT SERIAL NO. 258  
See also (SN#): 254,255

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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 (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the division if this bill were to become law u... with are sentenced to detention for status offenses. Detention time for status offenders is a violation of OJJD... Juvenile Justice and Delinquency Prevention) criteria and could result in a 25% reduction of the \$600... from that program.

Prepared by: Kathy Tibbles, Acting Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 02/07/95  
Date: 2/10/95

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LS 2/24

2/23/95  
(S)JUD #4

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB46

Revision Date: \_\_\_\_\_  
Title: Revising the Provision of law under which a minor  
may be charged as an adult in district court.  
Sponsor: Senator's Taylor, Kelly and Pearce  
Requestor: Senate (JUD)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: Northern Region  
COMPONENT SERIAL NO. 255  
See also (SN#): 254.258

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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 ( )						
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FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the division if this bill were to become law unless youth are sentenced to detention for status offenses. Detention time for status offenders is a violation of OJJDP (Office of Juvenile Justice and Delinquency Prevention) criteria and could result in a 25% reduction of the \$600.0 grant from that program.

Prepared by: Kathy Tibbles, Acting Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 02/07/95

Date: 2/10/95

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LS 2/24

2/24/95 #3  
(S) JUD

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB46

Revision Date: \_\_\_\_\_  
Title: Revising the Provision of law under which a minor  
may be charged as an adult in district court.  
Sponsor: Senator's Taylor, Kelly and Pearce  
Requestor: Senate (JUD)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: Southcentral Region  
COMPONENT SERIAL NO. 254  
See also (SN#): 255,258

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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						
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CHANGES IN REVENUES ( )						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
thor (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact to the division if this bill were to become law unless youth are sentenced to detention for status offenses. Detention time for status offenders is a violation of OJJDP (Office of Juvenile Justice and Delinquency Prevention) criteria and could result in a 25% reduction of the \$600.0 grant from that program.

Prepared by: Kathy Tibbles, Acting Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 02/07/95  
Date: 2/10/95

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LS 2/29

2125195 #2  
(S) JUD

# FISCAL NOTE

STATE OF ALASKA/  
1995 LEGISLATIVE SESSION

BILL NO. SB 46

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "...revising the provision...under which a minor ma BRU: Prosecution  
be charged, prosecuted, and sentenced as an adult..." Component: Third Judicial District  
 Sponsor: Senator Taylor  
 Requester: Governor's Office/OMB COMPONENT SERIAL NO. 0087

### Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	108.3	108.3	108.3	108.3	108.3	108.3
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	14.6	14.6	14.6	14.6	14.6	14.6
SUPPLIES	5.7	5.7	5.7	5.7	5.7	5.7
EQUIPMENT	15.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>143.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

### FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	143.6	128.6	128.6	128.6	128.6	128.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>143.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>	<b>128.6</b>

Estimate of any current year (FY95) cost: \$ 0.0

### POSITIONS

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

### ANALYSIS: (Attach a separate page if necessary)

This bill adds to the list of offenses under which a minor may be charged, prosecuted, and sentenced as an adult in the district court. These currently include traffic offenses, possession of tobacco by a minor, fish and game violations, and violations of regulations and statutes prohibiting certain activities in parks and recreational areas. The misdemeanor offenses being added include access to licensed premises, possession or consumption of alcohol, purchase of alcoholic beverages, and all misdemeanor drug offenses.

During FY94, the Division of Family and Youth Services received 1,254 alcohol or drug related referrals involving minors. Nearly all of these referrals (1,173) were handled by DFYS administratively and only 81 resulted in a juvenile court proceeding. Thus, all of the offenses now being handled administratively, and those few being handled in juvenile court, will be filed as misdemeanors in District Court. This will require additional prosecutor time to attend and participate in arraignments, conduct trials, arrange for pleas for those defendants who elect to plead guilty, and to attend sentencing. Consequently, one attorney and one legal

Prepared by: Richard I. Pegues, Director  
 Division: Administrative Services Division  
 Approved by Commissioner: Bruce M. Borelho, Attorney General  
 Agency: Department of Law

Phone: 465-3672  
 Date: 2/24/95  
 Date: 2/24/95

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FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO.

ANALYSIS CONTINUATION:

secretary will be needed in Anchorage to handle the large number of offenses that occur in Southcentral Alaska. Although these cases do not generally take very much time there will be lots of them. The additional secretarial time is needed for scheduling purposes, and due to the volume of paperwork and forms that must be processed because of the large number of cases.

It is also important to point out that substantially more incidents of minor in possession and consumption of alcohol are occurring than are being reported to DFYS. In these cases, the minors are caught in possession, the alcohol is seized, and the minors are returned to their parents or guardians. During the same reporting period, FY94, that the 1,254 juvenile referrals took place, about 3,500 minors had their driver's licenses revoked under the "use it, lose it" provisions of AS 28.15. Because this fiscal note is based on the 1,254 reported cases, the department is very concerned that if enforcement policies change, and a sizeable part of the incidents now going unreported begin being charged as misdemeanors, we could see a doubling of the new cases over the number that we have estimated. In this event, the department would have to request additional resources or be forced to decline unanticipated cases.

02/24/95

15:32:50.2

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE: 2

DEPARTMENT OF LAW

SCENARIO: 2

COMPONENT #: 6501020300 NAME: THIRD JUDICIAL DISTRICT

BRU NAME: PROSECUTION

PCN	UNAUTH PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B C U	S	R&S MOS BUDG	SALARY	PREM PAY	BENES	PER.SERV. COSTS	G. F. AMOUNT	
Indictments and overcoming a tougher defense due to the substantially increased penalties.											OTHER COSTS	0.00	
											TOTAL COSTS	53503.52	36603.52
											*** FUNDING DETAIL:		
											1004 GENERAL FUND RECEIPTS	36603.52	
											TOTAL FUNDING	36603.52	
03#069		ATTORNEY III		F ANCHORAGE	A	XE	AA 22A 12	53304	0	18385	71689.98		
**** JUSTIFICATION: This position will be needed to handle several hundred misdemeanor actions that will occur if alcohol or drug related offenses, now being handled administratively by the Division of Family and Youth Services, are moved to the District court for prosecution by state prosecutors.											TRAVEL COSTS	0.00	
											CONTRACTUAL COSTS	8600.00	
											SUPPLIES COSTS	3300.00	
											EQUIPMENT COSTS	6500.00	
											OTHER COSTS	0.00	
											TOTAL COSTS	90089.98	71689.98
											*** FUNDING DETAIL:		
											1004 GENERAL FUND RECEIPTS	71689.98	
											TOTAL FUNDING	71689.98	
03#070		LEGAL SECRETARY I		F ANCHORAGE	A	GG	2A 10A 12	25140	0	11463	36603.52		
**** JUSTIFICATION: This position will be needed to handle several hundred misdemeanor actions that will occur if alcohol or drug related offenses, now being handled administratively by the Division of Family and Youth Services, are moved to the District court for prosecution by state prosecutors.											TRAVEL COSTS	0.00	
											CONTRACTUAL COSTS	6000.00	
											SUPPLIES COSTS	2400.00	
											EQUIPMENT COSTS	8500.00	
											OTHER COSTS	0.00	
											TOTAL COSTS	53503.52	36603.52
											*** FUNDING DETAIL:		
											1004 GENERAL FUND RECEIPTS	36603.52	
											TOTAL FUNDING	36603.52	

LS 2124

2123195

(5) JUD

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 46

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
 Title: Prosecute juvenile as adult in District BRU: Trial Courts  
 Court: \_\_\_\_\_ Components: \_\_\_\_\_  
 Sponsor: Sen. Taylor, Kelly, Pearce  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 768

### EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	23.2	23.2	23.2	23.2	23.2	23.2
TRAVEL						
CONTRACTUAL	3.8	3.8	3.8	3.8	3.8	3.8
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
<b>TOTAL OPERATING</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.0	28.0	28.0	28.0	28.0	28.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>

### POSITIONS

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

Estimate of current year (FY 95) cost: \$ None

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel *CS* Phone: 214-8228  
 Agency: Alaska Court System Date: 02/15/95

Approved by: Arthur H. Snowden, II, Administrative Director *AS*  
 Agency: Alaska Court System Date: 02/15/95

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SB 46

Alaska Court System  
Fiscal Analysis  
SB 46

At the present time, a minor is charged, prosecuted and sentenced in the district court in the same manner as an adult if the minor is accused of committing certain infractions, violations, or misdemeanors. These include traffic statutes, regulations or ordinances; AS 11.76.105, relating to the possession of tobacco by a minor; fish and game statutes or regulations under AS 16; and parks and recreational facilities statutes or regulations under AS 41.21.

SB 46 adds certain new misdemeanor offenses to this list. These include AS 04.16.049, relating to access to licensed premises; AS 04.16.050, relating to possession or consumption of alcohol; AS 04.16.051, relating to furnishing of alcoholic beverages to a minor; AS 04.16.060, relating to alcoholic beverage purchases; and any misdemeanor drug offense defined in AS 11.71 or AS 17.30.

The practical effect of this legislation is to take a number of juveniles who previously had been dealt with by the juvenile justice system (DFYS and the superior court) and move them to the adult system (district court). Statistics obtained from DFYS indicate that in FY 94, 1254 cases were dealt with by DFYS involving the additional misdemeanors listed in SB 46. DFYS handled approximately 1173 of those cases without filing a delinquency petition with the superior court. None of the 81 cases referred to superior court resulted in a jury trial. Thus, actual costs to the court system were relatively low. On the other hand, if SB 46 had been law in FY 94, virtually all 1254 cases would have gone straight to the court system (understand that police officers generally file misdemeanor citations directly with the court, not with the municipal prosecutor or the district attorney; thus, prosecutors do not serve a screening function that will keep some of these cases out of court). There would have been judicial costs associated with 1254 additional arraignments, clerical costs associated with processing the citations and collecting the fines, and a trial rate of approximately two percent (the rate at which adults go to trial for misdemeanor offenses) resulting in additional judicial time and juror costs.

Note that the actual number of charged offenses is likely to increase as a result of the changes made by SB 46. It is not uncommon for state troopers and municipal police officers to simply take juveniles home with a warning when they are caught committing the specified offenses, rather than referring them to DFYS. This is done to avoid overloading DFYS with relatively minor cases when its resources have been strained by the substantial increase in serious juvenile crime. This is likely to change if the officer is empowered to write a misdemeanor citation for the juvenile to appear in district court as an adult. Because the increase in the number of charged offenses cannot be reliably determined, this fiscal note does not include those costs.

**Alaska Court System**  
**Fiscal Analysis**  
**SB 46**

**Personal Services**

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
In-Court Clerk, 12A, Anchorage, PPT, 1 month	\$2,259	\$607	\$2,866
District Court Judge, 50% vested pro tem, PPT, Anchorage, 1 month	4,265	2,277	6,542
Court Clerk I, 8A, Anchorage, PPT, 5 months	8,890	4,941	<u>13,831</u>
Total Personal Services			23,239

This legislation will require approximately 100 additional hours of district court judge time for arraignments. For purposes of this analysis, this time requirement is offset by a reduction in the time currently spent by superior court judges or standing masters for petition review. Most of the new cases will be processed as citations, approximately one clerical position is needed for every 3,000 citations.

**Contractual**

Jury fees - 25 one-day trials with 6 jurors at \$25 a day	3,750
---	-------

**Supplies**

Offices supplies for processing additional cases	<u>1,000</u>
--	--------------

Total	<u>\$27,989</u>
-------	-----------------

# Alaska State Legislature

Chairman,  
Judiciary Committee  
  
Vice Chairman,  
Transportation Committee  
  
Member,  
Resources Committee  
Western Legislative Forestry Task Force



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922  
  
352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax: (907) 225-0713

**Senator Robin L. Taylor**

## MEMORANDUM

TO: Senator Rick Halford, Co-Chairman  
Senate Finance Committee  
  
FROM: Senator Robin L. Taylor *R.L.T.*  
  
DATE: 3/10/95  
REF: Hearing Request - Senate Bill 46

\*\*\*\*\*

Please consider this as my formal request for a hearing on Senate Bill 46 at your earliest convenience.

I have attached a suggested committee substitute which incorporates an amendment adopted by the Judiciary Committee and adds a provision covering warrantless arrest for minor consuming.

SB 46, in the committee substitute form, would make minor consuming and possession of tobacco "violations" and move them from juvenile justice to district court. Other offenses for which minors face prosecution as adults under current law would remain the same, but would also be moved to district court.

This bill seeks to rectify the current lack of consequences associated with alcohol and other offenses committed by minors.

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 46

1 Page 1, line 2, after "district court,":

2 Delete "and"

3 Page 1, line 4, after "court":

4 Insert ", amending the criminal jurisdiction of the district court to provide for the  
5 disposition of certain offenses relating to possession, control, or consumption of alcoholic  
6 beverages by a person under 21 years of age and possession of tobacco by a person  
7 under 19 years of age, and amending the penalty applicable to persons under 21 years  
8 of age who possess, control, or consume alcoholic beverages"

9 Page 1, following line 5:

10 Insert new bill sections to read:

11 **\*\* Section 1.** AS 04.16.050 is amended by adding a new subsection to read:

12 (b) A person who violates (a) of this section is guilty of a violation. Upon  
13 conviction in the district court, the court may impose a fine of not less than \$100.

14 **\* Sec. 2.** AS 04.16.180(a) is amended to read:

15 (a) Except as provided in AS 04.11.015, AS 04.16.050(b), 04.16.051  
16 [AS 04.16.051], 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates a  
17 provision of this title or a regulation adopted by the board is guilty, upon conviction,  
18 of a class A misdemeanor. Each violation is a separate offense.

19 **\* Sec. 3.** AS 22.15.060(a) is amended to read:

20 (a) The district court has jurisdiction

21 (1) of the following crimes:

22 (A) a misdemeanor, unless otherwise provided in this chapter;

23 (B) a violation of an ordinance of a political subdivision;

1                                    (C) a violation of AS 04.16.050 or AS 11.76.105;

2                                    (2) to provide post-conviction relief under the Alaska Rules of  
3                                    Criminal Procedure, if the conviction occurred in the district court."

4    Page 1, line 6:

5                    Delete "Section 1."

6                    Insert "Sec. 4."

7    Renumber the following bill sections accordingly.

8    Page 2, line 11:

9                    Delete "minor"

10                    Insert "person under 19 years of age"

*3/20*  
*Alternate*  
*CS from*  
*Larry For*  
*SB 46 files.*

9-LS0155NF  
Chenoweth  
3/7/95

CS FOR SENATE BILL NO. 46( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS TAYLOR, Kelly, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act revising the provision of law under which a minor may be charged,  
2 prosecuted, and sentenced as an adult in the district court, and adding to the  
3 list of offenses for which a minor may be prosecuted as an adult in the district  
4 court; amending the criminal jurisdiction of the district court to provide for the  
5 disposition of certain offenses relating to possession, control, or consumption of  
6 alcoholic beverages by a person under 21 years of age and possession of  
7 tobacco by a person under 19 years of age; allowing a person under age 21  
8 to be arrested by a peace officer without a warrant for acts relating to illegal  
9 possession, consumption, or control of alcohol; and amending the penalty  
10 applicable to persons under 21 years of age who possess, control, or consume  
11 alcoholic beverages."

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

1 \* Section 1. AS 04.16.050 is amended by adding a new subsection to read:

2 (b) A person who violates (a) of this section is guilty of a violation. Upon  
3 conviction in the district court, the court may impose a fine of not less than \$100.

4 \* Sec. 2. AS 04.16.180(a) is amended to read:

5 (a) Except as provided in AS 04.11.015, AS 04.16.050(b), 04.16.051  
6 [AS 04.16.051], 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates a  
7 provision of this title or a regulation adopted by the board is guilty, upon conviction,  
8 of a class A misdemeanor. Each violation is a separate offense.

9 \* Sec. 3. AS 12.25.030(b) is amended to read:

10 (b) In addition to the authority granted under (a) of this section, a peace officer  
11 without a warrant may arrest a person when the peace officer has reasonable cause for  
12 believing that the person has committed a crime under, or violated conditions imposed  
13 as part of the person's release before trial on misdemeanor charges brought under

14 (1) AS 04.16.050;

15 (2) AS 11.41.270 or AS 11.56.740; or

16 (3) [(2)] AS 11.41, AS 11.46.330, or AS 11.61.120, or has violated an  
17 ordinance with elements substantially similar to the elements of a crime under  
18 AS 11.41, AS 11.46.330, or AS 11.61.120, when the victim is a spouse or former  
19 spouse of the person who committed the crime; a parent, grandparent, child, or  
20 grandchild of the person who committed the crime; a member of the social unit  
21 comprised of those living together in the same dwelling as the person who committed  
22 the crime; or another person who is not a spouse or former spouse of the person who  
23 committed the crime but who previously lived in a spousal relationship with the person  
24 who committed the crime or is in or has been in a dating, courtship, or engagement  
25 relationship with the person who committed the crime.

26 \* Sec. 4. AS 22.15.060(a) is amended to read:

27 (a) The district court has jurisdiction

28 (1) of the following crimes:

29 (A) a misdemeanor, unless otherwise provided in this chapter;

30 (B) a violation of an ordinance of a political subdivision;

31 (C) a violation of AS 04.16.050 or AS 11.76.105;

1 (2) to provide post-conviction relief under the Alaska Rules of Criminal  
2 Procedure, if the conviction occurred in the district court.

3 \* Sec. 5. AS 47.10.010(b) is amended to read:

4 (b) When a minor is accused of violating a statute specified in this  
5 subsection, other than [A TRAFFIC STATUTE OR REGULATION, A TRAFFIC  
6 ORDINANCE OR REGULATION OF AN INCORPORATED MUNICIPALITY,  
7 AS 11.76.105 RELATING TO THE POSSESSION OF TOBACCO BY A MINOR,  
8 A FISH AND GAME STATUTE OR REGULATION UNDER AS 16, OR A PARKS  
9 AND RECREATIONAL FACILITIES STATUTE OR REGULATION UNDER  
10 AS 41.21, EXCEPTING statute the violation of which is a felony, [THE  
11 PROCEDURE PRESCRIBED IN] AS 47.10.020 - 47.10.090 and the Alaska  
12 Delinquency Rules do not apply and the [MAY NOT BE FOLLOWED, EXCEPT  
13 THAT A PARENT, GUARDIAN, OR LEGAL CUSTODIAN SHALL BE PRESENT  
14 AT ALL PROCEEDINGS. THE] minor accused of the [AN] offense [SPECIFIED IN  
15 THIS SUBSECTION] shall be charged, prosecuted, and sentenced in the district court  
16 in the same manner as an adult. If a minor is charged, prosecuted, and sentenced  
17 for an offense under this subsection, the minor's parent, guardian, or legal  
18 custodian shall be present at all proceedings. The provisions of this subsection  
19 apply when a minor is accused of violating

20 (1) a traffic statute or regulation, or a traffic ordinance or  
21 regulation of a municipality;

22 (2) AS 11.76.105, relating to the possession of tobacco by a person  
23 under 19 years of age;

24 (3) a fish and game statute or regulation under AS 16;

25 (4) a parks and recreational facilities statute or regulation under  
26 AS 41.21;

27 (5) each of the following statutes relating to alcoholic beverages:

28 (A) AS 04.16.049, relating to access to licensed premises;

29 (B) AS 04.16.050, relating to possession or consumption;

30 (C) AS 04.16.051, relating to furnishing of alcoholic  
31 beverages; or

1  
2  
3  
4  
5

(D) AS 04.16.060, relating to alcoholic beverage purchases:

and

(6) an offense defined in AS 11.71 or AS 17.30.

\* Sec. 6. APPLICABILITY. This Act applies to an offense committed on or after the effective date of this Act.

Ruthy -

Request DRAFT  
CS for SB46 to  
in-corporate

Amendment

3/20/95 Requested 8:20am  
Larry asked that this be  
held pending review of an  
alternate CS. ML

3/20/95

Harry-

Attached are several  
copies of the draft  
ASSB 46 (Fin) for  
your review. May  
Rose file in members'  
files?

Kathy

2018

9-LS0155\G ✓  
Chenoweth  
3/20/95

CS FOR SENATE BILL NO. 46(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS TAYLOR, Kelly, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act revising the provision of law under which a minor may be charged,  
2 prosecuted, and sentenced as an adult in the district court, adding to the list of  
3 offenses for which a minor may be prosecuted as an adult in the district court,  
4 amending the criminal jurisdiction of the district court to provide for the  
5 disposition of certain offenses relating to possession, control, or consumption of  
6 alcoholic beverages by a person under 21 years of age and possession of  
7 tobacco by a person under 19 years of age, and amending the penalty  
8 applicable to persons under 21 years of age who possess, control, or consume  
9 alcoholic beverages."

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

11 \* Section 1. AS 04.16.050 is amended by adding a new subsection to read:

12 (b) A person who violates (a) of this section is guilty of a violation. Upon

1 conviction in the district court, the court may impose a fine of not less than \$100.

2 \* Sec. 2. AS 04.16.180(a) is amended to read:

3 (a) Except as provided in AS 04.11.015, AS 04.16.050(b), 04.16.051  
4 [AS 04.16.051], 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates a  
5 provision of this title or a regulation adopted by the board is guilty, upon conviction,  
6 of a class A misdemeanor. Each violation is a separate offense.

7 \* Sec. 3. AS 22.15.060(a) is amended to read:

8 (a) The district court has jurisdiction

9 (1) of the following crimes:

10 (A) a misdemeanor, unless otherwise provided in this chapter;

11 (B) a violation of an ordinance of a political subdivision;

12 (C) a violation of AS 04.16.050 or AS 11.76.105;

13 (2) to provide post-conviction relief under the Alaska Rules of Criminal  
14 Procedure, if the conviction occurred in the district court.

15 \* Sec. 4. AS 47.10.010(b) is amended to read:

16 (b) When a minor is accused of violating a statute specified in this  
17 subsection, other than [A TRAFFIC STATUTE OR REGULATION, A TRAFFIC  
18 ORDINANCE OR REGULATION OF AN INCORPORATED MUNICIPALITY,  
19 AS 11.76.105 RELATING TO THE POSSESSION OF TOBACCO BY A MINOR,  
20 A FISH AND GAME STATUTE OR REGULATION UNDER AS 16, OR A PARKS  
21 AND RECREATIONAL FACILITIES STATUTE OR REGULATION UNDER  
22 AS 41.21, EXCEPTING] a statute the violation of which is a felony, [THE  
23 PROCEDURE PRESCRIBED IN] AS 47.10.020 - 47.10.090 and the Alaska  
24 Delinquency Rules do not apply and the [MAY NOT BE FOLLOWED, EXCEPT  
25 THAT A PARENT, GUARDIAN, OR LEGAL CUSTODIAN SHALL BE PRESENT  
26 AT ALL PROCEEDINGS. THE] minor accused of the [AN] offense [SPECIFIED IN  
27 THIS SUBSECTION] shall be charged, prosecuted, and sentenced in the district court  
28 in the same manner as an adult. If a minor is charged, prosecuted, and sentenced  
29 for an offense under this subsection, the minor's parent, guardian, or legal  
30 custodian shall be present at all proceedings. The provisions of this subsection  
31 apply when a minor is accused of violating

- 1                   (1) a traffic statute or regulation, or a traffic ordinance or  
2 regulation of a municipality;
- 3                   (2) AS 11.76.105, relating to the possession of tobacco by a person  
4 under 19 years of age;
- 5                   (3) a fish and game statute or regulation under AS 16;
- 6                   (4) a parks and recreational facilities statute or regulation under  
7 AS 41.21;
- 8                   (5) each of the following statutes relating to alcoholic beverages:  
9                   (A) AS 04.16.049, relating to access to licensed premises;  
10                   (B) AS 04.16.050, relating to possession or consumption;  
11                   (C) AS 04.16.051, relating to furnishing of alcoholic  
12 beverages; or
- 13                   (D) AS 04.16.060, relating to alcoholic beverage purchases;
- 14                   and
- 15                   (6) an offense defined in AS 11.71 or AS 17.30.

16       \* Sec. 5. APPLICABILITY. This Act applies to an offense committed on or after the  
17 effective date of this Act.

**SB**

**47**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: March 1, 1995

FURTHER REFERRALS:

Date of Committee Action: 3/6/95

The FINANCE Committee considered:

SB 47(efd fld)

SENATE BILL NO. 47(efd fld)

APUC EXTENSION AND REGULATORY COST CHARGE

"An Act relating to the extent to which the Alaska Public Utilities Commission may exercise its powers when regulating utilities; establishing a regulatory cost charge on public utilities and pipeline carriers; relating to the allocation of costs in hearings before the Alaska Public Utilities Commission; relating to the method by which utilities are exempted from and made subject to regulation by the Alaska Public Utilities Commission; relating to the monetary threshold for regulation of certain kinds of utilities by the Alaska Public Utilities Commission; extending the Alaska Public Utilities Commission; relating to staggered terms for members of the Alaska Public Utilities Commission."

recommends it be replaced [ ] the same title  
 with the following committee substitute \_\_\_\_\_ [ ] a new title

[ ] additional referral to \_\_\_\_\_ Committee

[ ] attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

fiscal note(s) HFC for DCED [ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) 1 DOA 2/3/95

1 Rev 2/1/95

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Mark Pinsky</i>	X			
<i>John Lusk</i>	X			
<i>Terri Martin</i>			X	
<i>Pat Hall</i>	X			
<i>Sam Taylor</i>	X			
<i>Ben Stinson</i>			X	
<i>Gene Theriault</i>	X			
<i>Mike Yavone</i>				X
<i>Tay Brown</i>				X
<i>Richard Joseph</i>	X			
<i>Richard Joseph</i>	X			

CHAIR'S SIGNATURE

*Mark Pinsky*      *Richard Joseph*

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 47 (efd fld)

Revision Date: \_\_\_\_\_  
 Title: Establishing a regulatory cost charge  
extending the APUC  
 Sponsor: Senator Kelly  
 Requestor: \_\_\_\_\_

Dept. Affected Commerce & Economic Dev.  
 BRU: APUC  
 Components: \_\_\_\_\_  
 Serial # 364

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Personal Services	2616.9	2616.9	2616.9	2616.9	2616.9	2616.9
Travel	53.6	53.6	53.6	53.6	53.6	53.6
Contractual	1008.5	1008.5	1008.5	1008.5	1008.5	1008.5
Supplies	60.7	60.7	60.7	60.7	60.7	60.7
Equipment	50.0	50.0	50.0	50.0	50.0	50.0
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
<b>TOTAL OPERATING</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
---------	-----	-----	-----	-----	-----	-----

REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
---------	-----	-----	-----	-----	-----	-----

**FUNDING: (THOUSANDS OF DOLLARS)**

General Fund	0.0	0.0	0.0	0.0	0.0	0.0
GF Program Reciepts	3789.7	3789.7	3789.7	3789.7	3789.7	3789.7
Federal Fund	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
<b>TOTAL</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>	<b>3789.7</b>

**POSITIONS :**

Full-Time	42	42	42	42	42	42
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

**ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)**

see attached analysis

Prepared by:

House Finance Committee  
Rep. Mark Hanley, Co-Chair  
Rep. Richard Foster, Co-Chair

Date: 3/6/95  
 Phone: 465-4939  
 Phone: 465-3789

SB 47 (L&C)  
APUC Extension & Regulatory Cost Charge  
February 1, 1995  
Page 2 of 2

**Bill Analysis (Analysis for sections impacting the Department of Revenue only)**

Section 1, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15 and 16 - No impact.

Sections 2 and 10 reinstitute the regulatory cost charges (RCC) and sets the maximum rate paid by regulated public utilities and pipeline carriers to the APUC at .8% of gross revenues, as adjusted, from operations in the state. The language of the bill is very similar to statutory provisions that were previously in effect but "sunsetted" December 31, 1994. Paragraph (e) appoints APUC to administer the RCC, Department of Revenue to collect the charge and Department of Administration to identify the amount of the APUC operating budget that lapses each year. The legislature may appropriate an amount equal to the lapse to APUC to reduce future RCC charges. Paragraph (g) authorizes APUC and Department of Revenue to adopt regulations to administer this section.

**Operating Costs**

Department of Revenue is currently charged with collecting and accounting for RCCs. The RCCs were paid quarterly in FY94 and annually in FY95 by approximately 100 public utilities and pipeline carriers. The Department does not envision that the reinstatement of RCCs will have an impact on its operating budget.

**Revenue**

According to APUC officials revenue derived from this statute will be approximately the same as was collected in FY95. This revenue is used to fund the APUC operating budget and will not generate additional new revenues to the state.

FISCAL NOTE

No. 2

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Bill Version: SB47

(S) Publish Date: 2/3/95

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the extent to which the Alaska Public Utilities Commission ... effective date."  
Sponsor: Senator Kelly  
Requestor: \_\_\_\_\_

Department Affected: Administration  
BRU: Finance  
Component: Finance  
COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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 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
--------------------	-----	-----	-----	-----	-----	-----

FUNDING 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	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 any current year (FY 95) cost: \$ 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

ANALYSIS: (Attach a separate page if necessary.)  
No impact on the Division of Finance.

Prepared by: Don Wanie *DW*  
Division: Finance

Phone: 465-2240  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Bover *MB*  
Agency: Department of Administration

Date: 1/30/95

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FISCAL NOTE

No. 3  
Bill Version: SB 47  
(S) Publish Date: 2-23-95

Revision Date: February 1, 1995 Dept. Affected: Revenue  
Title: APUC Extension & Regulatory Cost Charge BRU: Audit Operations  
Component: Income and Excise Audit  
Sponsor: Senator Kelly  
Requestor: Labor & Commerce COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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:						

FUNDING: (Thousands of Dollars)

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

SB 47

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY95) Impact \$ 50.00

ANALYSIS: (Attach a separate page if necessary)  
  
(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director *Robert N. Bartholomew* Phone: 465-2320  
Division: Income and Excise Audit Date: 2/1/95  
Approved by Commissioner: *[Signature]* Date: 2/1/95  
Agency: Department of Revenue

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

No. 1  
Bill Version: SB 47  
(S) Publish Date: 2/3/95

Revision Date: \_\_\_\_\_  
Title: An Act . . . establishing a regulatory cost charge  
extending the Alaska Public Utilities Commission  
Sponsor: Senator Kelly  
Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
BPU: Alaska Public Utilities Commission  
Component: \_\_\_\_\_  
COMPONENT SERIAL NO. 364

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	2,616.9	2,770.3	2,947.0	3,135.1	3,335.0	3,547.8
TRAVEL	53.6	56.7	60.4	64.2	68.3	72.7
CONTRACTUAL	1,008.5	1,067.6	1,125.7	1,209.2	1,285.3	1,367.2
SUPPLIES	60.7	64.3	68.4	72.7	77.4	82.3
EQUIPMENT	50.0	52.9	56.3	59.9	63.7	67.8
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3,789.7</b>	<b>4,011.8</b>	<b>4,267.7</b>	<b>4,540.0</b>	<b>4,829.7</b>	<b>5,137.8</b>

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	3,789.7	4,011.8	4,267.7	4,540.0	4,829.7	5,137.8
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>3,789.7<sup>1</sup></b>	<b>4,011.8<sup>1</sup></b>	<b>4,267.7<sup>1</sup></b>	<b>4,540.0<sup>1</sup></b>	<b>4,829.7<sup>1</sup></b>	<b>5,137.8<sup>1</sup></b>

Estimate of current year (FY 95) cost: \$ \_\_\_\_\_

POSITIONS

FULL-TIME	42	43	43	44	45	46
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

<sup>1</sup>Represents revenues from the regulatory cost charge mandated by Sections 1 and 3 of HB 99.

This bill extends the life of the APUC until June 30, 1999, and mandates the collection of fees from regulated utilities and pipeline carriers to cover its full authorized budget. Early passage is essential to keep public utilities and pipeline regulation on track. Otherwise, the APUC will shut down June 30, 1995. This reflects the operating budget request for the Commission in FY 96. In addition, the contractual line includes \$60.7 for increased RSA with the Department of Law to handle legal analysis and increased litigation concerning the new powers and duties language in Section 1 of the bill.

Prepared by: Robert A. Lohr, Executive Director  
Division: Alaska Public Utilities Commission  
Approved by Commissioner: William L. Hensley  
Agency: Commerce and Economic Development

Phone: 276-6222  
Date: 1/27/95  
Date: 1/27/95

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# Audit Report



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1993

Jan 24

# 08140493

## ORGANIZATION AND FUNCTION

Public utility regulation in Alaska has evolved substantially since the creation of the Public Services Commission (PSC) in 1959. That three-member body had jurisdiction over electric power, heat, water, gas, oil or other petroleum products (except by pipeline), telephone or telegraph communications, and community sewer services. In 1960 PSC gained responsibility for transportation utilities which it regulated until the creation of the Alaska Transportation Commission in 1966.

PSC was replaced by a three-member Alaska Public Utilities Commission in 1970. Regulated industries then included electric, telecommunication, water, steam, sewer, gas, and petroleum when no competition existed. A 1973 amendment added garbage, refuse, trash, or other waste to the list. Amendments passed in 1980 provided exemptions from economic regulation for cable television services and other utilities with low annual gross revenues as well as establishing a provision allowing economic deregulation by consumer vote for certain utility groups. With abolition of the Alaska Pipeline Commission in 1981, jurisdiction over pipelines passed to APUC.

In addition to jurisdictional changes, composition of APUC also changed. Alaska Statute 42.05.040 originally required one member to be a law school graduate, one to be a university graduate with a major in engineering, and one to be a university graduate with a major in finance, accounting, or business administration. Two additional positions were added to the commission in 1975 for which no special qualifications were established. All members are appointed by the governor and confirmed by the legislature in joint session for six-year terms.

Under AS 42.05 and AS 42.06, APUC is charged with the responsibility to ensure the furnishing of adequate service to all public utility patrons, without discrimination, and at the lowest reasonable rates consistent with the interests of both the public and the utility. Statutory provisions direct the commission, after determining an applicant is fit, willing, and able to provide utility service, to issue that applicant a Certificate of Public Convenience and Necessity. After issuance of this certificate, the commission then regulates the rates, classifications, rules, regulations, practices, services, and facilities of a public utility, unless it is exempted or deregulated. The commission has the authority to adopt regulations and to hold formal, quasi-judicial hearings, to accomplish these purposes.

The staff of APUC is divided into six major functions: administration, engineering, communication carriers, consumer protection, finance, and tariffs. In total, APUC employs

---

### Alaska Public Utilities Commission Members

Don Schröer, Chairman  
Consumer Seat  
Term expires October 31, 1996

Susan M. Knowlton  
Consumer Seat  
Term expires October 31, 1993

Daniel Patrick O'Leary  
Legal Seat  
Term expires October 31, 1994

Mark A. Foster  
Engineering Seat  
Term expires October 31, 1993

James E. Carter  
Finance Seat  
Term expires October 31, 1998

---

40 people with an operating budget for FY 93 of \$3,740,800. A brief description of the services provided by these functions follows:

Administration. An executive director, hired by the commission, is responsible for directing all staff functions and acts as a liaison between staff and commissioners and between the commission and legislature. He/she is responsible for records and document management, fiscal and personnel administration, and budget preparation and is assisted in these duties by an administrative assistant, document processing personnel, and other clerical support staff.

Engineering. This section is responsible for the investigation of utility procedures and practices affecting quality of service, review of legal descriptions for service areas, plans for plant expansion, and plant-in-service and depreciation schedules. Their evaluations are presented in proceedings before the commission.

Communication Carriers. This section was established by 1976 legislation to develop, recommend, and administer policies and programs with respect to the regulation of rates, services, accounting, and facilities of communication carriers within the State involving the use of wire, cables, radio and space satellites.

Consumer Protection and Information. Major responsibilities for this section include investigation and resolution of consumer complaints, public relations, and information dissemination.

Finance. Activities carried out by this section include the examination, analysis, and evaluation of financial statements submitted for rate cases, audits of financial records of utilities, examination of financial information comprising historical operating year and pro forma adjustments, and the presentation of these analyses at proceedings before the commission.

Tariff. This section examines, analyzes, and investigates tariff filings and presents recommendations to the commission at biweekly tariff action meetings. Administrative functions include organizing those meetings, as well as meeting all public notice requirements on tariff filings and maintenance of current master tariffs for all utilities.

## REPORT CONCLUSIONS

### Policy Issues

This review contains policy issues raised as a result of our evaluation of various commission practices. The final policy decisions affecting those practices require legislative consideration. In debating these decisions the legislative oversight committees should take into consideration the findings and recommendations presented in this report to assist them in evaluating the potential impact of any policy changes.

### Report Conclusions

In our opinion, the Alaska Public Utilities Commission is operating in an efficient and effective manner and should continue to regulate public utilities and pipelines. We believe that the public interest is being served by requiring public utilities and pipelines to be certificated by APUC. This process stabilizes demand for the utility service by eliminating competition and thereby allowing economies of scale to operate. Economic regulation by the commission, in place of that competition, ensures that the utilities provide adequate service at the lowest reasonable rates.

We recommend that AS 44.66.010(a)(4) be amended to extend the life of APUC to June 30, 2003. APUC has consistently demonstrated public need; we believe it is in the public's best interest to extend the life of this commission for ten years. However, we recognize that performance issues periodically arise. The Division of Legislative Audit can address these interim issues, if any, through a special audit at the request of the Legislative Budget and Audit Committee.

## FINDINGS AND RECOMMENDATIONS

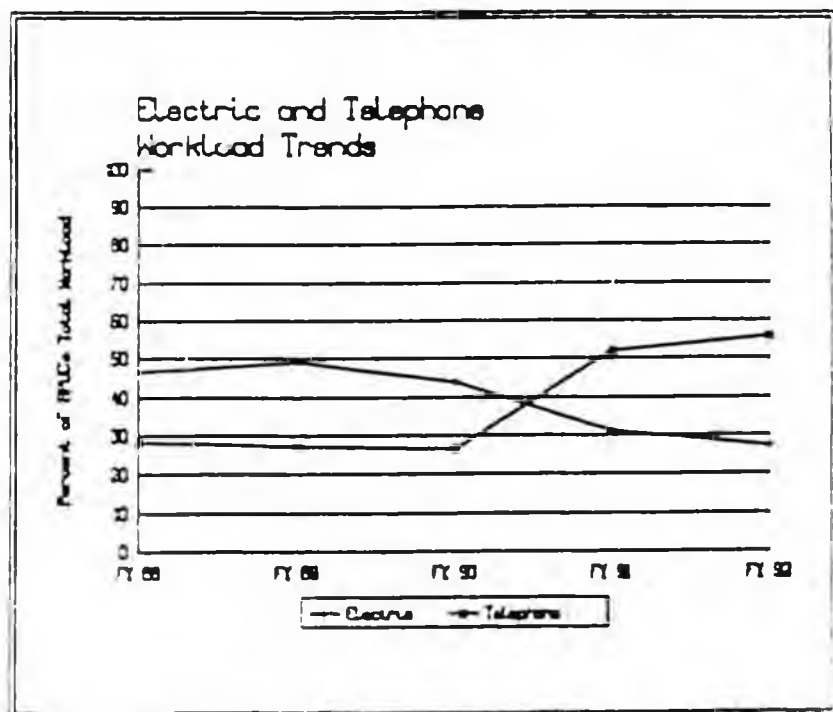
### Recommendation No. 1

Alaska Statute 42.05.153 should be amended to require APUC to periodically adjust the regulatory cost charge (RCC) on an industry by industry basis. Further, the automatic repeal date of this statute should be deleted.

In our 1989 sunset audit report we recommended a program receipts budget for APUC, not because it was an alternative funding source but because of the potential benefits that this mechanism could provide. A user fee design can establish a basic fairness in that only those who benefit from the regulatory process bear its cost; it can also encourage consumers to recognize and eliminate unwarranted regulation through deregulation elections. However, these benefits will only be realized to the extent that the RCC program reasonably links the cost-causers with the cost-payers.

For FY 93, the legislature authorized a new RCC program which passes APUC's costs on to the consumers of regulated utilities. This program allocates costs based upon gross revenues. A single charge factor is used across-the-board for all utilities and all industries. Although we believe that a direct workload-based allocation program is preferable, as outlined in our 1989 report, we also continue to believe that a gross revenue based system could realize these benefits if the rates reflect the workload. However, the single RCC factor used in the current plan sacrifices some of program's potential benefit, in that the cost-payers are not necessarily the cost-causers.

We analyzed APUC's workload to evaluate the alignment of cost-causer to cost-payer. In the absence of verifiable data such as utility or industry codings on payroll time sheets, we were forced to approximate the workload by using rough estimates, which were provided on an unofficial basis by commission staff. They provided estimates of the average relative effort required to perform the ongoing APUC functions such as tariff filings, formal proceedings, certification proceedings, and formal and informal complaints. While we acknowledge that the weighting in these analyses is imperfect, we believe it provides an adequate indication of the



commission's workload. We found that the electric and telephone industries, on a combined basis, have represented approximately 79 percent of APUC's workload. The graph of these two industries illustrates the significance, variation, and trend that complicates setting of an RCC rate. The following table compares the commission's estimated FY 93 RCC receipts with the amount calculated based upon the workload over the past three years.

Industry	Flat Rate Allocation		Workload Allocation		Over (Under) Allocation
	Estimated Gross Revenues	RCC Percent	Estimated FY 93 RCC	Percent of Workload	
Electric	\$260,673,485	.577%	\$1,504,086	34%	\$1,311,670
Telephone	153,306,332	.577%	884,577	45%	1,736,033
Pipeline	99,532,100	.577%	574,300	4%	154,314
Gas	99,152,056	.577%	572,107	3%	115,736
Water	22,955,320	.577%	132,452	4%	154,314
Sewer	17,129,576	.577%	98,838	2%	77,157
Refuse	15,856,758	.577%	91,493	4%	154,314
Cable	0	.577%	0	3%	115,736
Other	0	.577%	0	1%	38,579
<b>Total</b>	<b>\$668,605,627</b>		<b>\$3,857,853</b>	<b>100%</b>	<b>\$3,857,853</b>

This table demonstrates that, based upon the workload over the past three years, the flat across-the-board rate significantly undercharges telephone and overcharges electric, pipeline, and gas utilities. Of course, the over or under allocation amount by industry varies depending on how many years of workload are considered. The use of an across-the-board rate incorrectly assumes that an industry's gross revenues are closely correlated to the workload that it creates. Given the significance of the electric and telephone workload, variation, and trend, we do not believe that the allocation methodology should assume that all workload cycles reverse themselves and that all industries create the same amount of workload in the long run. Therefore, we recommend that the legislature amend AS 42.05.253 to require APUC to periodically adjust the RCC factors to reflect workload on an industry by industry basis.

Notwithstanding the above, we support the current RCC program; we believe that it provides a measure of equity and responsiveness to unwarranted regulation that was lacking prior to the program. Our recommendation is intended to further the equity and regulatory responsiveness objective of this program.

The RCC program was established as a trial program utilizing an automatic repeal on December 31, 1994. As we consider this program to be effective, we recommend that this repeal provision be deleted.

### Recommendation No. 2

Alaska Statute 42.05.711 should be amended to make it easier for utility consumers to opt in or opt out of economic regulation.

In the 1989 sunset audit report, we recommended the deregulation of several industries as well as the smaller utilities in each industry. We continue to believe that not all industries need to be regulated and that the cost of regulation may exceed its benefits, particularly for the smaller utilities. With the recent adoption of a user fee approach under the RCC program, the impetus exists to make state government more responsive; what is lacking is a reasonable mechanism to allow consumers to select whether or not they want their utility to be regulated.

Alaska Statute 42.05.711 exempts electric and telephone utilities with revenues less than \$50,000 and refuse utilities with revenues under \$200,000. However, customers can obtain economic regulation by petitioning APUC. Alaska Statute 42.05.711 presently requires 25% of an exempted utility's subscribers to sign the petition. We believe that this is too great an obstacle to overcome and recommend that an election be called if APUC receives a petition demonstrating significant consumer interest. [We recommend that the petition and election requirements be modeled after the deregulation election procedures in AS 42.05.712. These procedures call for an election if the petition is signed by 10% of the first 5,000 subscribers and 3% of the subscribers in excess of 5,000. These elections may only be held once every two years for a given utility. ]

Alaska Statute 42.05.711 also allows deregulation elections to be held for electric and telephone utilities with revenues of less than \$325,000 and other utilities with revenues under \$100,000. We believe that more consumers should be given the option to deregulate by substantially raising the cut-off amount.

In combination, these two changes would allow APUC and the user fee approach of the new RCC program to be more responsive to the regulatory needs of the utility consumer. The regulatory cost/benefit decision should be made by the consumer.

### Recommendation No. 3

APUC should establish a timekeeping system.

We initially recommended, in 1979, that the commission implement the time system they had purchased. As part of a 1978 management audit of APUC, Arthur Young & Co. developed a time management system to assist the commission in prioritizing, planning, scheduling,

monitoring the workflow. In response to our recommendation, the commission concurred that a time management system is a useful administrative tool. They indicated that the time system would be implemented.

In our 1979 budget audit report we recommended that APUC establish a timekeeping system as an integral part of a direct-allocation RCC program. As the legislature selected an RCC program that was not time based, APUC was not required to implement this recommendation. However, as costs to establish and operate a time system are minimal and the benefits are substantial, we continue to recommend it.

The costs of a timekeeping system are minimal.

- The commission should determine what management reports are needed. While we acknowledge that the 1978 time management system is likely outdated, we recommend that the commission review it to assist them in developing this needs definition.
- Purchase and install "canned" software. There is very inexpensive software on the market that should meet the commission's needs. APUC already has a programmer on staff that could handle the installation.
- The ongoing cost to record time would be insignificant. An employee would need only a few minutes a day to electronically enter their time.
- The time system would also require a small amount of computer and personnel time to accumulate the data and generate periodic management reports.

The benefits of a timekeeping system are substantial.

- A time system would give APUC management a greater ability to prioritize, plan, schedule, and monitor their workload. We believe this information would be invaluable to the commission.
- The legislature is often involved in regulatory matters. Using these management reports, APUC would be better able to estimate the full effect of any regulatory changes.
- There is a potential for increased staff efficiency as a result of time sheet accountability.
- Time sheets would provide a defensible basis for the RCC allocation discussed in Recommendation No. 1. However, regardless of the action taken on Recommendation No. 1, the benefits of implementing a timekeeping system far outweigh the costs.

The nature of the commission's business is very different from most state agencies; they deal with a relatively small number of companies and work on discrete projects. APUC's workload is similar to that in the Attorney General's Office and the Department of Transportation and Public Facilities' maintenance and construction divisions, all of which maintain project time systems.

#### Recommendation No. 4

##### APUC should consider how to best ensure commission member access to adequate staff support and advice.

The commission members are inundated with technical information and complex issues. These issues must be thoroughly explored and the commission's decisions must be fully documented. The legislature recognized this difficult task and appropriately established full-time commission members with six-year terms. Nevertheless, there remains a substantial need for staff support and professional advice.

We are concerned that in the instances when commission staff are named as a party in an adjudicatory proceeding, the commission members do not have full access to support staff, professional staff, or legal counsel. The judicial model requires adversarial parties to present the case. APUC staff is frequently designated as a party to a case to provide this necessary balance. The assistant attorney generals advise APUC staff and effectively become a party to the case. Under this judicial model, ex parte communication rules prevent the commission members from directly obtaining assistance or advice from their staff or attorneys; this can only be accomplished if the utility is also present. This may often be impractical.

We believe that the commission would benefit from greater access to their staff and attorneys. The commission should consider how to best ensure full access. We offer the following alternatives:

- A group could be assigned, on a rotational basis, to each case. These individuals would be the party to the case; all others would be available to the commission members.
- Several staff could be assigned, on a rotational basis, directly to the commission. The criteria for selection may vary. The team could include all the professional disciplines, it could target the disciplines currently needed, or it could be a team of executive assistants. The remaining staff would be the party of record.

Although the above approaches have certain drawbacks, we believe that some separation would be achieved thus diminishing the ex parte communication problem. We believe this will enhance the commission's overall efficiency and effectiveness.

#### Recommendation No. 5

##### The APUC member's terms of office should be staggered.

The Alaska Public Utilities Commission has five members who are appointed by the governor and confirmed by the legislature in joint session to serve six-year terms. On October 31, 1993 two commission seats become available. Because the potential for

disruption of commission activity would be high with two new members coming in at the same time. We recommend the terms be staggered.

Currently, the terms are scheduled to end as follows:

Consumer seat (1) . . . . .	October 31, 1993
Engineering seat . . . . .	October 31, 1993
Legal seat . . . . .	October 31, 1994
Consumer seat (2) . . . . .	October 31, 1996
Finance seat . . . . .	October 31, 1998

We propose this staggering be implemented by modifying the upcoming term of the engineering seat. We propose the following language be added to a temporary or special act:

*The term of the Alaska Public Utilities Commission Engineering seat, which is scheduled to begin on November 1, 1993, shall end on October 31, 1995. This adjustment to the normal six-year term, as established under AS 42.05.030(a), is necessary to appropriately stagger commission membership.*

DIVISION OF LEGAL SERVICES

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Juneau Alaska 99801

MEMORANDUM

January 30, 1995

**SUBJECT:** Sectional summary of SB 47  
(APUC extension and other utility matters)

**TO:** Senator Tim Kelly  
Attn: Josh Fink

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Sec. 1 permits the Alaska Public Utilities Commission (APUC) to exercise the powers expressly granted or reasonably implied by the chapter. The section removes a requirement that the powers of the APUC be liberally construed to accomplish the commission's stated purpose.

Sec. 2 establishes a regulatory cost charge on utilities. Under subsection (a), regulated public utilities pay an annual charge not to exceed 3 percent of in-state gross revenue and exempt public utilities pay the actual cost of services provided by the commission.

Under subsection (b), the commission adopts regulations to set the method for determining the annual amount of the regulatory cost charge. Subsection (c) establishes special rules for utilities selling services at wholesale, local exchange telephone utilities, and electric utilities.

Subsection (d) directs the commission to allocate the total amount of the regulatory cost charge to be paid by electric utilities by using an equal charge per kilowatt hour.

Subsection (e) directs the Department of Revenue to collect and enforce the regulatory cost charge and the Department of Administration to identify how much of the APUC's operating budget lapses into the general fund each year. This will permit the legislature, if it wishes, to appropriate that amount for the following year's budget so that the APUC can set a lower regulatory cost charge for the second year to reflect the surplus from the previous years' collection.

~~\_\_\_\_\_~~  
- SECTIONAL ANALYSIS -

Subsection (f) requires the APUC to allow public utilities to bill their customers for the cost of the regulatory cost charge.

Subsection (g) allows the APUC and the Department of Revenue to adopt regulations

Subsection (h) defines terms used in the section.

**Sec. 3** directs the APUC to consider the amount that a utility pays as a regulatory cost charge when allocating the costs of a hearing.

**Sec. 4** provides that the subscribers of small electric and telephone utilities can petition to place the utility under APUC regulation by following the procedures set out in AS 42.05.712(h), which is amended by sec. 12 of the bill.

**Sec. 5** permits electric and telephone utilities that do not gross \$500,000 annually to elect to be exempt from regulation under AS 42.05.712. The current threshold is \$325,000.

**Sec. 6** permits utilities, other than electric and telephone utilities, that do not gross \$150,000 annually to elect to be exempt from regulation under AS 42.05.712. The current threshold is \$100,000.

**Sec. 7** exempts garbage collection utilities that gross \$300,000 or less from rate regulation unless the subscribers petition for regulation under AS 42.05.712(h), amended by sec. 12 of the bill. The current threshold is \$200,000. The section retains the right of subscribers representing 25 percent of the gross revenue of a utility to petition the APUC for rate regulation.

**Sec. 8** provides that the subscribers of cable television service utilities can petition to place the utility under APUC rate regulation under AS 42.05.712.

**Sec. 9** permits the subscribers of a utility that is exempt from regulation under AS 42.05.711(e), (i), or (k) to use the procedures of AS 42.05.712 in an election imposing regulation.

**Sec. 10** establishes a regulatory cost charge for pipeline carriers. Under subsection (a), pipeline carriers pay an annual charge not to exceed 8 percent of in-state gross revenue. A regulatory cost charge may not be assessed unless the pipeline carrier operations are within the jurisdiction of the APUC.

Under subsection (b), the commission adopts regulations to set the method for determining the annual amount of the regulatory cost charge.

Subsection (c) directs the Department of Revenue to collect and enforce the regulatory cost charge and the Department of Administration to identify how much of the

Senator Tim Kain

January 11, 1995

Page 3

APUC's operating budget lapses into the general fund each year. This will permit the legislature to appropriate that amount for the following year's budget so that the APUC can set a regulatory cost charge for the second year to reflect the surplus from the previous year's collection.

Subsection (c) allows the APUC and the Department of Revenue to adopt regulations

Subsection (e) defines "gross revenue" as used in this section.

Sec. 11 directs the APUC to consider the amount that a pipeline carrier pays as a regulatory cost charge when allocating the costs of a hearing.

Sec. 12 extends the sunset date for the Alaska Public Utilities Commission until June 30, 1999.

Sec. 13 adjusts the way in which the terms of members of the APUC are staggered to ensure that no more than one commission member's term expires each year.

Secs. 14 and 15 provide that the amendment, in sec. 1, concerning how the APUC's powers are to be interpreted applies only to proceedings begun on or after the effective date of sec. 1, which is set in sec. 15 as July 1, 1996.

Sec. 16 states that, except for sec. 1, the Act takes effect immediately.

TC kib

95-023 kib

## Alaska Public Utilities Commission

# APUC FY94 overview

Since statehood in 1959, the Alaska Public Utilities Commission has been working with the hundreds of public utilities in Alaska with the same mission in mind - to ensure continued service, sound management, and fair rates for residents in all corners of the state. The Commission regulates utilities that bring water, electric, gas, and telecommunications into our homes, as well as overseeing services that collect and dispose of our waste. In 1981 the APUC's role was expanded to include oversight of pipeline carriers and pipelines when it merged with the Alaska Pipeline Commission.

Utility commissions were originally created to protect consumers, since most utilities were monopolies. Today, Commissioners are faced with the challenge of evaluating regulations and considering policy changes to encourage competition while continuing to maintain consumer protection as a primary goal.

In situations where monopolies exist, the Commission monitors the utility to ensure fair pricing practices, reasonable service, financial stability, and accountability. The Commission balances the legitimate need for utilities and pipeline carriers to show a profit for their investment, and the public's right to receive fair service for its money. Commissions in all 50 states serve the same general mission, regulating the relationship between the utilities and the consumers they serve.

The Commission achieves this balance by issuing "certificates of public convenience and necessity" to qualified service providers. A certificate essentially acts as a license to operate and details how the utility or pipeline carrier must conduct business with consumers or shippers concerning rates. The Commission establishes rates, terms, and conditions of service while overseeing the practices, services, and facilities of regulated utilities and pipeline carriers. In the next few years, new approaches and a broader perspective will be necessary as the Commission works to address complex issues and to make appropriate regulatory decisions for all Alaskans.

The APUC has jurisdiction over the operations of:

- electric utilities
- natural gas utilities
- refuse (garbage) collection
- wastewater (sewer) treatment
- steam producers
- telephone companies (local and in-state services)
- water utilities
- oil and gas pipeline carriers.

Cellular phone, cable television, and radio common carriers are regulated to a lesser extent.

The Commission has issued 359 certificates of public convenience and necessity (certificates) held by utilities and pipeline carriers.

Approximately one-third of the 358 certificates are for utilities whose services and operations are fully regulated

by the Commission. The authority to regulate some types and sizes of utilities is limited under the law. Many electric utilities in rural communities are exempt from regulation because of their small size. Some cooperatives and government-owned utilities are also exempt because they have alternative means of accountability to the consumer. Of the 359 certificates held, the Commission currently regulates the rates, services, practices, or facilities of 104 utilities and 15 pipeline carriers.

In addition, the Commission is responsible for computing the power costs and resultant state assistance amounts for customers of electric utilities participating in the Power Cost Equalization (PCE) program.

The Commission carries out its regulatory responsibilities through several means. It conducts audits, investigations, public meetings, tariff action meetings, formal adjudicatory proceedings, informal meetings, and conferences; and resolves complaints by telephone, mail, meeting, or adjudication.

The Commission functions as a quasi-judicial body when rendering decisions in formal proceedings and as a quasi-legislative body when promulgating regulations. Its proceedings and determinations are governed by the statutes and regulations of the state.

### Funding

Funds to pay for Commission operations have historically been provided through the state's general fund. In 1992 following the legal mandate of the legislature, the Commission enacted regulations allowing it to recover its operating costs through an assessment on the revenues of the utilities and pipeline carriers it regulates. That Regulatory Cost Charge (RCC) shows up as a surcharge on monthly billing statements to consumers and shippers.

The legislature appropriated and the governor approved a FY95 budget of \$3.635 million, funded 100 percent from program receipts, in the form of the Regulatory Cost Charge. There are no unrestricted general funds in the FY95 appropriation. To raise the \$3.7 million for operating costs, the revenue assessment was set at 43 cents per \$100 for all utilities except electric utilities (assessed at .0412 cents per kilowatt hour).

With provisions of the sunset law clouding the Commission's long-term existence and its funding mechanism set to expire even sooner, the APUC has been forced to adapt to an uncertain future at least until corrective action can be taken by the Legislature.

## APUC FY94 overview (continued)

**Alaska Public Utilities Commission**

	FY93	FY94	Percent change
<b>Appropriations</b>			
71000 Personal services	\$2,455,400	\$2,612,500	6%
72000 Travel	57,800	53,600	-7%
73000 Contractual	1,163,500	872,400	-25%
74000 Commodities	43,700	60,700	39%
75000 Equipment	20,400	25,000	23%
<b>TOTALS</b>	<b>\$3,740,800</b>	<b>\$3,624,200</b>	<b>-3%</b>

**Operating  
Budget  
FY94  
(7/1/93  
to 6/30/94)**

	<b>Expenditures</b>		
	FY93	FY94	Percent change
71000 Personal services	\$2,366,884	\$2,462,960	4%
72000 Travel	47,777	56,508	18%
73000 Contractual	913,309	800,962	-12%
74000 Commodities	94,049 <sup>1</sup>	63,615	-32%
75000 Equipment	71,327	33,470	-53%
<b>TOTALS</b>	<b>\$3,493,348<sup>1</sup></b>	<b>\$3,417,515</b>	<b>-2%</b>

**Revenue receipts<sup>2</sup>**

General Fund Program Receipts:	\$3,897,553 <sup>3</sup>	\$3,482,122	-11%
<b>TOTAL REVENUES</b>	<b>\$3,897,553</b>	<b>\$3,482,122</b>	<b>-11%</b>

1. Corrected number from FY93 Annual Report.
2. The Commission received revenues under various provisions of its statutes including copying and postage charges (AS 42.05.201) and cost allocations in proceedings (AS 42.05.651/AS 42.06.610).
3. The Commission funding was changed to General Fund Program Receipts in FY93 (3 AAC 47) under the Regulatory Cost Charge program.

The Alaska Public Utilities Commission is working this fiscal year in the shadow of a dilemma. While the Commission remains a target with carrying out its regulatory mandate, its annual funding mechanism was not extended by the last Legislature nor was the APUC's very existence extended beyond June 1995.

There was no formal opposition to extending the APUC -- in fact the state's 1995 budget includes full funding for the Commission. But because no legislative action was taken to the contrary, the Commission fell victim to the state's sunset law and was terminated June 30, 1994. That began the Commission's one-year wind-down period. Under the 1977 Sunset Law, several state boards and commissions are set to periodically and automatically expire unless specifically renewed.

Compounding the confusion is the fact that legislation extending the APUC's authority to levy a Regulatory Cost Charge (RCC) from utilities and pipeline carriers was held up and died on the House floor during the last day of the regular session. Because the Legislature did not act on the RCC issue, which generates 100 percent of the funding for the Commission's approximately \$3.63 million annual budget, there is no mechanism for collecting money after December 31, 1994.

With provisions of the Sunset Law clouding the Commission's long-term existence and its funding mechanism set to expire even sooner, the APUC has been forced to adapt to an uncertain future -- at least until corrective action can be taken by the Legislature.

With legal guidance from the State Attorney General's office, the APUC will continue undiminished in pursuit of its regulatory mandate until it is forced to close its office on June 30, 1995 under the sunset law. As the Assistant Attorney General's June opinion to the APUC stated, "We advise that the Commission should continue to perform its statutory duties to the extent possible while developing a plan to phase out its work by the close of the sunset year."

In August the APUC also adopted a policy strongly recommending to the Legislature and the Governor that a simple reauthorization bill be promptly introduced and passed to do just two things: extend the Commission for four years and to make permanent the RCC. Other APUC legislative business could be deferred in the interest of prompt passage of these bills.

The Alaska Public Utilities Commission is doing everything possible to maintain a normal schedule during its wind-down year. However, those things that will be neglected, and the consequences from such neglect, may grow more serious each day.

As the Commission is compelled to complete its affairs the potential disruption may become severe:

1) applications for a certificate of public convenience and necessity, or for changes in service area or transfer of a certificate received after December 31, 1994 may not be processed before June 30, 1995;

## **APUC: Working in the shadow of the Sunset Law**

## **APUC: Working in the shadow of the Sunset Law (continued)**

2) processing of new cases involving utility or pipeline rate changes or new requests may be disrupted. Normally, when a filing is suspended for investigation, the suspension period is five or six months. Therefore, dockets cannot be opened after December 31, 1994 with the normal suspension period. Accelerating the dockets is not an option because utilities and pipeline carriers are entitled to due process; and

3) regulatory proceedings will be suspended for dockets where the regulations may not take effect before the termination date.

The Commission is mandated by law to **conclude** its affairs by June 30, 1995. AS 44.66.010(b). To wrap up as many dockets as possible by that deadline, and to minimize the loose ends, the Commission must, according to statutes, focus its attention on concluding its affairs.

Additionally, under current law the authority to charge the Regulatory Cost Charge (RCC) expires December 31, 1994, halfway through the fiscal year. The Commission has obtained an Attorney General's opinion citing that the Commission can collect the full amount of the annual FY95 appropriation by December 31, 1994, and has adopted regulations to accomplish this. The Commission was directed to submit its FY96 budget request with program receipts as the source, thereby assuming that the RCC will be reenacted.

Sunset extension early in first session of the Legislature is needed to avoid severe disruption of utilities and pipeline carrier regulation. It was only the hurried activity of the closing days of last year's legislative session that prevented action assuring the extension of the Alaska Public Utilities Commission. The Commission looks forward to a prompt and positive resolution of the issues affecting its authority and funding.



**Tamara Alexander (records and filings supervisor), Belesna Doughty (documents processor), Sonia Cornejo (documents processor)**



**Pat Odenburg (administration supervisor)**

ALASKA STATE SENATE

MEMBER

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SENATOR TIM KELLY

**SB 47: Relating to the Alaska Public Utilities Commission and the Regulatory Cost Charge**

**Consensus Provisions from 18th Legislature**

Senate Bill 47 (SB 47) is the re-introduction of SB 213 from the 18th Legislature. This legislation accomplishes two primary objectives: 1) It extends the Alaska Public Utilities Commission (APUC) which is currently winding down in its sunset year; and 2) It re-enacts the Regulatory Cost Charge (RCC) which expired on December 31, 1994.

This legislation was the product of numerous and lengthy committee hearings in the last Legislature – in fact, more than 8 substantive hearings in the Senate alone.

Given the unknown but potentially serious ramifications of allowing the APUC to expire, this legislation was introduced as a "consensus" bill in that all provisions contained within have been debated extensively and are either without opposition, or the result of compromise agreed to by all concerned parties and in the best interest of consumer protection. This version is nearly identical to the final version that would have reached the House floor last May 10th had that body not adjourned before it was taken up. It is not exactly identical because the RCC has expired and so rather than repealing its sunset, the entire RCC was re-enacted.

Another bill has been introduced by the Senate Labor & Commerce Committee that will incorporate for the committee's consideration further amendments affecting the APUC and/or RCC.

**SECTIONAL ANALYSIS**

**Section 1:** Replaces language granting the commission powers which shall be "liberally construed" with language allowing the commission to do "all things necessary or proper to carry out the purposes and exercise the powers expressly granted or reasonably implied".

This compromise was reached last year in the Senate Finance Committee. Some utilities, namely electrics, felt this grant of power was too broad, and in questions where the commission did not have express authority to act, the legislature should make such policy calls. Others, besides the APUC itself, felt this provision was necessary for the efficient and orderly functioning of the commission in the regulation of utilities for the public interest. This language strikes a balance and was acceptable to all parties concerned.

**Sections 2, 3, 10 and 11: Re-enact the RCC for utilities and pipelines without the sunset. This language is identical to the former law with the following exceptions:**

**There are no sunset provisions for the regulatory cost charges.**

This provision was proposed by the auditor and supported by the APUC. Both assert the Commission's sunset review is adequate to address any issues that arise with the Regulatory Cost Charge.

**Page 3, lines 11- 13:**

**Adjusts the allocation of the Regulatory Cost Charge for electric utilities by subtracting the cost of power from there gross revenues.**

The auditor recommended the APUC periodically adjust the RCC allocation among utility types to reflect workload on an industry by industry basis utilizing a time-keeping system. However, the commission argued such a change would be complicated and require more staff. ARECA proposed this "rough cut" justice as a simplified and more economical way to achieve the auditor's recommendation.

**Page 2, line 27;  
and Page 6, line 4:**

**Increases the regulatory cost charge ceiling for public utilities and pipeline carriers from .61 percent to .8 percent.**

This change was necessitated when cost of power was subtracted from electric utilities gross revenues before application of the RCC. The RCC rate would need to be increased roughly 30 percent to maintain the same amount of revenue for the commissions operating costs. (Remember, the RCC is a direct pass through on our utility bills, and is itemized as the RCC).

Page 3, lines 20-24;  
and Page 6, lines 15-19:

Requires the Dept. of Administration to earmark regulatory cost charges over-collected for possible appropriation by the Legislature for the commission's next fiscal year.

Currently, by the time 4th quarter Regulatory Cost Charges charges arrive in July, the new fiscal year has started. If the APUC has over-collected, and they won't know until the 4th quarter receipts arrive, the money lapses into the general fund. This section would allow those over-collected funds to be appropriated back to the APUC thus reducing the next year's RCC.

**Sections 4.8 and 9:** Provides that subscribers of small utilities or utilities otherwise exempt from regulation can petition for an election to place the utility under regulation under the same procedures the subscribers of a regulated utility can petition for an election to remove the utility from regulation.

This provision was recommended by the auditor and supported by the commission. Under current statute, 10 percent of the first 5,000 subscribers of a regulated utility and 3 percent of the remaining subscribers may petition for an election to remove a utility within certain revenue parameters from regulation. However, for subscribers to petition for an election to place an unregulated utility under regulation they must gather the signatures of 25% of the subscribers. The auditor recommended the procedures for subscribers to opt-in or opt-out of economic regulation should be easier. These sections provide that opt-in and opt-out procedures are identical.

**Sections 5.6. and 7:** Gives more consumers the option to deregulate by raising maximum amount of gross revenues a utility may receive under which the consumers may elect for deregulation.

Currently, electric and telephone utilities that do not gross \$325,000 annually may elect to be exempt from regulation. Section 5 increases that amount to \$500,000. For other utilities the cut-off was raised from \$100,000 to \$150,000, except for garbage collection utilities the amount was raised from \$200,000 to \$300,000.

These provisions were recommended by the auditor and supported by the commission. They increase the consumers options to deregulate.



Auditor  
Recommendations

Section 12: Extends the sunset date of the APUC to June 30, 1999.

Section 13: Staggers the terms of the members of the mission.

Currently, the terms of the consumer seat and the engineering seat expire at the same time. This provision would stagger the terms, though it would not affect the terms of any of the current commissioners.

Section 14 and 15: Provides that the change in the commission's powers as amended in section 1 apply only to proceedings begun on or after the effective date of section 1, which is set in section 15 as July 1, 1996.

Section 16: Except for section 1, the Act has an immediate effective date.

Sec 16  
failed -  
Sen.

ALASKA PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

1015 WEST 5TH AVENUE  
SUITE 400  
ANCHORAGE, ALASKA 99501-1563  
PHONE (907) 275-6222  
FAX (907) 275-0160

March 1, 1997

Mr. Randy S. Welker, CPA  
Legislative Auditor  
Legislative Budget and Audit Committee  
P.O. Box 113300  
Juneau, Alaska 99811-3300

Ref: Audit Control No. 08-1404-93

Dear Mr. Welker:

On behalf of the Alaska Public Utilities Commission (Commission), I appreciate the opportunity to respond to your agency's audit of the Alaska Public Utilities Commission (08-1404-93). The Commission concurs with your finding in the "Report Conclusions" that the life of the Commission be extended until June 30, 2003. Therefore, this letter will focus on the Commission's response to your "Findings and Recommendations".

The audit states on page 1 "APUC was created to regulate public utilities so that citizens could enjoy adequate service at the **lowest reasonable rates**" (emphasis added). The actual ratemaking standard applied by the statute is "just and reasonable".

Recommendation No. 1 Alaska Statute 42.05.253 should be amended to require APUC to periodically adjust the regulatory cost charge (R.C) on an industry by industry basis. Further, the automatic repeal date of this statute should be deleted.

The Commission agrees that the program should be made permanent by deleting the automatic repeal date for the Regulatory Cost Charge Program (RCC). Last year the legislature switched the funding source for the Commission from general funds to this regulatory assessment. The Commission expended significant resources in developing regulations and procedures to make the program work and to make compliance by affected entities as straightforward as possible. The program is in place and running smoothly.

However, the Commission cannot support the recommendation to require itemization of the rates under the RCC program by utility/pipeline carrier type. Although in theory the recommendation has some merit, it is not at all clear to the Commission that it would be either practical or cost-effective to attempt to implement it at this time.

---

To carry out this recommendation fully, the repeal date for AS 42.06.285 (pipeline carrier regulatory cost charge) should also be deleted.

Letter to Mr. Randy Welner, CPA  
Page 2 of 3  
March 1, 1993

Individual RCC rates would require full and direct allocation of the Commission's costs. The recommendation, if implemented as drafted, would substantially increase the cost of the RCC program. Full cost allocation would be expensive, especially during the year when it was implemented. A permanent increment to the Commission's budget would be required. The Commission would face a new administrative burden of setting individual RCC rates and handling protests to the rates.

One of the key principles guiding the development of the RCC was simplicity. The Commission has been able to absorb the ongoing costs of the RCC program from its existing budget, because the program has been kept simple and workable. Your recommendation for further refinement of the RCC would require the statutory cap of .61% of adjusted gross revenues (AS 42.05.253(a)) to be substantially increased. Based on your estimates by utility type for purposes of discussion, the current authorized budget for the Commission would require increasing the cap to .85% for certain utility groups, at a minimum.

From the perspective of most utility customers facing a regulatory cost charge bill of less than \$20 per year, different rates for different utility types would not have a measurable effect on their total bill.

Recommendation No. 2 Alaska Statute 42.05.711 should be amended to make it easier for utility consumers to opt in or out of regulation.

The Commission agrees in part. Since the legislature reached a policy conclusion that small utilities ought to be provided the statutory option to deregulate by majority vote, it seems appropriate to periodically adjust the gross revenue cutoff levels to maintain this as a realistic option. These gross revenue cutoff levels have not been adjusted since they were enacted in 1980.

Increasing the cut-off from \$325,000 to \$500,000, for example, would allow the members of nine additional economically regulated electric utilities to decide whether to vote for deregulation. They are Bettles, Far North, Gustavus, Manley, Middle Kuskokwim, Napakiak, Northway, PUI and Teller. Middle Kuskokwim is already eligible to vote for deregulation as a cooperative under AS 42.05.711(h). Attachment #1 lists electric and telephone utility gross revenues.

The cut-off for local exchange telephone companies would have to be increased from \$325,000 to approximately \$850,000 in order for any other utility to qualify for the option of voting to deregulate.

The Commission does support increases in the cutoff levels if there

Letter to Mr. Randy Welker, CPA  
Page 7 of 7  
March 17, 1990

is some compelling evidence that the benefits of regulation are not commensurate with the cost. Although the enactment of the RCC has quantified the cost side, the benefits, although tangible, are still difficult to quantify.

Recommendation No. 3 APUC should establish a timekeeping system.

The Commission agrees that this recommendation is worthwhile to pursue. If accomplished for internal management purposes, the system could be designed relatively economically. However, if the system is required to serve as the basis for billings, such as those recommended in Recommendation #1, it would be substantially more costly. In either case a fiscal note would be required to carry out this recommendation.

Recommendation No. 4 APUC should consider how to best ensure commission member access to adequate staff support and advice.

The Commission agrees.

Commission staff become a party to a proceeding only when designated to be so by Commission order. This decision is typically made by the Commissioners in adjudicatory session soon after a docket is established.

The Commission is familiar with the alternate models for deployment of the staff resources outlined in your report and will continue to entertain possibilities for improvement.

The Commission believes that a simplified method of obtaining counsel to support the Commission under contract is needed for cases where the attorney general represents staff as a party. Extended procurement procedures and the approval of the attorney general to selected the legal contractor both complicate this process.

Recommendation No. 5 The APUC member's terms of office should be staggered.

The Commission agrees. Legislation would be required to accomplish this change.

Thank you for the opportunity to respond.

Sincerely,  
Don Schröer



Chairman

**SB**

**47**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/3/95

FURTHER:

DATE TURNED INTO OFFICE: 2/23/95

The Finance Committee considered SENATE BILL NO. 47

Relating to the Alaska Public Utilities Commission, efd.

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title
- House Bill:**
- technical change
- new: SCR# \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS:	DP	DNP	NR	AM
<i>Steven Rich</i>			✓	
<i>Q. D. E. (PCC)</i>	✓			
<i>James D. Dwyer</i>				✓
<i>Carl J. Smith</i>			✓	(For 10/9)
<i>Bob McLean</i>	✓			
Co-Chair: <i>Rich Halverson</i>	✓			
Co-Chair: <i>Jim</i>	✓			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>DOR - Audit</i>	<i>2/1/95</i>	<i>0</i>	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>HE.D - APUC</i>	<i>1/27/95</i>		<i>3,789.</i>
<i>DOA</i>	<i>1/30/95</i>	<i>0</i>	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

No. 1  
 Bill Version: SB 47  
 (S) Publish Date: 2/3/95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: \*An Act . . . establishing a regulatory cost charge . . .  
extending the Alaska Public Utilities Commission . . .  
 Sponsor: Senator Kelly  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Alaska Public Utilities Commission  
 Component: \_\_\_\_\_  
 COMPONENT SERIAL NO. 364

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	2,616.9	2,770.3	2,947.0	3,135.0	3,335.0	3,547.8
TRAVEL	53.6	56.7	60.4	64.2	68.3	72.7
CONTRACTUAL	1,008.5	1,067.6	1,135.7	1,208.2	1,285.3	1,367.2
SUPPLIES	60.7	64.3	68.4	72.7	77.4	82.3
EQUIPMENT	50.0	52.9	56.3	59.9	63.7	67.8
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3,789.7</b>	<b>4,011.8</b>	<b>4,267.7</b>	<b>4,540.0</b>	<b>4,829.7</b>	<b>5,137.8</b>

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	3,789.7	4,011.8	4,267.7	4,540.0	4,829.7	5,137.8
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>3,789.7<sup>1</sup></b>	<b>4,011.8<sup>1</sup></b>	<b>4,267.7<sup>1</sup></b>	<b>4,540.0<sup>1</sup></b>	<b>4,829.7<sup>1</sup></b>	<b>5,137.8<sup>1</sup></b>

Estimate of current year (FY 95) cost: \$ \_\_\_\_\_

POSITIONS

FULL-TIME	42	43	43	44	45	46
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

<sup>1</sup>Represents revenues from the regulatory cost charge mandated by Sections 1 and 3 of HB 99.

This bill extends the life of the APUC until June 30, 1999, and mandates the collection of fees from regulated utilities and pipeline carriers to cover its full authorized budget. Early passage is essential to keep public utilities and pipeline regulation on track. Otherwise, the APUC will shut down June 30, 1995. This reflects the operating budget request for the Commission in FY 96. In addition, the contractual line includes \$60.7 for increased RSA with the Department of Law to handle legal analysis and increased litigation concerning the new powers and duties language in Section 1 of the bill.

Prepared by: Robert A. Lohr, Executive Director  
 Division: Alaska Public Utilities Commission  
 Approved by Commissioner: William L. Hensley  
 Agency: Commerce and Economic Development

Phone: 276-6222  
 Date: 1/27/95  
 Date: 1/27/95

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# FISCAL NOTE

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**STATE OF ALASKA**  
**1995 LEGISLATIVE SESSION**

**BILL NO. SB 47**

Revision Date: \_\_\_\_\_  
 Title: "An Act . . . establishing a regulatory cost charge . . .  
extending the Alaska Public Utilities Commission . . ."  
 Sponsor: Senator Kelly  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 "RU: Alaska Public Utilities Commission  
 Component: \_\_\_\_\_

COMPONENT SERIAL NO. 364

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	2,616.9	2,770.3	2,947.0	3,135.0	3,335.0	3,547.8
TRAVEL	53.6	56.7	60.4	64.2	68.3	72.7
CONTRACTUAL	1,008.5	1,067.6	1,135.7	1,208.2	1,285.3	1,367.2
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EQUIPMENT	50.0	52.9	56.3	59.9	63.7	67.8
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3,789.7</b>	<b>4,011.8</b>	<b>4,267.7</b>	<b>4,540.0</b>	<b>4,829.7</b>	<b>5,137.8</b>

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	3,789.7	4,011.8	4,267.7	4,540.0	4,829.7	5,137.8
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>3,789.7<sup>1</sup></b>	<b>4,011.8<sup>1</sup></b>	<b>4,267.7<sup>1</sup></b>	<b>4,540.0<sup>1</sup></b>	<b>4,829.7<sup>1</sup></b>	<b>5,137.8<sup>1</sup></b>

Estimate of current year (FY 95) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME	42	43	43	44	45	46
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

<sup>1</sup>Represents revenues from the regulatory cost charge mandated by Sections 1 and 3 of HB 99.

This bill extends the life of the APUC until June 30, 1999, and mandates the collection of fees from regulated utilities and pipeline carriers to cover its full authorized budget. Early passage is essential to keep public utilities and pipeline regulation on track. Otherwise, the APUC will shut down June 30, 1995. This reflects the operating budget request for the Commission in FY 96. In addition, the contractual line includes \$60.7 for increased RSA with the Department of Law to handle legal analysis and increased litigation concerning the new powers and duties language in Section 1 of the bill.

Prepared by: Robert A. Lohr, Executive Director  
 Division: Alaska Public Utilities Commission  
 Approved by Commissioner: William L. Hensley *[Signature]*  
 Agency: Commerce and Economic Development

Phone: 276-6222  
 Date: 1/27/95  
 Date: 1127195

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FISCAL NOTE

No. 2

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Bill Version: SB47

(S) Publish Date: 2/3/95

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the extent to which the Alaska Public Utilities Commission ... effective date."  
Sponsor: Senator Kelly  
Requestor: \_\_\_\_\_

Department Affected: Administration  
BRU: Finance  
Component: Finance  
COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
--------------------	-----	-----	-----	-----	-----	-----

FUNDING 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	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 any current year (FY 95) cost: \$ 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

ANALYSIS: (Attach a separate page if necessary.)

No impact on the Division of Finance.

Prepared by: Don Wanie  
Division: Finance

Phone: 465-2240  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 1/30/95

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FISCAL NOTE

BILL NO. SB 47

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to the extent to which the  
 Alaska Public Utilities Commission ... effective date."  
 Sponsor: Senator Kelly  
 Requestor: \_\_\_\_\_

Department Affected: Administration  
 BRU: Finance  
 Component: Finance  
 COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING 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	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 any current year (FY 95) cost: \$ 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

ANALYSIS: (Attach a separate page if necessary.)  
 No impact on the Division of Finance.

Prepared by: Don Wanie  
 Division: Finance

Phone: 465-2240  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Bover  
 Agency: Department of Administration

Date: 1/30/95

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Revision Date: February 1, 1995 Dept. Affected: Revenue  
 Title: APUC Extension & Regulatory Cos; Charge BRU: Audit Operations  
 Component: Income and Excise Audit  
 Sponsor: Senator Kelly  
 Requestor: Labor & Commerce COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY95) impact \$ 00.00

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director *Robert N. Bartholomew* Phone: 465-2320  
 Division: Income and Excise Audit *[Signature]* Date: 2/1/95  
 Approved by Commissioner: *[Signature]* Date: 2/1/95  
 Agency: Department of Revenue

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SB 47

SB 47 (L&C)  
APUC Extension & Regulatory Cost Charge  
February 1, 1995  
Page 2 of 2

**Bill Analysis (Analysis for sections impacting the Department of Revenue only)**

Section 1, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15 and 16 - No impact.

Sections 2 and 10 reinstitute the regulatory cost charges (RCC) and sets the maximum rate paid by regulated public utilities and pipeline carriers to the APUC at .8% of gross revenues, as adjusted, from operations in the state. The language of the bill is very similar to statutory provisions that were previously in effect but "sunsetting" December 31, 1994. Paragraph (e) appoints APUC to administer the RCC, Department of Revenue to collect the charge and Department of Administration to identify the amount of the APUC operating budget that lapses each year. The legislature may appropriate an amount equal to the lapse to APUC to reduce future RCC charges. Paragraph (g) authorizes APUC and Department of Revenue to adopt regulations to administer this section.

**Operating Costs**

Department of Revenue is currently charged with collecting and accounting for RCCs. The RCCs were paid quarterly in FY94 and annually in FY95 by approximately 100 public utilities and pipeline carriers. The Department does not envision that the reinstatement of RCCs will have an impact on its operating budget.

**Revenue**

According to APUC officials revenue derived from this statute will be approximately the same as was collected in FY95. This revenue is used to fund the APUC operating budget and will not generate additional new revenues to the state.

SENATE FINANCE  
COMMITTEE  
Amendment Number: 1  
Bill Number: SB 47  
Sponsor: DOYLEY Date: 2/22  
Logged In By: LES

9-LS0340C.2  
Cramer  
2/22/95

2/23/95  
DD  
moved  
BS  
obj.  
Failed  
2-5

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DO. LEY

TO: SB 47

- 1 Page 1, line 1, through page 7, line 11:
- 2 Delete all material and insert ""An Act extending the Alaska Public Utilities
- 3 Commission; and providing for an effective date.""
  
- 4 Page 7, line 12:
- 5 Delete "Sec. 12"
- 6 Insert "Section 1"
  
- 7 Page 7, line 14:
- 8 Delete "1999"
- 9 Insert "1996"
  
- 10 Page 7, lines 15 - 25:
- 11 Delete all material and insert a new bill section to read:
- 12 ""\* Sec. 2. This Act takes effect immediately under AS 01.10.070(c)."

SENATE FINANCE  
COMMITTEE

Amendment Number: 2

Bill Number: SB 47

Sponsor: DONLEY Date: 2/22

Logged in By: LES

9-LS0346... ✓  
Cook  
2/22/95

2/23/95  
DD  
Moved  
3-4  
Forked  
3-4

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 47

- 1 Page 7, line 14:
- 2 Delete "**1999**"
- 3 Insert "**1996**"

NOTE: This fiscal note is for informational purposes only, as the APUC FY96 funding request will be addressed within the Legislature's operating budget.

2/23/95 Asked Larry if  
this should accompany  
fiscal note #1. No action  
taken in committee.  
Larry said, no. pl

2/3/95

Talked to Larry about  
fiscal note/budget  
problem. He said he  
talked to Josh F. in  
Sen. Kelly's office.  
Josh said he would  
request a new note  
showing only the  
\$60.7.

This decision  
later revised



pl