

ALASKA LEGISLATURE

1560

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

FISCAL NOTE

No. 4
 Bill Version: SB 275
 (S) Publish Date: 2/9/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Dept. Affected: <u>DOT&PF</u> BRU: <u>Department Wide</u> Component: <u>Comm. Ofc</u>	COMPONENT SERIAL NO. <u>Comm. Ofc</u>
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Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL	5.0	5.0	(5.0)	(5.0)	(5.0)	(5.0)	
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE		(Thousands of Dollars)					
1102 Federal Receipts							
1103 GF Match							
1104 GF	5.0	5.0	(5.0)	(5.0)	(5.0)	(5.0)	
1105 GF Program Receipts							
1106 GF MHTIA							
Other - All CIP Sources							
TOTAL	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	

Estimate of any current year (FY96) cost: \$ _____

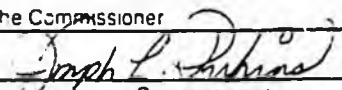
POSITIONS							
FULL-TIME	0	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary!

Savings associated with passage of this legislation (see attachment) will be in staff time not required due to elimination of procedural requirements at various levels that involve time and effort to accomplish. This time can then be spent on more productive tasks.

Other than that, savings resulting from passage of this act will be in the form of reduced costs for Contractual items, such as postage for mailing ITBs and RFPs and telephone calls between the field and Headquarters. Savings will also be realized in the Supplies area, as fewer documents will be produced and reproduced at various levels. These cost savings are difficult to separate and objectively measure, however, because they are department wide and diffuse into various areas - i.e., paper, copier usage, copier supplies, fax machine supplies, etc.

(Continued on Attachment)

Prepared by:	Sam Kito III Special Assistant	Phone: 465-3900
Division:	Office of the Commissioner	Date: _____
Approved by:	 Commissioner	Date: <u>2/2/96</u>
Agency:	Department of Transportation and Public Facilities	

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

FISCAL NOTE ATTACHMENT

The passage of this legislation will have a positive and multi-fold effect on the department's project efficiency. Sections 8, 10, 11, 15, 16, 18, 22, 28, 32, 33, 34, 35, and 42 will directly impact DOTPF.

As previously stated briefly, passage of this bill will improve administrative efficiencies. However, cost savings are difficult to quantify and most will not accrue to the department as a direct budget reduction (intangible benefit).

Examples of intangible benefits by selected sections of the bill are:

Section 8

Section 8 permits the procurement officer to reduce the circulation period for bids and proposals when there is adequate competition.

- On average, three (3) requests for reduced circulation typically occur per year.
- The average cost for receipt, review, and completion of reduced time requests is estimated to be \$ 500. Under this bill these requests will no longer be necessary.

Calculation: 3 requests x \$ 500 cost per request = \$1.5K savings in staff time. (Includes both GF and CIP funded positions)

Section 10

Section 10 provides discretion to the procurement officer to decide when to use a competitive sealed proposal rather than a competitive sealed bid. Law currently requires the determination to be made by the Chief Procurement Officer, resulting in several reviews and written determinations that are eliminated by this section.

- On average, two (2) requests for use of Competitive Sealed Proposal in lieu of a Competitive Sealed Bid are processed each year.
- The average cost for receipt, review, and completion of determinations to use a Competitive Sealed Proposal is estimated to be \$ 500 each.

Calculation: 2 determinations x \$ 500 cost per determination = \$1K savings in staff time. (Includes both GF and CIP funded positions)

Section 22

Section 22 extends small procurement procedures to purchase of goods, services, and professional services up to \$50,000, construction to \$100,000, or lease of space that does not exceed 5,000 square feet. Procurement officers may reduce time and complexity in purchases by using a quote rather than formal Invitation to Bid.

- The department processes an average of 30 - 35 administrative bid waivers per year which involve procurements or projects that exceed the current limits for small procurements. The average cost to process an administrative bid waiver (Request for Alternate Procurement [RAP]) is approximately \$ 500. Under this bill these waivers will no longer be required at the headquarters level.

Calculations: 30-35 administrative bid waivers (RAPs) x \$ 500 cost per waiver (RAP) = \$15K - \$16.5K savings in staff time. (Includes both GF and CIP funded positions)

Greater efficiencies may well occur in the capital budgets, and will be, in essence, rolled back into other projects, resulting in project enhancements such as better roads and facilities. As an example of cost savings on Capital Improvement Projects (CIP) that are not fiscal but do accrue as efficiencies benefiting the projects, consider the following:

- Statewide in FY 95, there were 54 construction projects bid between \$25K and \$100K. The average savings from not having to formally prepare, advertise and award would be approximately \$7.5K.
- Statewide in FY 95, there were 29 Professional Service Agreements (PSA) established that were between \$25K and \$100K. The average savings from not having to perform consultant selection through the formal process would be approximately \$ 9.5K.

Calculations: 54 Construction projects @ \$7.5K (Advertisement costs) = \$405K.
29 PSA contracts @ \$ 9.5K (Selection costs) = \$ 275.5K.
Total Possible (Intangible) CIP Benefit = \$680.5K

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS SB #275 (STA)

Revision Date: <u>4/3/96</u>	Dept. Affected: <u>DOT&PF</u>
Title: <u>"An Act relating to state procurement practices and procedures; and providing for an effective date."</u>	BRU: <u>Office of the Commissioner</u>
Sponsor: <u>Senate Rules</u>	Component: <u>Commissioner's Office</u>
Requester: <u>JUD, FIN</u>	COMPONENT SERIAL NO. <u>#530</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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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CHANGE 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 - All CIP Sources						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ _____

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

(See Attachment)

New DOT&PF
Replacement
for #4?

Prepared by: <u>Loren Rasmussen, P.E., Acting Director</u>	Phone: <u>465-3900</u>
Division: <u>Engineering and Operations</u>	Date: <u>4/3/96</u>
Approved by: <u>Joseph L. Perkins</u>	Date: <u>4/3/96</u>
Agency: <u>Department of Transportation and Public Facilities</u>	

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FISCAL NOTE ATTACHMENT

For CS SB 275

The passage of this legislation will have a positive and multi-fold effect on the department's project efficiency.

Greater efficiencies will occur in the capital budgets, and will be, in essence, rolled back into other projects, resulting in project enhancements such as better roads and facilities. As an example of cost savings on Capital Improvement Projects (CIP) that are not fiscal but do accrue as efficiencies benefiting the projects, consider the following:

Section 13

Section 13 permits the procurement officer to reduce the circulation period for bids and proposals when there is adequate competition.

- On average, three (3) requests for reduced circulation typically occur per year.
- The average cost for receipt, review, and completion of reduced time requests is estimated to be \$ 500. Under this bill these requests will no longer be necessary.

Calculation: 3 requests x \$ 500 cost per request = \$1.5K savings in staff time.

Section 15

Section 15 provides discretion to the procurement officer to decide when to use a competitive sealed proposal rather than a competitive sealed bid. Law currently requires the determination to be made by the Chief Procurement Officer, resulting in several reviews and written determinations that are eliminated by this section.

- On average, two (2) requests for use of Competitive Sealed Proposal in lieu of a Competitive Sealed Bid are processed each year.
- The average cost for receipt, review, and completion of determinations to use a Competitive Sealed Proposal is estimated to be \$ 500 each.

Calculation: 2 determinations x \$ 500 cost per determination = \$1K savings in staff time.

Section 26

Section 26 extends small procurement procedures to purchase of goods, services, and professional services up to \$50,000, construction to \$100,000, or lease of space that does not exceed 5,000 square feet. Procurement officers may reduce time and complexity in purchases by using a quote rather than formal Invitation to Bid.

- The department processes an average of 30 - 35 administrative bid waivers per year which involve procurements or projects that exceed the current limits for small procurements. The average cost to process an administrative bid waiver (Request for Alternate Procurement [RAP]) is approximately \$ 500. Under this bill these waivers will no longer be required at the headquarters level.

Calculations: 30-35 administrative bid waivers (RAPS) x \$ 500 cost per waiver (RAP) = \$15K - \$16.5K savings in staff time.

Construction Projects

- Statewide in FY 95, there were 54 construction projects bid between \$25K and \$100K. The average savings from not having to formally prepare, advertise and award would be approximately \$7.5K.
- Statewide in FY 95, there were 29 Professional Service Agreements (PSA) established that were between \$25K and \$100K. The average savings from not having to perform consultant selection through the formal process would be approximately \$ 9.5K.

Calculations: 54 Construction projects @ \$7.5K (Advertisement costs) = \$405K.
29 PSA contracts @ \$ 9.5K (Selection costs) = \$ 275.5K.

Total Possible (Intangible) CIP Benefit = \$699.5K

FISCAL NOTE

5
 Bill Version: SB 275
 (S) Publish Date: 2/19/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act relating to state procurement
practices and procedures and providing for ..." BRU: Various
 Sponsor: Rules Component: Various
 Requestor: Governor COMPONENT SERIAL NO. 45

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITUR	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY 96) cost: \$ 0.0 _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Barton Prepared by: Sharon Barton, Director
 Division: Administrative Services

Phone: 465-5655
 Date: _____

Approved by Commissioner: Mark Boyer *MBoyer*
 Agency: Department of Administration

Date: 2/19/96

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FISCAL NOTE

J. 6

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: SB 275
(S) Publish Date: 2/9/96

Revision Date: _____
Title: "An Act relating to state procurement practices and procedures and providing for..."
Sponsor: Rules
Requestor: Governor

Department Affected: Administration
BRU: General Services
Component: Central Purchasing
COMPONENT SERIAL NO. 60

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

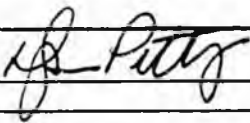
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

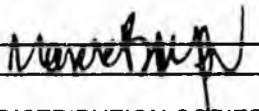
This bill seeks to streamline procurement practices used throughout the executive branch of state government and seeks to simplify and improve the efficiencies for various aspects of procurement in state government. Total net fiscal year 97 savings are projected to be \$2,798.00. The savings are spread over a variety of positions within Central Purchasing. The positive benefits on staffing will be used to achieve improved administrative efficiencies.

The fiscal impacts within this component are anticipated in nine sections of the bill.

(see attached)

Prepared by: Dugan Petty 
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Bover 
Agency: Administration

Date: 2/7/96

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FISCAL NOTE

STATE OF ALASKA BILL NO. SB 275
1996 LEGISLATIVE SESSION

ANALYSIS: (continued)

SECTION 4 permits the use of simplified small procurement procedures for the acquisition of office space leases that do not exceed 5000 S.F.

Assumptions:

- A typical lease replacement through a competitive sealed bid requires approximately 45 staff hours and costs approximately \$1,575.00 for preparation, solicitation, and award.
- Use of simplified acquisition for leases would permit solicitation of 3 informal proposals from different lessors. Simplification is expected to result in more efficient acquisition that would take 60% of the existing Invitation to Bid acquisition.
- In FY 97, approximately 28 leases would be subject to small procurement procedures. These acquisitions are expected to take an average of 27 staff hours. 28 small procurement leases x [27 staff hours x \$35.24 hourly rate PAII = \$26,640.00]. A savings of approximately 4 staff months or \$17,460.00 in staff resources is achieved.

FISCAL IMPACT : DECREASED STAFF COSTS (\$17,460)

Section 5 permits the extension of existing leases for up to 10 years if concessions of at least 10% of the amount that would be paid for rent can be achieved. Five 5% concessions could be agreed to with ADA compliance.

In FY 95, lease savings of approximately \$1,745,000.00 were achieved by negotiating lease concessions in return for extensions. Approximately 3,300 staff hours were necessary to achieve savings. If savings are to be achieved, staff resources will be needed to negotiate leases.

Assumptions:

- Based on 38 leases renegotiated during 1994, average staff hours per lease is prorated at 22 hours total.

Purchasing Agent III: 20 hours at \$35.24 per hour =	\$705.00
Purchasing Agent IV: 2 hours at \$38.94 per hour =	\$78.00
Total staff: 22 hours	\$783.00

- Estimate number of lease extension negotiations: 23

Calculation: 23 negotiation attempts x \$783.00 staff cost per each negotiation = \$18,009.00

FISCAL IMPACT: INCREASED STAFF COSTS \$18,010.00

Section 8 permits the procurement officer to reduce the circulation period for bids and proposals when there is adequate competition.

FISCAL NOTE

STATE OF ALASKA BILL NO. SB275 1996 LEGISLATIVE SESSION

Assumptions:

- On average 5 requests for reduced circulations occur per year.
- The average cost for receipt, review, and completion of determinations is estimated to be \$27.55.
- Average staff time needed to review and complete determinations is just under 1 hour.

Calculation: 5 determinations x \$27.55 cost per determination = \$138.00 estimated savings.

FISCAL IMPACT: DECREASED STAFF COSTS (\$138.00)

SECTION 9 requires a bidder to be in the line of business solicited in the Invitation to Bid or Competitive Sealed Proposal for at least 6 months prior to the date the bid was issued.

Assumption:

Over the past years, 4 bids were awarded where a preference was brokered by assigning award to another bidder or vendor after award. Agencies were required to pay an additional \$21,372.00 to purchase what was offered by the second low bidder. Two awards are pending. We assume approximately 4 bids would require investigation and determination of whether the bidder qualifies.

Calculation:

- Determination of qualification--8 hours x PAIII hourly rate \$35.24 = \$282.00
COST OF EACH DETERMINATION \$282.00 x 4 determinations
TOTAL ESTIMATED COST \$1,128.00.

FISCAL IMPACT: INCREASED STAFF COST \$1,128.00

SECTION 10 provides discretion to the procurement officer to decide when to use a competitive sealed proposal rather than a competitive sealed bid. Law currently requires the determination to be made by the Chief Procurement Officer, resulting in several reviews and written determinations that are eliminated in this section.

Assumptions:

- On average, 6.3 requests for use of Competitive Sealed Proposal in lieu of a Competitive Sealed Bid are processed.
- The average cost for receipt, review, and completion of determination to use a Competitive Sealed Proposal is estimated at \$72.00.
- Average staff time needed to review and complete determination--2 staff hours

Calculation: 6.3 determinations x \$72.00 cost per determinations = \$453.60

FISCAL IMPACT: DECREASED STAFF COSTS (\$453.60)

Section 15 permits contracts to be entered into with a single source when it is not practical to award under competitive bidding or competitive proposals and when in the best interest of the state. Delegations are permitted, which can reduce staff effort within the division. Agency efforts to compile clear and convincing evidence, often resulting in predeterminations, newspaper advertisements, and solicitation, would be reduced.

FISCAL NOTE

STATE OF ALASKA BILL NO. SB 275
1996 LEGISLATIVE SESSION

Assumption:

- On average, 123 sole source determination requests are submitted each year.
- The average cost for receipt, review, and completion of a determination is estimated to be \$111.94.
- Average staff time needed to review and complete determinations is estimated to be 3.3 hours.
- Approximately 25% of the determinations by type will be delegated.
- Approximately 30 minutes, or \$17.62, staff time will be saved in determination process.

Calculations:

Current	120 determinations x \$111.94 =	\$13,433.00
Proposed	90 determinations x \$94.32 =	\$8,489.00
		\$4,944.00

FISCAL IMPACT DECREASED STAFF COSTS (\$4,944.00)

Section 16 provides discretion to the Chief Procurement Officer to delegate this determination and permits the Attorney General to make a Limited Competitive Determination for services of legal counsel.

Assumptions:

- On average 20.6 Limited Competition determinations were made over the past 3 years.
- On average, the Department of Law submits 6.3 Limited Competition determinations per year.
- The average cost for receipt, review, and completion of a Limited Competition determination is estimated to be \$111.94.
- Average staff time needed to review and complete the determination is 3.3 hours.
- Approximately 25% of the determinations by type will be delegated.
- Approximately 6.3 delegations will be made by the Department of Law in place of the division staff.

Calculations:

Current	20.6 determinations x \$111.94 =	\$2,306.00
Proposed	10.8 determinations x \$111.94 =	\$1,209.00
	Savings	\$1,097.00

FISCAL IMPACT: DECREASED STAFF COSTS (\$1,097.00)

Section 18 permits innovative procurements under circumstances when advantageous to the state to procure new, unique, requirements; new technologies; or to achieve best value. This should result in better and more economical contracts for state agencies. The Chief Procurement Officer must review and determine in writing that the use of an innovative approach is advantageous to the state.

Assumptions:

- Ten (10) innovative procurements will be initiated per year.
- The average cost to review, provide guidance, and prepare determinations for innovative procurements is \$189.82.
- Average staff time needed to review, prepare determinations and provide guidance for the innovative procurement is 5.32 hours.

Calculations:

FISCAL NOTE

STATE OF ALASKA BILL NO. SB 275 1996 LEGISLATIVE SESSION

10 innovative procurements x \$189.82 = \$1,898.00

FISCAL IMPACT: INCREASED STAFF COST \$1,898.00

Section 22 extends small procurement procedures to purchases of goods, services, and professional services up to \$50,000.00. Procurement officers may reduce time and complexity in purchases by using a quote process rather than formal Invitation to Bid.

Assumptions:

- From FY 92 through FY 95, an average of 16.7 bids were issued per year for services and supplies costing under \$50,000.00.
- Average cost to prepare a bid for goods or services, \$14.5 staff hours x 26.46 (PAII) = \$385.00.
- Decrement made in the FY 97 budget of 1 full-time position was based on the return of single-agency Invitations to Bid to the agencies. 100% of the transactions covered under this section will be single-agency procurements.

Calculation:

- 16.7 bids x 14.5 staff hours = 242 hours
- 242 hours x 26.46 (PAII) = \$6,402.50

FISCAL IMPACT: DECREASE STAFF COST (0) Staffing reduced in FY 97 budget decrement

Section 27 requires records of Innovative Procurements to be kept for review purposes, and for applications if the Innovative Procurement could result in greater savings and effectiveness.

Assumptions:

- Ten (10) Innovative Procurements will be entered into each year.
- Recordkeeping approximately .5 hours per procurement of clerical time = .5 x Clerk III @ \$21.60 = \$10.80 per procurement
- Data processing--approximately .5 hours per procurement = .5 x Data Processing Analyst @ 30.19 = \$15.10 per .5 hour

Calculation: 10 x [Clerk III \$10.80 + Data Processing Analyst \$15.10] = \$259.00

FISCAL IMPACT: INCREASED STAFF COST \$259.00

Section 28 permits the development of simplified protest procedures for procurements entered into under small procurement procedures (up to \$50,000.00 per Section 22).

Assumptions:

- Estimated average number of protests received per year are 4.
- Average number of hours required to complete a protest--20 hours
- Estimated efficiency of simplified protest procedure--50%.
- Protests will be responded to by agency procurement specialist.
- Decrement in the FY 97 Governor's Budget was based on return of single-agency procurements to agencies. 100% of these small procurement transactions were anticipated in the FY 97 Governor's Budget.

FISCAL NOTE

STATE OF ALASKA BILL NO. SB 275
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Calculation:

4 protests x 20 hours = 80 hours

80 hours x \$26.46 (PAII) = (\$2,117.00)

FISCAL IMPACT: **DECREASED STAFF COST** (0) Staffing reduced in the FY 97 Governor's Budget

FISCAL IMPACT SUMMARY

TOTAL NET FISCAL IMPACT BY SECTION FOR FY 97:

Section	INCREASE	DECREASE
4		(\$17,460.00)
5	\$18,010.00	
8		(\$138.00)
9	\$1,128.00	
10		(\$454.00)
15		(\$4,944.00)
16		(\$1,097.00)
18	\$1,898.00	
22		(0)
27	\$259.00	
28		(0)
	TOTAL FISCAL IMPACT	(\$2,798.00)

FISCAL NOTE

v. 7

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: SB 275

(S) Publish Date: 2/9/96

Revision Date: _____
Title: "An Act relating to state procurement practices and procedures and providing for..."
Sponsor: Rules
Requestor: Governor

Department Affected: Administration
BRU: General Services
Component: Leasing

COMPONENT SERIAL NO. 81

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL	0	(207.8)	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING	0	(207.8)	0	0	0	0

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

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL		(207.8)*	0	0	0	0

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill permits the extension of existing leases for up to 10 years if concessions of at least 10% of the amount that would be paid for rent can be achieved. Concessions of at least 5% could be agreed to if ADA improvements are made.

*The mix of funding sources for leases between General Fund and Interagency Receipts does not permit an accurate assessment of the fund source at this time.

(see attached)

Prepared by: Dugan Petty *[Signature]*
Division: General Services

Phone: 465-2250

Date: _____

Approved by Commissioner: Mark Bover *[Signature]*
Agency: Administration

Date: 2/7/96

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FISCAL NOTE

STATE OF ALASKA BILL NO. SB 215 1996 LEGISLATIVE SESSION

ANALYSIS: (continued)

Twenty-three leases are anticipated to have the greatest potential for cost savings resulting from negotiations under this bill. Maximum savings anticipated under this bill are projected at the minimum 10% rate reduction. While we have not included them in this list, we anticipate some leases extended in 1994 under similar provisions of SB 129 may also be candidates for negotiated concessions.

We have used 10% as a rent concession factor because most leases now include ADA compliance language, are in buildings upgraded as a result of negotiations, or have had compliance issues addressed through programmatic changes.

Actual fiscal impacts depend on whether an extension is in the state's best interest, and the lessor's willingness to grant rent concessions. If we successfully negotiate 60% of the maximum potential for savings in FY 97 and FY 98, savings can be achieved in excess of \$100,000.00 in FY 97 and \$200,000.00 in FY 98.

Our FY 97 leasing budget set a goal of reducing FY 97 operating lease costs by an additional \$417,700.00. This bill provides opportunity to achieve a portion of our goal through reductions in lease payments in return for lease extensions. Since our budget is based on reductions to be accomplished, zero fiscal impact is shown for FY 97.

Assumptions:

- 18 leases are renegotiated for FY 97
- 7 leases were renegotiated for FY 98
- 60% of the leases result in 10% savings reduction
 - FY 97 \$204,509.25 Maximum potential savings x 60% = \$122,700.00
 - FY 98 \$346,284.45 Maximum potential savings x 60% = \$207,800.00

Updated # 7

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 275(STA)

Revision Date: _____
Title: "An Act relating to state procurement practices and procedures; and providing for an effective date."
Sponsor: _____
Requestor: (S) STA

Department Affected: Administration
BRU: General Services
Component: Leasing
COMPONENT SERIAL NO. 81

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL	0	(207.8)	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING	0	(207.8)	0	0	0	0

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

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

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL		(207.8)*	0	0	0	0

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill permits the extension of existing leases for up to 10 years if concessions of at least 10% of the amount that would be paid for rent can be achieved. Concessions of at least 5% could be agreed to if ADA improvements are made.

*The mix of funding sources for leases between General Fund and Interagency Receipts does not permit an accurate assessment of the fund source at this time.

(see attached)

Prepared by: Dugan Petty
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Administration

Date: 4/3/96

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FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 275(STA) 1996 LEGISLATIVE SESSION

ANALYSIS: (continued)

Twenty-three leases are anticipated to have the greatest potential for cost savings resulting from negotiations under this bill. Maximum savings anticipated under this bill are projected at the minimum 10% rate reduction. While we have not included them in this list, we anticipate some leases extended in 1994 under similar provisions of SB 129 may also be candidates for negotiated concessions.

We have used 10% as a rent concession factor because most leases now include ADA compliance language, are in buildings upgraded as a result of negotiations, or have had compliance issues addressed through programmatic changes.

Actual fiscal impacts depend on whether an extension is in the state's best interest, and the lessor's willingness to grant rent concessions. If we successfully negotiate 60% of the maximum potential for savings in FY 97 and FY 98, savings can be achieved in excess of \$100,000.00 in FY 97 and \$200,000.00 in FY 98.

Our FY 97 leasing budget set a goal of reducing FY 97 operating lease costs by an additional \$417,700.00. This bill provides opportunity to achieve a portion of our goal through reductions in lease payments in return for lease extensions. Since our budget is based on reductions to be accomplished, zero fiscal impact is shown for FY 97.

Assumptions:

- 18 leases are renegotiated for FY 97
- 7 leases were renegotiated for FY 98
- 60% of the leases result in 10% savings reduction
 - FY 97 \$204,509.25 Maximum potential savings x 60% = \$122,700.00
 - FY 98 \$346,284.45 Maximum potential savings x 60% = \$207,800.00

FISCAL NOTE

No. 8

Bill Version: SB 275

(S) Publish Date: 2/9/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Corrections
 Title: An Act Relating to state procurement practices and BRU: ALL
procedures; and providing for an effective date Component: _____
 Sponsor: Rules Committee
 Requester: Governor COMPONENT SERIAL NO. #0694

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This new draft bill proposes an increase to small procurement from \$25,000 to \$50,000 for the agency. Currently, the agency has approximately fifty (50) active Contract Awards established that are annually maintained by DOA/GS&S. Under this bill, approximately twenty-seven (27) of this number of purchase requisitions (PR) would be returned to this agency when it is time for them to be rebid. The additional workload varies from year to year and would be completed by existing staff.

Prepared by: Jerry Shriner
 Division: Office of the Commissioner
 Approved by Commissioner: Margaret Pugh
 Agency: Department of Corrections

Phone: 465-4652
 Date: 2/5/95
 Date: 2/5/95

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

9
Bill Version: SB 275
(S) Publish Date: 2/9/96

Revision Date: _____
Title: "An Act relating to state procurement practices and procedures; and providing for an effective date."
Sponsor: Rules/Request of the Governor
Requestor: Governor's Office/

Department Affected: Law
BRU: All
Component: All

COMPONENT SERIAL NO. 2085, 2087 thru 2092, 2095

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

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

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill amends provisions within the State Procurement Code (AS 36.30) in order to streamline procedures and to correct specific deficiencies within the existing statute which have proven to be unnecessarily burdensome on both state agencies and the private business community. These changes, along with corresponding changes in both regulation and department policies and procedures, should increase the speed and overall efficiency of the department's procurement efforts. This should result in a decrease in the time it takes to complete both large and small procurements and should reduce the backlog of procurement requests now experienced within the department. Because the Dept. of Law has only two positions devoted to procurement matters, enactment of this bill will not result in a savings. However, it will result in speedier, more efficient service to both vendors and the department's staff who depend upon this service.

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

Phone: 465-3672
Date: January 26, 1996
Date: January 26, 1996

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FISCAL NOTE

No. 11
 Bill Version: SB 275
 (S) Publish Date: 2/9/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
 Title: State Procurement Practices
 Sponsor: Rules Committee
 Requester: Governor

Department Affected: Education
 BRU: Executive Administration
 Component: Administrative Services

COMPONENT SERIAL NO. _____ 157

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

This legislation improves state procurement practices and procedures in the state procurement code, AS 36.30. No fiscal impact on the Department of Education is anticipated. The revisions will reduce staff time required for small procurements of \$5,000 or less and will increase staff time needed for procurements between \$25,000 and \$50,000. Purchasing practices between \$5,000 and \$25,000 will remain virtually unchanged. Each department will receive increased purchasing authority up to \$50,000. These organizational changes to the state procurement code will result in a clearer understanding of the intent of the law by government employees and the public.

Prepared by: Ginger Patton Phone: 465-8656
 Division: Administrative Services Date: January 29, 1996
 Approved by Commissioner: *Shirley J. Holloway* Shirley J. Holloway, Ph. D.
 Agency: Education Date: January 29, 1996

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FISCAL NOTE

No. 12

Bill Version: SB 275

(S) Publish Date: 2/9/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Fish and Game
 Title: "An Act relating to state procurement practices and procedures; and providing for an effective date." BRU: Administration and Support
 Component: Administrative Services
 Sponsor: Rules Committee
 Requester: Governor COMPONENT SERIAL NO. 479

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill amends provisions of the State Procurement Code (AS 36.30) in order to streamline procedures and to correct specific deficiencies within the existing statute which have proven to be unnecessarily burdensome on both state agencies and the private business community. These changes, along with corresponding changes in both regulation and department policies and procedures, should increase the speed and overall efficiency of the department's procurement efforts. The department has a number of labor intensive procurements related to its mission that are scientific and technical in nature, especially in the Exxon Valdez Oil Spill program. This bill should reduce the amount of time it takes to complete these purchases as well as other large and small procurements, and should help to reduce the backlog of procurement requests now experienced in the department. Because the department has a small procurement staff, this bill will not result in any direct savings. However, it will result in speedier, more efficient service to both vendors and the department's staff who depend upon the procurement services of this division.

Prepared by: Kevin Brooks, Director *Kevin Brooks*
 Division: Administrative Services
 Approved by Commissioner: _____
 Agency: Fish and Game

Phone: 465-5999
 Date: 1/30/96
 Date: 1/30/96

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FISCAL NOTE

No. 13

Version: SB 275

(S) Publish Date: 2/19/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

BILL I

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to state procurement practices and procedures BRU: DPS Statewide Support
 Component: Admin Services
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 525

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

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

FUNDING: (Thousands of Dollars)

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

Estimate of current year (FY 96) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill amends provisions within the State Procurement Code (AS 38.30) to streamline procedures and to correct specific deficiencies which have proven to be unnecessarily burdensome. These changes, along with corresponding changes in both regulation and department policies and procedures, should increase the speed and overall efficiency of the procurement process. This should result in a decrease in the time it takes to complete both large and small procurements and should reduce the backlog of procurement requests now experienced. This bill will have no discernible fiscal impact on the Department of Public Safety.

Prepared By: Kenneth E. Bischoff, Director Phone: 465-4336
 Division: Administrative Services Date: 2/8/96
 Approved by Commissioner: *Ronald L. Otte* Date: 2/8/96
 Agency: Ronald L. Otte, Dept. of Public Safety

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FISCAL NOTE

No. 14

Bill Version: SB 275

(S) Publish Date: 2/9/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: _____
Title: State Procurement Practices

Department: Commerce and Economic Development
BRU: Administrative Services
Component: Administrative Services

Sponsor: Rules
Requestor: Governor

COMPONENT SERIAL NO. 1028

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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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CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

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

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Guy Bell, Director
Division: Division of Administrative Services
Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Phone: 465-2505
Date: February 1, 1996
Date: 2-1-96

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO.

SB275

ANALYSIS: (continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for

This bill amends provisions within the State Procurement Code (AS 36.30) in order to streamline procedures by removing unnecessarily burdensome requirements affecting both state agencies and the private business community. These changes, along with corresponding changes in regulations and administrative procedures, will reduce the time currently spent by staff on the procurement of services and items. This will allow staff to spend less time on procurement matters and more time on their programs and areas of expertise.

The changes will also reduce the paperwork and effort now required of vendors in responding to the State's solicitations less than \$50,000. This may result in an increase in competition among the private sector which may reduce the cost of services and items to the department.

Because the department does not have positions devoted to procurement matters, enactment of this bill will not result in a direct savings. It will result in indirect savings by allowing staff to spend more time on their specific programs and an increase in competition among the private sector.

FISCAL NOTE

No 15

Bill Version: SB 275

(S) Publish Date: 2/19/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: 1-Feb-96
 Title: State Procurement Practices and Procedures
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Environmental Conservation
 BRU: Department-wide
 Component: Department-wide

COMPONENT SERIAL NO. 633

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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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FUND SOURCE

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 Receipt	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 (FY96) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Efficiencies in procurement of goods and services should be realized by streamlining measures proposed in the legislation. Due to the limited number of procurement positions in the Department of Environmental Conservation, it is not anticipated that any cost savings will be realized.

Prepared by: Lawrence Jones
 Division: Director, Division of Administrative Services

Phone: 465-5010
 Date: 2/1/96

Approved by Commissioner: [Signature]
 Agency: Department of Environmental Conservation

Date: 2-1-96

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FISCAL NOTE

 No. 13

 Bill Version: SB 275

 BI (S) Publish Date: 2/9/96
**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

 Revision Date: _____
 Title: An Act relating to state procurement practices and procedures...
 Sponsor: Rules Committee
 Requestor: Governor

 Department Affected: Labor
 BRU: All
 Component: All

 COMPONENT SERIAL NO. 340
EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

 Estimate of current year (FY96) impact: \$ None
ANALYSIS: (Attach a separate page if necessary)

This bill amends state procurement practices and procedures in the state procurement code, AS 36.30. The department anticipates no significant financial impact associated with the bill.

 Prepared by: Arbe Williams Phone: 465-2720
 Division: Administrative Services Date: 1/30/96

 Approved by Commissioner: Tom Cashen
 Agency: Department of Labor Date: 1/30/96

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FISCAL NOTE

No. 17

Bill Version: SB 275

BI (S) Publish Date: 2/19/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: An Act relating to state procurement practices and procedures; and providing for an effective date. BRU: Management & Administration
 Sponsor: Rules Committee Component: Administrative Services
 Requestor: Governor Knowles Component Serial No. 424

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimate of any current year (FY98) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

We believe passage of this bill relating to state procurement will provide for efficiencies in department operations. It will require less approvals at higher authorities which will result in fewer total man-hours required for certain types of procurements. However it is likely this will be offset by more work and responsibilities delegated to the department level and little, if any, of the existing work performed will go away.

More man-hours will be needed initially to draft and implement new policies and procedures and provide training to staff who are delegated new responsibilities. In the long run we see the likelihood that streamlined procedures will allow program managers with more flexibility in determining the overall "best value" approach to procuring the goods and services needed to run their programs. Procurements made under shorter time frames will allow the state to take advantage of changing market conditions and hopefully reduce costs for goods and services to the state.

For the near term we can not predict with any accuracy direct hard dollar savings the department may achieve from the passage of this bill.

Prepared by: Nico Bus, Acting Director Phone: 465-2406
 Division: Support Services Date: 1-Feb-96
 Approved by Commissioner: Nico Bus for John Knowles Date: 1-Feb-96
 Agency: Natural Resources

FISCAL NOTE

No. 18

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO:

1 Version: SB 275

(S) Publish Date: 2/9/96

Revision Date: 2/1/96 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to state procurement practices BRU: none
and procedures Component: none
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. _____

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ()						
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GE Match						
1004 GE						
1005 GE/Program Receipts						
1006 GE/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 95) impact: \$ none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director *Remond Henderson* Phone: 465-4808
 Division: Administrative Services *Mike Irwin* Date: 2/2/96
 Approved by Commissioner: _____ Date: 2/2/96
 Agency: Mike Irwin, Dept. of Community & Reg. Affairs

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FISCAL NOTI...

No. 19

Bill Version: SB 275

Bill (S) Publish Date: 2/9/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Military & Veterans Affairs
 Title: An Act relating to state procurement practices and procedures; and providing for an effective date. BRU: Alaska National Guard
 Sponsor: Rules Committee Component: Commissioner's Office
 Requestor: Governor Knowles Component Serial No. 414

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	

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

Estimate of any current year (FY96) cost: \$ none

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

ANALYSIS: (Attach a separate page if necessary)

We believe passage of this bill relating to state procurement will provide for efficiencies in department operations. It will require less approvals at higher authorities which will result in fewer total man-hours required for certain types of procurements. However it is likely this will be offset by more work and responsibilities delegated to the department level and little, if any, of the existing work performed will go away.

More man-hours will be needed initially to draft and implement new policies and procedures and provide training to staff who are delegated new responsibilities. In the long run we see the likelihood that streamlined procedures will allow program managers with more flexibility in determining the overall "best value" approach to procuring the goods and services needed to run their programs. Procurements made under shorter time frames will allow the state to take advantage of changing market conditions and hopefully reduce costs for goods and services to the state.

For the near term we can not predict with any accuracy direct hard dollar savings the department may achieve from the passage of this bill.

Prepared by: Carol Carroll, Director Phone: 465-2406
 Division: Administrative Services Date: 1-Feb-96
 Approved by Commissioner: [Signature] Date: 1-Feb-96
 Agency: Military & Veterans Affairs

FISCAL NOTE

No. 20

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 275(STA)
(S) Publish Date: 4/9/96

Revision Date: _____
Title: "An Act relating to state procurement practices and procedures; and providing for an effective date."
Sponsor: _____
Requestor: (S) STA

Department Affected: Administration
BRU: General Services
Component: Central Purchasing
COMPONENT SERIAL NO. 60

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill seeks to streamline procurement practices used throughout the executive branch of state government and seeks to simplify and improve the efficiencies for various aspects of procurement in state government. Savings associated with the bill will take place throughout various aspects of the procurement process.

The changes proposed will reduce the flow of paperwork in the process and lead to greater efficiencies with procurement practices throughout state government.

(see attached)

Prepared by: Dugan Petty
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Administration

Date: _____

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FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 275(STA)
1996 LEGISLATIVE SESSION

ANALYSIS: (continued)

The total net fiscal impact for this division is estimated to be negligible. When the costs and savings of the bill are totaled for Central Purchasing, approximately \$2,363.00 additional staff costs are generated to implement the provision of the bill.

The fiscal impacts within this component are anticipated in nine sections of the bill.

SECTION 10 permits the use of simplified small procurement procedures for the acquisition of office space leases that do not exceed 3,000 S.F.

Assumptions:

- A typical lease replacement through a competitive sealed bid requires approximately 45 staff hours and costs approximately \$1,575.00 for preparation, solicitation, and award.
- Use of simplified acquisition for leases would permit solicitation of 3 informal proposals from different lessors. Simplification is expected to result in more efficient acquisition that would take 60% of the existing Invitation to Bid acquisition.
- In FY 97, approximately 22 leases would be subject to small procurement procedures. These acquisitions are expected to take an average of 27 staff hours.

Current:	22 leases x \$1,575 =	\$34,650.00
Proposed	22 leases x \$951.48 =	<u>\$20,933.00</u>
Estimated savings:		\$13,717.00

A savings of approximately 3.2 staff months or \$13,717.00 in staff resources is achieved.

FISCAL IMPACT : DECREASED STAFF COSTS (\$13,717)

Section 11 permits the extension of existing leases for up to 10 years if concessions of at least 10% of the amount that would be paid for rent can be achieved. Five 5% concessions could be agreed to with ADA compliance.

In FY 95, lease savings of approximately \$1,745,000.00 were achieved by negotiating lease concessions in return for extensions. Approximately 3,300 staff hours were necessary to achieve savings. If savings are to be achieved, staff resources will be needed to negotiate leases.

Assumptions:

- Based on 38 leases renegotiated during 1994, average staff hours per lease is prorated at 22 hours total.

Purchasing Agent III: 20 hours at \$35.24 per hour =	\$705.00
Purchasing Agent IV: 2 hours at \$38.94 per hour =	<u>\$ 78.00</u>
Total staff: 22 hours	\$783.00

- Estimate number of lease extension negotiations: 23

Calculation: 23 negotiation attempts x \$783.00 staff cost per each negotiation = \$18,009.00

FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 275(STA)
1996 LEGISLATIVE SESSION

FISCAL IMPACT: INCREASED STAFF COSTS \$18,010.00

Section 13 permits the procurement officer to reduce the circulation period for bids and proposals when there is adequate competition.

Assumptions:

- On average 5 requests for reduced circulations occur per year.
- The average cost for receipt, review, and completion of determinations is estimated to be \$27.55.
- Average staff time needed to review and complete determinations is just under 1 hour.

Calculation: 5 determinations x \$27.55 cost per determination = \$138.00 estimated savings.

FISCAL IMPACT: DECREASED STAFF COSTS (\$138.00)

SECTION 14 requires a bidder to add value for services, or to have a history of selling a supply that the state is bidding on in order to qualify for the employment program and disabled bidder preference.

Assumption:

Over the past years, 4 bids were awarded where a preference was brokered by assigning award to another bidder or vendor after award. Agencies were required to pay an additional \$21,372.00 to purchase what was offered by the second low bidder. Two awards are pending. We assume approximately 4 bids would require investigation and determination of whether the bidder qualifies.

Calculation:

- Determination of qualification--8 hours x PAIII hourly rate \$35.24 = \$282.00
COST OF EACH DETERMINATION \$282.00 x 4 determinations
TOTAL ESTIMATED COST \$1,128.00.

FISCAL IMPACT: INCREASED STAFF COST \$1,128.00

SECTION 15 provides discretion to the procurement officer to decide when to use a competitive sealed proposal rather than a competitive sealed bid. Law currently requires the determination to be made by the Chief Procurement Officer, resulting in several reviews and written determinations that are eliminated in this section.

Assumptions:

- On average, 6.3 requests for use of Competitive Sealed Proposal in lieu of a Competitive Sealed Bid are processed.
- The average cost for receipt, review, and completion of determination to use a Competitive Sealed Proposal is estimated at \$72.00.
- Average staff time needed to review and complete determination--2 staff hours

Calculation: 6.3 determinations x \$72.00 cost per determinations = \$453.60

FISCAL IMPACT: DECREASED STAFF COSTS (\$453.60)

FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 275(STA) 1996 LEGISLATIVE SESSION

Section 20 permits delegation of the single source determination for only small procurements. Approximately 34 determinations were made by the Chief Procurement Officer in FY 95 that would fit the under \$50,000 range of small procurements.

Assumptions:

- On average, 120 sole source determination requests are submitted each year.
- The average cost for receipt, review, and completion of a determination is estimated to be \$111.94.
- Average staff time needed to review and complete determinations is estimated to be 3.3 hours.
- Estimated number of determinations at \$50,000 and less based on FY 95 is 36.

Calculations:

Current	120 determinations x \$111.94 =	\$13,433.00
Proposed	84 determinations x \$111.94 =	<u>\$9,403.00</u>
Estimated savings:		\$4,030.00

FISCAL IMPACT: DECREASED STAFF COSTS (\$4,030.00)

Section 21 permits the Attorney General to make a Limited Competitive Determination for services of legal counsel.

Assumptions:

- On average 20.6 Limited Competition determinations were made over the past 3 years.
- On average, the Department of Law submits 6.3 Limited Competition determinations per year.
- The average cost for receipt, review, and completion of a Limited Competition determination is estimated to be \$111.94.
- Average staff time needed to review and complete the determination is 3.3 hours.
- Approximately 6.3 delegations will be made by the Department of Law in place of the division staff.

Calculations:

Current	20.6 determinations x \$111.94 =	\$2,306.00
Proposed	15.3 determinations x \$111.94 =	<u>\$1,713.00</u>
Savings		\$ 593.00

FISCAL IMPACT: DECREASED STAFF COSTS (\$593.00)

Section 23 permits innovative procurements under circumstances when advantageous to the state to procure new, unique, requirements; new technologies; or to achieve best value. This should result in better and more economical contracts for state agencies. The Chief Procurement Officer must review and determine in writing that the use of an innovative approach is advantageous to the state.

Assumptions:

- Ten (10) innovative procurements will be initiated per year.
- The average cost to review, provide guidance, and prepare determinations for innovative procurements is \$189.82.
- Average staff time needed to review, prepare determinations and provide guidance for the innovative procurement is 5.32 hours.

Calculations:

FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 275(STA)
1996 LEGISLATIVE SESSION

10 innovative procurements x \$189.82 = \$1,898.00

FISCAL IMPACT: INCREASED STAFF COST \$1,898.00

Section 26 extends small procurement procedures to purchases of goods, services, and professional services up to \$50,000.00. Procurement officers may reduce time and complexity in purchases by using a quote process rather than formal Invitation to Bid.

Assumptions:

- From FY 92 through FY 95, an average of 16.7 bids were issued per year for services and supplies costing under \$50,000.00.
- Average cost to prepare a bid for goods or services, \$14.5 staff hours x 26.46 (PAII) = \$385.00.
- Decrement made in the FY 97 budget of 1 full-time position was based on the return of single-agency Invitations to Bid to the agencies. 100% of the transactions covered under this section will be single-agency procurements.

Calculation:

- 16.7 bids x 14.5 staff hours = 242 hours
- 242 hours x 26.46 (PAII) = \$6,403.00

FISCAL IMPACT: DECREASED STAFF COST (0) Staffing reduced in FY 97 budget decrement

Section 31 requires records of Innovative Procurements to be kept for review purposes, and for applications if the Innovative Procurement could result in greater savings and effectiveness.

Assumptions:

- Ten (10) Innovative Procurements will be entered into each year.
- Recordkeeping approximately .5 hours per procurement of clerical time = .5 x Clerk III @ \$21.60 = \$10.80 per procurement
- Data processing--approximately .5 hours per procurement = .5 x Data Processing Analyst @ 30.19 = \$15.10 per .5 hour

Calculation: 10 x [Clerk III \$10.80 + Data Processing Analyst \$15.10] = \$259.00

FISCAL IMPACT: INCREASED STAFF COST \$259.00

Section 32 permits the development of simplified protest procedures for procurements entered into under small procurement procedures (up to \$50,000.00 per Section 22).

Assumptions:

- Estimated average number of protests received per year are 4.
- Average number of hours required to complete a protest--20 hours
- Estimated efficiency of simplified protest procedure--50%.
- Protests will be responded to by agency procurement specialist.
- Decrement in the FY 97 Governor's Budget was based on return of single-agency procurements to agencies. 100% of these small procurement transactions were anticipated in the FY 97 Governor's Budget.

FISCAL NOTE

STATE OF ALASKA BILL NO. CSSB 275(STA)
1996 LEGISLATIVE SESSION

Calculation:

4 protests x 20 hours = 80 hours

80 hours x \$26.46 (PAII) = (\$2,117.00)

FISCAL IMPACT: DECREASED STAFF COST (0) Staffing reduced in the FY 97 Governor's Budget

FISCAL IMPACT SUMMARY

TOTAL NET FISCAL IMPACT BY SECTION FOR FY 97:

Section	INCREASE	DECREASE
10		(\$13,717.00)
11	\$18,010.00	
13		(\$138.00)
14	\$1,128.00	
15		(\$454.00)
20		(\$4,030.00)
21		(\$593.00)
23	\$1,898.00	
26		(0)
31	\$259.00	
32		(0)
	TOTAL FISCAL IMPACT	\$2,363.00

TONY KNOWLES
GOVERNOR



P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 9, 1996

275-

The Honorable Drue Pearce
Senate President
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that proposes to change state procurement practices to make them more efficient, effective and economic while preserving public accountability.

Today's rapidly changing business environment, coupled with declining state revenue, underscores the importance of streamlining our administrative practices. This bill responds to that need by reducing costs, simplifying procurement practices, focusing on results, and empowering procurement officers to make sound purchasing decisions.

The proposed revisions to the state procurement code set out in this bill are the result of recommendations made by the statewide Procurement Advisory Council, formed by the Department of Administration, to review and streamline statewide procurement practices. The council is made up of private, state and University of Alaska procurement professionals, vendors and small business advocates.

Critics rightfully argue that government procurement is not getting the best value for the public. Some current practices impede an agency's ability to accomplish its business, and are not efficient. This bill seeks to correct these problems by simplifying acquisition of office leases under 5,000 square feet and giving procurement officers the discretion to shorten the solicitation process when adequate competition exists along with the ability to enter into a single source contract when in the best interest of the state.

This bill also would allow state agencies, including the legislative council, University of Alaska and state Supreme Court, to enter into or renew lease-purchase agreements for real property without legislative approval if the annual payment does not exceed \$500,000 and

total lease-purchase payments do not exceed \$2.5 million. This mirrors the threshold lease rates in current statute for which no legislative approval is needed. And this proposal simplifies small procurements by increasing their dollar limit to the levels set in the Federal Acquisition Streamlining Act of 1994.

This bill will result in cost savings for the state because of streamlined acquisition methods and more economic contracts that will allow for lease extensions in return for rent concessions; purchases from General Services Administration supply schedules as authorized in the Federal Acquisition Streamlining Act of 1994; and prevention of preference brokering that adds cost to contracts without adding value.

Contractors and bidders have been critical of the costly and time-consuming protest process under the current procurement code. This bill allows a simplified protest process for small procurement to provide more immediate and less costly redress of procurement actions.

The procurement process is often identified as a barrier to accomplishing the state's business. This bill establishes an innovative procurement track allowing the purchase of new, unique services or supplies or technologies in controlled circumstances without strict adherence to the formal invitation to bid or competitive sealed proposal rules. This permits and encourages a tailored, innovative solution aimed at reducing costs and improving results. This provision also looks to the future through a reporting mechanism that will allow procurement officers to see what works and doesn't work in applying this process for purchasing new services and supplies. That will help build better, faster, and cheaper solutions for tomorrow's procurement culture.

Integrity, competition, and accountability must remain at the very core of our procurement process. With increased discretion for procurement officers, increased accountability is also expected. Anyone making a false statement or providing false evidence in the alternate source selection process would be guilty of a class A misdemeanor.

The changes offered in this bill simplify and streamline state procurement practices and will result in more efficiency and cost savings in the acquisition of services and supplies.

I urge your support of this bill.

Sincerely,



Tony Knowles
Governor

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/9/96

FURTHER: Judiciary
Finance

Date of 5-Day Notice: 2/7/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/2/96

The State Affairs Committee considered SB 275

Relating to state procurement practices and procedures.

JFD

and recommends:

- be replaced with CS SB 275 (STA)
- 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:**
- same title
 - technical title
 - new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

PREVIOUS NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
MVA	2/1/96	⊖	
C&RA	2/2/96	⊖	
DNR	2/1/96	⊖	
Labor	1/30/96	⊖	
BEC	2/1/96	⊖	
C&ED	2/1/96	⊖	

- * Administration 2/7/96 *
- APPROPRIATION -- no fiscal note
- C&MB 2/2/96 ⊖
 - H&SS 2/7/96 ⊖

NEW PREVIOUS PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DPS	2/8/96	⊖	
F&G	1/30/96	⊖	
Education	1/29/96	⊖	
Gov. - Admn. Svs.	1/29/96	⊖	
Law	1/26/96	⊖	
Corrections	2/5/96	⊖	

- * DOT/IFP 2/2/96 *
- *include fiscal notes accompanying Governor's bill
- Revenue 1/30/96 ⊖

SB

278

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 12, 1996

FURTHER REFERRALS:

Date of Committee Action: 4/27/96

The FINANCE Committee considered:

SB 278

SENATE BILL NO. 278

CREDITS AGAINST FEES AT ST HISTORICAL PKS

"An Act relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks."

recommends it be replaced
with the following committee substitute

SB 278

the same title
 a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

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

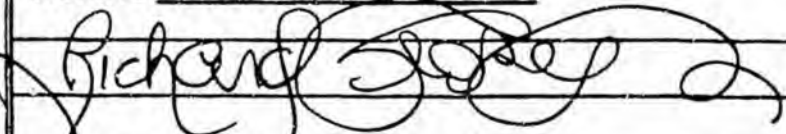
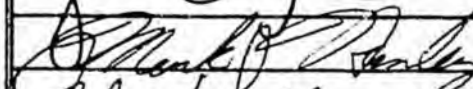
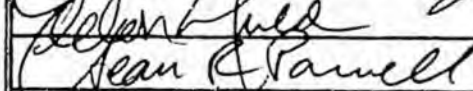
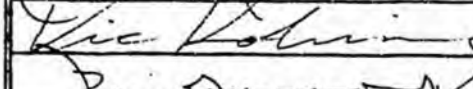
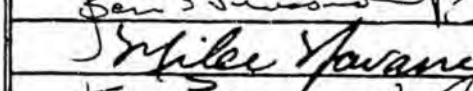
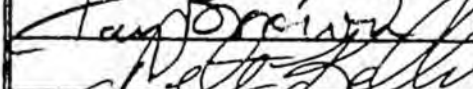
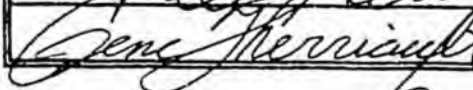
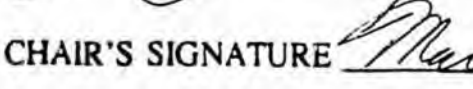

APPROVES PREVIOUS: (Dept/Date) _____

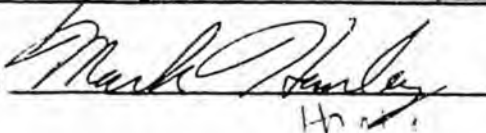
fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) DNR 2/21/96

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	FOSTER	X			
	Hanley	X			
	mulder	X			
	Parnell	X			
	Kohnig	X			
	gussendorf	X			
	Navarre	X			
	Brown	X			
	Kelly	X			
	Therriault			X	

CHAIR'S SIGNATURE 



FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB278

Revision Date: Original Dept Affected Natural Resources
 Title: An Act relating to the authority of the Dept. of BRU: Parks & Recreation Management
Natural Resources to allow credits against fees at state... Component: Parks Management
 Sponsor: Senator Taylor
 Requestor: Senate Resources Component Serial No. 452

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

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

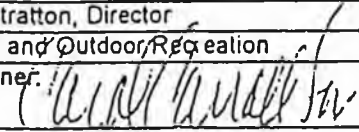
Estimate of any current year (FY96) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This bill would allow commercial tour operators to pay a portion of their fees directly to local municipalities for their use of small state historical parks where the commercial use sometimes displaces regular road traffic and local park users. The municipalities could then partner with the state in planning and developing these important tourism attractions, such as Totem Bight State Historical Park in Ketchikan. Often the local municipalities control surrounding streets and neighboring lands, so they are best able to assist these park units that are part of the tourism economy of their areas. The municipalities usually support the department's efforts in developing state historic sites, and the department must first approve a project before any credits could be used to compensate a municipality. All land and improvements acquired under this program would be state property.

Prepared by: Jim Stratton, Director Phone: 907-269-8700
 Division: Parks and Outdoor Recreation Date: 16-Feb-96
 Approved by Commissioner:  Date: 16-Feb-96
 Agency: Natural Resources

Alaska State Legislature

Chairman.
Judiciary Committee

Vice Chairman.
Transportation Committee

Member.
Resources Committee
Western Legislative Forestry Task Force



Senator Robin L. Taylor

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

Sponsor Statement

Senate Bill 278

Senate Bill 278 was introduced to address concerns raised by the Ketchikan Area State Parks Advisory Board and the Ketchikan Gateway Borough Assembly.

SB 278 would provide a mechanism by which the Division of Parks and Outdoor Recreation could acquire two small parcels of land adjacent to Totem Bight State Historical Park.

The parcels are currently held by Ketchikan Public Utilities as the site of a diesel generation plant. KPU plans to vacate the property, which would then revert to the Ketchikan Gateway Borough.

SB 278 would allow DNR to offer credits against fees paid by commercial tour operators for payments made to a municipality for projects that will mitigate or alleviate access, congestion and parking problems at historical parks. The Division of Parks and Outdoor Recreation has indicated that use of this provision at any state historical park other than Totem Bight is unlikely. In any event, the authority would sunset on December 31, 2000. The three year window is needed to avoid drawing too quickly against the fees.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

Sponsor Statement - SB 278

Page Two

Totem Bight, a 12.5 acre state park located north of the City of Ketchikan, had an estimated 160,000 visitors in 1995, about half of them arriving on commercial tours. In 1977 it was estimated that the park could handle between 636 and 744 people at one time. Actual use now exceeds 925 people in the park at once.

The park only has seven parking spaces for busses and often there are up to 21 busses parked in the lot, on road shoulders and at a nearby gift shop. Park staff is now advising independent travelers and local park users to pay attention to the cruise ship schedule and avoid the park when the ships are in town.

To mitigate this overcrowding and congestion, DNR is proposing that the tour operators pay for acquisition of the borough-owned parcels to provide additional parking space and additional attractions such as trails and a carving demonstration area.

The Department of Transportation and Public Facilities has indicated an interest in developing a transportation enhancement project along the road at Totem Bight if the land becomes available.

Totem Bight is a valuable asset. The state has invested more than a million dollars in capital improvements to the facility over the past ten years. By acquiring these two parcels we can spread out the use area, enhance the park and mitigate the problems.

MEMORANDUM**Department of Natural Resources****State of Alaska****Division of Parks and Outdoor Rec.****DATE:** March 15, 1996**to:** Joe Ambrose**TELEPHONE NO:** 269-8700**FAX NO:** 269-8907**FROM:** Jim Stratton
Director**SUBJECT:** SB278 fiscal impact

This bill will have no fiscal impact on Parks' existing program receipts. The total paid to the state from commercial operators in summer 1995 will not decrease in summer 1996. Program receipts above the 1995 level resulting from an increased number of visitors this summer would be available for use. A fee increase planned for 1997 will generate the majority of the funds necessary to complete this project. Commercial operators currently bring about 70,000 visitors annually to Totem Bight. Current fee is \$3/person, going up to \$4/person in 1997.

If you need more information about 278, please give me a ring. I have contacted Senator Duncan's office and told them we are very supportive of this bill.

Also, you should have just received a letter from the Sitka Parks Advisory Board (dated March 8) with a laundry list of capital projects. One of those projects, replacing the Halibut Point SRS picnic shelter, is in the Governor's proposed capital budget for \$20.0.

Craig Moore, 2118 Second Avenue, said he is the chair of the Ketchikan Area State Parks Advisory Board. The board was pleased to see their request on the agenda for the Borough to endorse and support the addition of lands to the Totem Bight State Parks. He hopes the Borough will agree this is the best use for this property. They want the request on this year's legislative priority list. They hope it is not too late to do that. This would aid the Division of Parks in obtaining funds to purchase the two tracts of land. He understands KPU will be vacating one of the parcels. They feel this tract will be especially beneficial to the park. This would be a very good use of the land. The plan is to use it for parking and for a totem carving project. It is a good area for viewing the park. The Board urges the Assembly to look favorably on their request and hopefully the Ketchikan Area State Parks Advisory Board can get this on their legislative priority list.

In response to Assemblymember Elkins, Mr. Moore said the Ketchikan Area State Parks Advisory Board looked at the fee structure for the park several years ago. They researched it thoroughly. The fee was raised. He is not sure if the fee will be raised again. Totem Bight raises quite a bit of money for the Division of Parks. It is definitely profitable. He doesn't know what Saxman charges for their tours. The local legislators were involved when the fee was raised. The park is a very popular attraction, not only to the local residents, but the visiting tourists. He just returned from Mexico where he learned that anything with history, archeology, and anthropology is a very important attraction. People all over the world are interested in it. Our native culture is very popular. The park is undergoing a management plan through the Division of parks. That is why they would like to add these parcels to the park. It would make it easier for tourists that want to view that area.

In response to Assemblymember Mitchel, Mr. Moore said they would certainly like to have both Tract M and L. If the Borough decides not to release both parcels, perhaps it would be reconsidered in the future. It is adjacent to the tidelands and has some trail potential.

Assemblymember Yetka said the agenda statement given to the Assembly states the Borough may have a need for Tract L for a location to place waste or recycling containers. She asked Mr. Moore if this was just going to be used for viewing and to protect the tidelands.

Mr. Moore said yes. Those were some of the ideas the advisory board had for that tract. He is not sure what the Management of the Division of Parks has in mind. They do listen to the local Advisory board. The Board wants to keep the view shed along that area. Tract L is steep and narrow.

Mayor Carlton said the community priority list is finished for this year. If the Assembly approves this request, the Assembly could send a letter of support.

~~Don Sallee, 45007 North Tongass, said he is against mandated garbage pickup. He understands it has already passed. He spoke to a lot of people who are not in favor of it. He feels he got bypassed during the process. He did not see a referendum on the ballot or anything. He is just about to the point of circulating petitions to see if he can get this overturned. He is one of the good guys who takes care of his garbage.~~

~~Manager Rody explained how the exemption works and who can be exempted. Reasons for receiving an exemption are (1) if you can't be served, (2) if you are part of an area that gets pickup already like a mobile home court, and (3) if the person does several recycling things such as composting and burning.~~

~~Mr. Sallee said he feels like he was bypassed and did not get a chance to let the Assembly know how he felt about the passage of the new regulations. He doesn't feel this will help with the dumping. He thinks people will probably dump even more in those places, because they will be irate. He feels this should have been voted on by the people.~~

Post-It™ brand fax transmittal memo 7671 # of pages > 2

To	JOE ANBROSE	From	BOROUGH
Co.		Co.	CLERK
Dept.		Phone #	
Fax #	465-3922	Fax #	

Consideration of a request from the Ketchikan Area State Parks Advisory Board to support their request to acquire the small borough-owned tract of land adjacent to Totem Blight State Historic Park

M/S Tipton/Yetka to place the acquisition and/or land swap of Tracts L & M (ASLS 81-39; 0.575 acres), be placed on the Legislative Priority list by means of a letter to the State.

Assemblymember Yetka said Mr. Moore said with the Borough's support by adding Tract L, the State Parks would favor a stipulation for locating recycling bins on that property. The transfer could be contingent upon reaching an agreement for recycling bins on that property. This would give them use of the adjacent land.

Assemblymember Coyne said this would all come up with the purchase. The stipulations would be addressed then.

Assemblymember Mitchel said he is not sure the two concepts are compatible. There would be the state park that is for tourists along side a recycling place.

Assemblymember Yetka said It was just for the bins.

Assemblymember Mitchel said at first he was in favor of the idea. He wondered if there wasn't an area closer to town.

Assemblymember Yetka said a fence could be constructed.

Manager Rody said he wanted to bring this up because it is the only parcel in that area that could be used for that purpose. If you have been out there it is a long ways away. It may be the Assembly may decide later not to use this property for a recycling bin.

Assemblymember Chenhall said we have to remember that Tract M is still being used by KPU and will not be available until the generator is moved.

M/S Mitchel/Chenhall to vote on the tracts separately.

MOTION DECLARED CARRIED BY VOICE VOTE WITH ONE "NO" VOTE.

Mayor Carlton asked for a roll call vote on Tract M.

Upon roll call, the vote on the motion was:

YES: COYNE, ELKINS, YETKA, CHENHALL, MITCHEL, TIPTON

NO: NONE

ABSENT: CONLEY

MOTION DECLARED CARRIED.

Assemblymember Mitchel said Tract L can be decided later. The Assembly is in the middle of the whole solid waste thing. After determining where we are with that and deciding if we need the land or not, we can make the swap later. He feels the core property is Tract M. Tract L may have utility for the Borough.

Mayor Carlton asked for a roll call vote on Tract L.

Upon roll call, the vote on the motion was:

YES: COYNE, ELKINS, YETKA, TIPTON

NO: MITCHEL, CHENHALL

ABSENT: CONLEY

MOTION DECLARED CARRIED.

~~Consideration of an agreement with Tonawanda Carpenters for some means collection and disposal
(as provided by Ordinance No. 983 adopted 12/4/95)~~

~~This was considered earlier in the meeting.~~

~~Consideration of Resolution No. 1258 establishing the amount of the non-areawide disposal fee and
authorizing the mandatory non-areawide monthly residential solid waste collection fees~~

~~There was no action taken.~~

~~Introduction of Ordinance No. 985 providing for alternatives to prepayment of property taxes upon
replat~~

~~This was considered earlier in the meeting.~~

~~Consideration of bid award for dry dock inspection and repairs to the M/V Bob Ellis to Alaska Ship
and Dry Dock for \$250,425~~

~~This was considered earlier in the meeting.~~

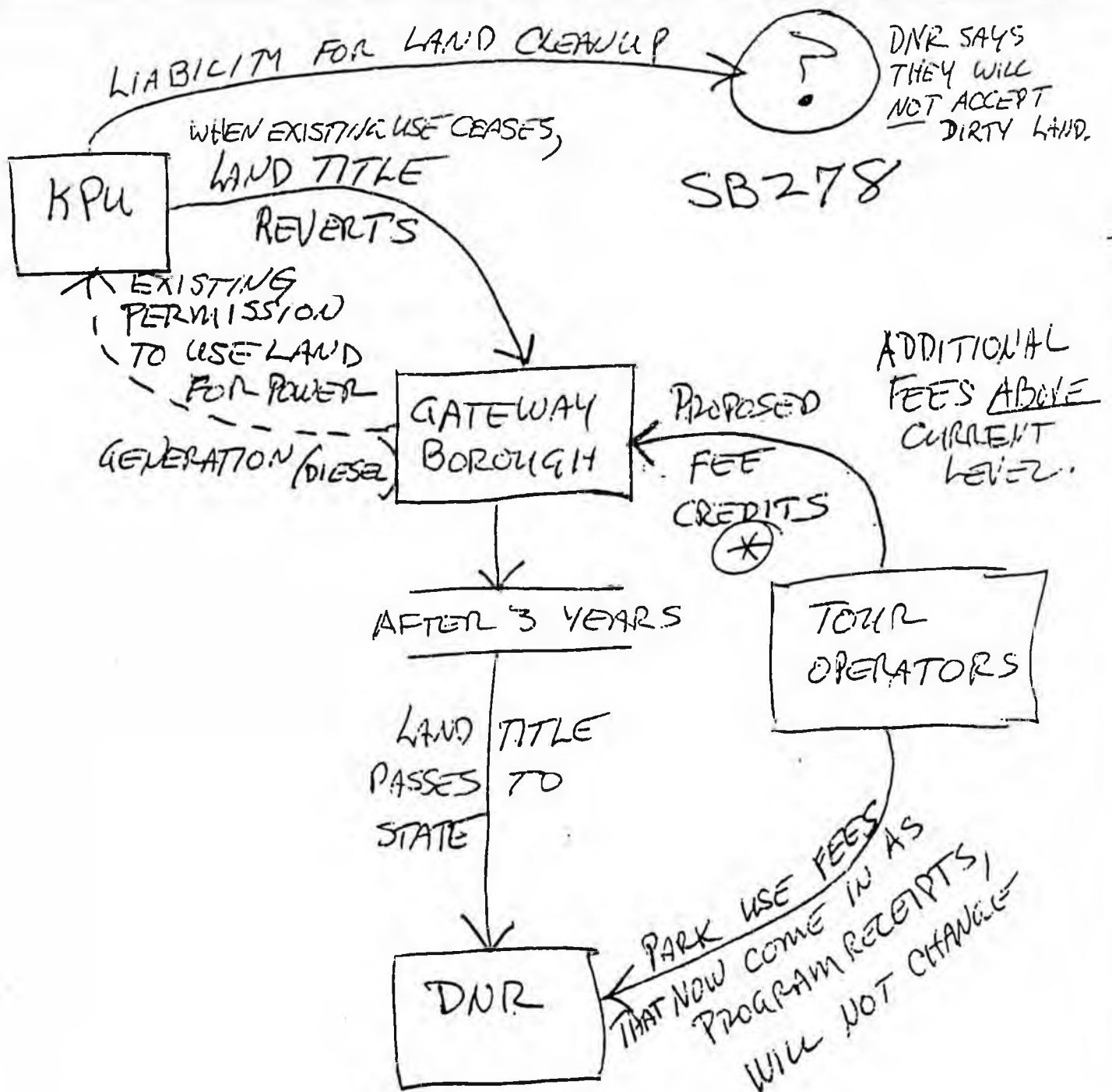
REPORTS OF COMMITTEES, EXECUTIVE, ADMINISTRATORS

Manager's Report

Manager Rody said he wanted to give Assemblymember Coyne an answer for his question on why it takes 30 days to get an answer from the Planning Department. The person understood he was asking about the Carlisle conditional use permit. It would be thirty days before the Planning Commission will meet and then they will be able to give you your answer. The other question was how many day care centers have conditional use permits. Right now they know of none. What the Borough has done, is sent out letters letting the day care providers know they must get conditional use permits.

Manager Rody said he would like to thank Chief John Vein and Chief Ken Holmes and their staffs for continuing efforts to get water down to the Mountain Point Service Area. They worked hard getting the Mountain Point Service Area water during the cold spell.

Manager Rody said Craig Moore spoke earlier. He is negotiating with him to be the Inspector for the Indoor Recreation Center. Because the amount of money is beyond his contracting authority, he will be bringing a contract back to the Assembly for approval at the next meeting. He is going to offer \$45,000 for a year's worth of work and out-of-pocket expenses. The Borough will request he have a bond. He feels Mr. Moore is competent and capable and he looks forward to having him on board. Mr. Rody said he had two people apply for the position.



(X) TOUR OPERATORS MAY OPT TO PAY MORE THAN THE ACTUAL AMOUNT OF FEES OWED

DEPARTMENT WILL REVIEW ZFN FOR REDUCTION IN REVENUE,
 (OR) PER NICE BUS, DNR

FEB 28 1996

ALASKA
STATE SENATE
ROLL CALL



Alaska State Senate
Nineteenth Legislature
Second Session

RCS# 139
Item 7

03-20-96
11:50:33

SB 278
Third Reading - Final Passage

Yeas:	20	Adams, Donley, Duncan, Ellis, Frank, Green, Halford, Hoffman, Kelly, Leman, Lincoln, Miller, Pearce, R. Phillips, Rieger, Salo, Sharp, Taylor, Torgerson, Zharoff
Nays:	0	
Excused:	0	
Absent:	0	

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/9/96

FURTHER: Finance

Date of 5-Day Notice: 2-15-96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-19-96

The Resources Committee considered SB 278

Relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks.

and recommends:

DFW

- 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:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>TREASURY</i>	<i>2/10/96</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SENATE FINANCE COMMITTEE REPORT

has no fiscal

DATE: 2/21/96

DATE TURNED INTO OFFICE: 3/13/96

The Finance Committee considered SB 278

Relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks.

φ

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:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Natural Resources	2/16/96	φ	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SENATE RULES COMMITTEE REPORT

DATE: 3/14/96

DATE TURNED INTO OFFICE: 3/19/96

The Rules Committee considered SENATE BILL NO. 278

Relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks.

and recommends it be placed on the calendar:

replace with _____ CS _____ (RULES)

attaches amendment(s)

adopts _____ Letter of Intent

same title
 new title
 technical title change
 (HB only)

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

MEMBERS SIGNING FOR PLACEMENT ON THE CALENDAR

Pearce
[Signature]
[Signature]
[Signature]
[Signature]

Chair: Signature and Recommendation

[Signature]

OTHER RECOMMENDATIONS:

Calendar ori: 3-20-96

Approved by: [Signature]

HOUSE COMMITTEE REPORT

4/12/96

(9)
Date Referred to Committee: March 21, 1996

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-12-96

The RESOURCES Committee considered:

SB 278

SENATE BILL NO. 278

CREDITS AGAINST FEES AT ST HISTORICAL PKS

"An Act relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks."

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) _____ [] fiscal note(s) _____
[] zero fiscal note(s) _____ [4 ^{Senate} zero fiscal note(s) DNR 2.21.96]

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
_____ Nicholia			X	
_____ DAVIES			+	
_____ GUSTERMAN	✓			
_____ OGAN			✓	
_____ GREEN			✓	
_____ KOTT			✓	
_____ WILLIAMS				
_____ BARNES			✓	
_____ LONG			X	
	(2)		(7)	

CHAIR'S SIGNATURE _____

SB

278

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT OF
SFC 3/13/96

DATE: 2/21/96

DATE TURNED INTO OFFICE: 3/13/96

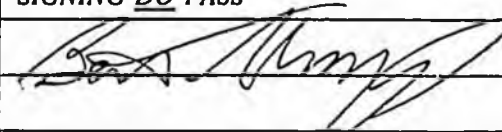
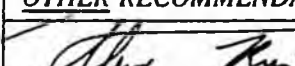
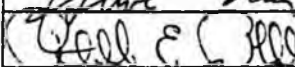
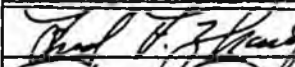
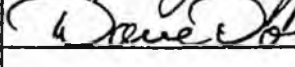
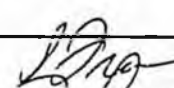
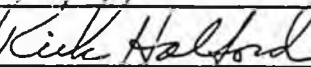
The Finance Committee considered SB 278

Relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks.

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:**
- same title
 - technical change
 - new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
	✓		✓		
			✓		
			✓		
			✓		
Co-Chair: 	✓	Co-Chair:			
Co-Chair: 	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Natural Resources	2/16/96	Ø	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 1

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BI

Bill Version: SB 278

(S) Publish Date: 2-21-96

Revision Date: Original Dept Affected Natural Resources
 Title: An Act relating to the authority of the Dept. of BRU: Parks & Recreation Management
Natural Resources to allow credits against fees at state... Component: Parks Management
 Sponsor: Senator Taylor
 Requestor: Senate Resources Component Serial No. 452

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	

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

Estimate of any current year (FY96) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This bill would allow commercial tour operators to pay a portion of their fees directly to local municipalities for their use of small state historical parks where the commercial use sometimes displaces regular road traffic and local park users. The municipalities could then partner with the state in planning and developing these important tourism attractions, such as Totem Bight State Historical Park in Ketchikan. Often the local municipalities control surrounding streets and neighboring lands, so they are best able to assist these park units that are part of the tourism economy of their areas. The municipalities usually support the department's efforts in developing state historic sites, and the department must first approve a project before any credits could be used to compensate a municipality. All land and improvements acquired under this program would be state property.

Prepared by: Jim Stratton, Director Phone: 907-269-8700
 Division: Parks and Outdoor Recreation Date: 16-Feb-96
 Approved by Commissioner: *Wally Matlock* Date: 16-Feb-96
 Agency: Natural Resources

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

FISCAL NOTE

2/20/96
5(122)
Fin

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB278

Revision Date: Original Dept Affected Natural Resources
 Title: An Act relating to the authority of the Dept. of BRU: Parks & Recreation Management
Natural Resources to allow credits against fees at state... Component: Parks Management
 Sponsor: Senator Taylor
 Requestor: Senate Resources Component Serial No. 452

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

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

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill would allow commercial tour operators to pay a portion of their fees directly to local municipalities for their use of small state historical parks where the commercial use sometimes displaces regular road traffic and local park users. The municipalities could then partner with the state in planning and developing these important tourism attractions, such as Totem Bight State Historical Park in Ketchikan. Often the local municipalities control surrounding streets and neighboring lands, so they are best able to assist these park units that are part of the tourism economy of their areas. The municipalities usually support the department's efforts in developing state historic sites, and the department must first approve a project before any credits could be used to compensate a municipality. All land and improvements acquired under this program would be state property.

Prepared by: Jim Stratton, Director Phone: 907-269-8700
 Division: Parks and Outdoor Recreation Date: 16-Feb-96
 Approved by Commissioner: *[Signature]* Date: 16-Feb-96
 Agency: Natural Resources

518 278

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/9/96

FURTHER: Finance

Date of 5-Day Notice: 2-15-96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-19-96

The Resources Committee considered SB 278

Relating to the authority of the Department of Natural Resources to allow credits against fees at state historical parks.

and recommends:

DFW

- 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:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
CHAIR: <i>[Signature]</i>		CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>TRW/MECS</i>	<i>2/16/96</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FEB 22 1996

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-Chair
Senate Finance Committee

FROM: Senator Robin L. Taylor *R.L.T.*

DATE: 2/22/96

REF: SB 278

This is to request that you consider waiving SB 278 from the Finance Committee.

SB 278 carries a zero fiscal note and received unanimous do-pass recommendations from the Resources Committee

The authority granted DNR under this bill would only be used in one instance and will sunset in the year 2000.

Thank you for your consideration of this request.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

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Senator Robin L. Taylor

Sponsor Statement

Senate Bill 278

Senate Bill 278 was introduced to address concerns raised by the Ketchikan Area State Parks Advisory Board and the Ketchikan Gateway Borough Assembly.

SB 278 would provide a mechanism by which the Division of Parks and Outdoor Recreation could acquire two small parcels of land adjacent to Totem Bight State Historical Park.

The parcels are currently held by Ketchikan Public Utilities as the site of a diesel generation plant. KPU plans to vacate the property, which would then revert to the Ketchikan Gateway Borough.

SB 278 would allow DNR to offer credits against fees paid by commercial tour operators for payments made to a municipality for projects that will mitigate or alleviate access, congestion and parking problems at historical parks. The Division of Parks and Outdoor Recreation has indicated that use of this provision at any state historical park other than Totem Bight is unlikely. In any event, the authority would sunset on December 31, 2000. The three year window is needed to avoid drawing too quickly against the fees.

Sponsor Statement - SB 278

Page Two

Totem Bight, a 12.5 acre state park located north of the City of Ketchikan, had an estimated 160,000 visitors in 1995, about half of them arriving on commercial tours. In 1977 it was estimated that the park could handle between 636 and 744 people at one time. Actual use now exceeds 925 people in the park at once.

The park only has seven parking spaces for busses and often there are up to 21 busses parked in the lot, on road shoulders and at a nearby gift shop. Park staff is now advising independent travelers and local park users to pay attention to the cruise ship schedule and avoid the park when the ships are in town.

To mitigate this overcrowding and congestion, DNR is proposing that the tour operators pay for acquisition of the borough-owned parcels to provide additional parking space and additional attractions such as trails and a carving demonstration area.

The Department of Transportation and Public Facilities has indicated an interest in developing a transportation enhancement project along the road at Totem Bight if the land becomes available.

Totem Bight is a valuable asset. The state has invested more than a million dollars in capital improvements to the facility over the past ten years. By acquiring these two parcels we can spread out the use area, enhance the park and mitigate the problems.

Craig Moore, 2118 Second Avenue, said he is the chair of the Ketchikan Area State Parks Advisory Board. The board was pleased to see their request on the agenda for the Borough to endorse and support the addition of lands to the Totem Bight State Parks. He hopes the Borough will agree this is the best use for this property. They want the request on this year's legislative priority list. They hope it is not too late to do that. This would aid the Division of Parks in obtaining funds to purchase the two tracts of land. He understands KPU will be vacating one of the parcels. They feel this tract will be especially beneficial to the park. This would be a very good use of the land. The plan is to use it for parking and for a totem carving project. It is a good area for viewing the park. The Board urges the Assembly to look favorably on their request and hopefully the Ketchikan Area State Parks Advisory Board can get this on their legislative priority list.

In response to Assemblymember Elkins, Mr. Moore said the Ketchikan Area State Parks Advisory Board looked at the fee structure for the park several years ago. They researched it thoroughly. The fee was raised. He is not sure if the fee will be raised again. Totem Bight raises quite a bit of money for the Division of Parks. It is definitely profitable. He doesn't know what Saxman charges for their tours. The local legislators were involved when the fee was raised. The park is a very popular attraction, not only to the local residents, but the visiting tourists. He just returned from Mexico where he learned that anything with history, archeology, and anthropology is a very important attraction. People all over the world are interested in it. Our native culture is very popular. The park is undergoing a management plan through the Division of parks. That is why they would like to add these parcels to the park. It would make it easier for tourists that want to view that area.

In response to Assemblymember Mitchel, Mr. Moore said they would certainly like to have both Tract M and L. If the Borough decides not to release both parcels, perhaps it would be reconsidered in the future. It is adjacent to the tidelands and has some trail potential.

Assemblymember Yetka said the agenda statement given to the Assembly states the Borough may have a need for Tract L for a location to place waste or recycling containers. She asked Mr. Moore if this was just going to be used for viewing and to protect the tidelands.

Mr. Moore said yes. Those were some of the ideas the advisory board had for that tract. He is not sure what the Management of the Division of Parks has in mind. They do listen to the local Advisory board. The Board wants to keep the view shed along that area. Tract L is steep and narrow.

Mayor Carlton said the community priority list is finished for this year. If the Assembly approves this request, the Assembly could send a letter of support.

~~Ray Sallee, 1505 North Tongue, said he is against mandated garbage pickup. He understands it has already passed. He spoke to a lot of people who are not in favor of it. He feels he got bypassed during the process. He did not see a referendum on the ballot or anything. He is just about to the point of circulating petitions to see if he can get this overturned. He is one of the good guys who takes care of his garbage.~~

~~Manager Rody explained how the exemption works and who can be exempted. Reasons for receiving an exemption are (1) if you can't be served, (2) if you are part of an area that gets pickup already like a mobile home court, and (3) if the person does several recycling things such as composting and burning.~~

~~Mr. Sallee said he feels like he was bypassed and did not get a chance to let the Assembly know how he felt about the passage of the new regulations. He doesn't feel this will help with the dumping. He thinks people will probably dump even more in those places, because they will be irate. He feels this should have been voted on by the people.~~

Post-It™ brand fax transmittal memo 7671 # of pages > 2

To	JOE ANBROSE	From	BOROUGH
Co.		Co.	CLERK
Dept.		Phone #	
Fax #	465-3922	Fax #	

Consideration of a request from the Ketchikan Area State Parks Advisory Board to support their request to acquire the small borough-owned tract of land adjacent to Totem Blight State Historic Park

M/S Tipton/Yetka to place the acquisition and/or land swap of Tracts L & M (ASLS 81-39; 0.575 acres), be placed on the Legislative Priority list by means of a letter to the State.

Assemblymember Yetka said Mr. Moore said with the Borough's support by adding Tract L, the State Parks would favor a stipulation for locating recycling bins on that property. The transfer could be contingent upon reaching an agreement for recycling bins on that property. This would give them use of the adjacent land.

Assemblymember Coyne said this would all come up with the purchase. The stipulations would be addressed then.

Assemblymember Mitchel said he is not sure the two concepts are compatible. There would be the state park that is for tourists along side a recycling place.

Assemblymember Yetka said it was just for the bins.

Assemblymember Mitchel said at first he was in favor of the idea. He wondered if there wasn't an area closer to town.

Assemblymember Yetka said a fence could be constructed.

Manager Rody said he wanted to bring this up because it is the only parcel in that area that could be used for that purpose. If you have been out there it is a long ways away. It may be the Assembly may decide later not to use this property for a recycling bin.

Assemblymember Chenhall said we have to remember that Tract M is still being used by KPU and will not be available until the generator is moved.

M/S Mitchel/Chenhall to vote on the tracts separately.

MOTION DECLARED CARRIED BY VOICE VOTE WITH ONE "NO" VOTE.

Mayor Carlton asked for a roll call vote on Tract M.

Upon roll call, the vote on the motion was:

YES: COYNE, ELKINS, YETKA, CHENHALL, MITCHEL, TIPTON

NO: NONE

ABSENT: CONLEY

MOTION DECLARED CARRIED.

Assemblymember Mitchel said Tract L can be decided later. The Assembly is in the middle of the whole solid waste thing. After determining where we are with that and deciding if we need the land or not, we can make the swap later. He feels the core property is Tract M. Tract L may have utility for the Borough.

Mayor Carlton asked for a roll call vote on Tract L.

Upon roll call, the vote on the motion was:

YES: COYNE, ELKINS, YETKA, TIPTON

NO: MITCHEL, CHENHALL

ABSENT: CONLEY

MOTION DECLARED CARRIED.

~~Consideration of an agreement with Tomago Sanitation, Inc. for solid waste collection and disposal (as provided by Ordinance No. 983 adopted 12/4/95)~~

~~This was considered earlier in the meeting.~~

~~Consideration of Resolution No. 1258 establishing the amount of the non-areawide disposal fee and authorizing the mandatory non-areawide monthly residential solid waste collection fees~~

~~There was no action taken.~~

~~Introduction of Ordinance No. 585 providing for alternatives to prepayment of property taxes upon replat~~

~~This was considered earlier in the meeting.~~

~~Consideration of bid award for dry dock inspection and repairs to the M/V Bob Ellis to Alaska Ship and Dry Dock for \$250,425.~~

~~This was considered earlier in the meeting.~~

REPORTS OF COMMITTEES, EXECUTIVE, ADMINISTRATORS

Manager's Report

Manager Rody said he wanted to give Assemblymember Coyne an answer for his question on why it takes 30 days to get an answer from the Planning Department. The person understood he was asking about the Carlisle conditional use permit. It would be thirty days before the Planning Commission will meet and then they will be able to give you your answer. The other question was how many day care centers have conditional use permits. Right now they know of none. What the Borough has done, is sent out letters letting the day care providers know they must get conditional use permits.

Manager Rody said he would like to thank Chief John Vein and Chief Ken Holmes and their staffs for continuing efforts to get water down to the Mountain Point Service Area. They worked hard getting the Mountain Point Service Area water during the cold spell.

Manager Rody said Craig Moore spoke earlier. He is negotiating with him to be the inspector for the Indoor Recreation Center. Because the amount of money is beyond his contracting authority, he will be bringing a contract back to the Assembly for approval at the next meeting. He is going to offer \$45,000 for a year's worth of work and out-of-pocket expenses. The Borough will request he have a bond. He feels Mr. Moore is competent and capable and he looks forward to having him on board. Mr. Rody said he had two people apply for the position.

SB

279

SFIN

FILE

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/9/96

FURTHER: Finance

Date of 5-Day Notice: 3-14-96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-20-96

The Judiciary Committee considered SB 279

Relating to salmon classics and race classics.

Handwritten initials: JFW

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:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>St. Illus</i>	X		
		<i>Linda Green</i>	X		
		<i>White Killee</i>	X		
		<i>Al Cedar</i>	X		
CHAIR: <i>John L. Taylor</i>	<input checked="" type="checkbox"/>	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>Revenue</i>	<i>3/13</i>	<i>0</i>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Revision Date: March 13, 1996 Dept. Affected: Revenue
 Title: Charitable Gaming Salmon and Race Classic BRU: Revenue Operations
 Component: Charitable Gaming Division
 Sponsor: Senator Torgerson
 Requestor: (S) JUD COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Department of Revenue, Charitable Gaming Division does not anticipate any changes in program receipts in respect to this bill.

Prepared by: Dennis R. Poshard, Director *Dennis R. Poshard* Phone: 465-2279
 Division: Charitable Gaming Division Date: 3/13/96
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: 3/13
 Agency: Department of Revenue

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SB 279

STATE OF ALASKA
1996 LEGISLATIVE SESSION

FISCAL NOTE

Bill Version: SB 279

(S) Publish Date: 3-22-96

Revision Date: March 13, 1996 Dept. Affected: Revenue
 Title: Charitable Gaming Salmon and Race Classic BRU: Revenue Operations
 Component: Charitable Gaming Division
 Sponsor: Senator Torgerson
 Requestor: (S) JUD COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Department of Revenue, Charitable Gaming Division does not anticipate any changes in program receipts in respect to this bill.

Prepared by: Dennis R. Poshard, Director *Dennis R. Poshard* Phone: 465-2277
 Division: Charitable Gaming Division Date: 3/13/96
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: 3/13
 Agency: Department of Revenue

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SB

280

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

Reported out 4/4/96

DATE: 3/27/96

DATE TURNED INTO OFFICE: 4/9/96

The Finance Committee considered SB 280

Relating to the mandatory incorporation of certain boroughs in the unorganized borough.

and recommends:

- be replaced with _____ CS SB 280 (Fin)
- 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:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Linn</i>	✓	<i>Frank B. Gifford</i>		✓	
<i>Paul E. Steele</i>	✓				
<i>Wanda Dwyer</i>	✓				
Co-Chair: <i>Greg</i>	✓	Co-Chair:			
Co-Chair: <i>Rich Halford</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>Previous notes</i>			
<i>1 through 10</i>			

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

03/05/96

15:52:51.3

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT
DEPARTMENT OF LAW

PAGE: 11

COMPONENT #: 9701010101 NAME: GENERAL LEGAL SERVICES (GF)

SCENARIO: 1
BRU NAME: CIVIL DIVISION

PCN	UNAUTII PCN	JOB CLASS TITLE	T S	LOCATION NAME	R D S C U	R&S MOS BUDG	SALARY	PREM PAY	BENEF	PER.SERV. COSTS	G. F. AMOUNT
-----	-------------	-----------------	-----	---------------	-----------	--------------	--------	----------	-------	-----------------	--------------

#040		ATTORNEY IV	F	JUNEAU	A XE AA 24A	12	61923	0	20100	82023.52	
------	--	-------------	---	--------	-------------	----	-------	---	-------	----------	--

*** JUSTIFICATION:

This attorney position will be needed to defend SB280 which mandate the incorporation of unorganized borough into 18 new second class boroughs and the expansion of 5 existing boroughs. Challenges will probably be based both on the merits of the constitutionality of the mandate and on the actual boundaries and other fact-based situations involved in the establishment of individual boroughs. Because of the importance of these issues, journey-level Attorney IV services will be required. Non-personal services include \$500 in travel and \$30,000 for depositions and experts. The remainder of the non-personal services is in accordance with the civil division's approved cost allocation/billing plan. Additionally, \$33.2 in personal services costs over and above the amount shown in this report is included in the fiscal note to pay clerical pool support costs.

TRAVEL COSTS	7800.00	
CONTRACTUAL COSTS	43700.00	
SUPPLIES COSTS	3300.00	
EQUIPMENT COSTS	7500.00	
OTHER COSTS	0.00	
TOTAL COSTS	144323.52	82023.52

*** FUNDING DETAIL:

1004 GENERAL FUND RECEIPTS	82023.52
TOTAL FUNDING	82023.52

*** COMPONENT TOTALS:

FULL TIME NEW POSITIONS	1	TOTAL PERSONAL SERVICES	82023.52
PART TIME/SEASONAL NEW POSITIONS	0		
NON PERMANENT NEW POSITIONS	0	TOTAL COSTS INC. ASSOC COSTS	144323.52
OTHER.....	0		

NUMBER OF NEW POSITIONS IN COMPONENT: 1

FUNDING DATA: G.F. & G.F. MATCH:	82023.52
OTHER FUNDS:	0.00
TOTAL FUNDING:	82023.52

322

	A	B	C	D	E	F	G
1	CSSB280 Fiscal Note						
2							
3							
4							
5	Incorporation						
6	Date	FY98	FY99	FY00	FY01	FY02	
7							
8	7/1/98	C & RA	C & RA	ED	2,530.70	(2,460.60)	
9						(4,991.30)	2 mill Eq.
10							
11							
12	7/1/99	N/A	C & RA	C & RA	ED	2,501.80	
13							
14				Total	2,530.70	41.20	
15							
16	KEY						
17	C & RA = AS 29.05.130, Integration of special districts and service areas - within two years after date of incorporation.						
18	ED = AS 14.17.025, Local Contributions - four year phase-in of required local effort, after borough operates schools.						
19	First year is zero, second year equivalent of 2 mills, third year equivalent of 3 mills and fourth year equivalent of 4 mills.						
20							
21							
22							
23							
24							4 Mill Equivalent
25	Existing FY1994 Full Values utilized in foundation formula excluding North Slope, Unalaska and Valdez				\$27,658,929,310	\$110,635,717	
26	Proposed FY1994 Full Values utilized in foundation formula excluding North Slope, Aleutians West and Prince William Sound				\$30,694,380,530	\$122,777,522	
27					Increases in required local effort by the year 2007	\$12,141,80.	
28							

To: Eddy Jeans, Department of Education (by fax: 463-5279) (telephone 465-8685)

From: Dan Bockhorst (fax: 269-4539) (telephone 269-4559)

Date: March 5, 1996

Subject: CSSB 280 (C&RA)

For purposes of preparing its fiscal note for the subject legislation, DCRA will assume that incorporation of new boroughs and annexation to existing boroughs and unified municipalities will take effect according to the following schedule:

July 1, 1998

1. Incorporation of Prince William Sound Borough (Chugach REAA, Cordova and Valdez)
2. Incorporation of Copper River Basin Borough (Copper River REAA)
3. Incorporation of Upper Tanana Basin Borough (Alaska Gateway and Delta Greely REAs)

July 1, 1999

1. Incorporation of Yukon Koyukuk Borough (Yukon Koyukuk REAA, Galena; excludes Nenana)
2. Annexation of Nenana to the Denali Borough
3. Incorporation of Yukon Flats Borough (Yukon Flats REAA, excluding Livengood, Central and Circle Hot Springs)
4. Annexation of Livengood, Central and Circle Hot Springs to the Fairbanks North Star Borough
5. Incorporation of Aleutians-West Borough (Aleutian Region REAA, Unalaska) [note: this would combine two model borough regions into one which appears warranted due to closure of Adak Naval Air Station]
6. Incorporation of Wrangell/Petersburg Borough (Wrangell, Petersburg, Kupreanof) [note: it is possible, indeed likely that DCRA would recommend that Wrangell and Petersburg be allowed to form separate boroughs]

July 1, 2000

1. Incorporation of Lower Kuskokwim Borough (Lower Kuskokwim REAA, Yupiit REAA)
2. Incorporation of Bering Straits Borough (Bering Straits REAA, Nome)
3. Incorporation of Southwest Region Borough (Southwest Region REAA, Dillingham)
4. Incorporation of Prince of Wales Island Borough (portion of Southeast Islands REAA - all of Prince of Wales Island, including Hydaburg, Craig and Klawock, the southern end of Baranof Island including Port Alexander and the southern end of Kuiu Island)
5. Annexation of Hyder and Meyers Chuck to the Ketchikan Gateway Borough

4075

Page 2

6. Incorporation of Lower Yukon Borough (Lower Yukon REAA, Kashunamiut REAA, St. Mary's)

July 1, 2001

1. Incorporation of Pribilof Islands Borough (Pribilof Islands REAA)
2. Incorporation of Glacier Bay Borough (portion of Chatham REAA encompassing Gustavus, Elfin Cove, Freshwater Bay, Game Creek, Whitestone Logging Camp and Tenakee Springs; Hoonah, Pelican)
3. Incorporation of Chatham Borough (Rowan Bay, Cube Cove, Kake, Angoon)
4. Annexation of Skagway and Klukwan to the Haines Borough [note: DCRA may support formation of a separate borough for Skagway]
5. Annexation of Hobart Bay to the City and Borough of Juneau
6. Incorporation of Kuspuk Borough (Kuspuk REAA)
7. Incorporation of Iditarod Borough (Iditarod REAA)
8. Incorporation of Annette Islands Borough (Annette Islands REAA)

575

A F A X

Alaska State Legislature

Date: 4-4-90

To: Peggy - Legal Services

Fax #: 2029 Phone #: 2450

From: Kathy - Senate Finance

Phone #: 2618

Re: Draft CSSB 280 (Fin). Please

Incorporate the attached three
amendments within CSSB 280 (CRM)
to produce the requested draft and

Following this page, please find 4 pages(s). If this does not reach you in full, please inform us ASAP.

return to Room 520.



THANK YOU

Kathy

Amend #1

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 280(CRA)

BY SENATOR TORGERSON

- 1 Page 1, line 1:
- 2 Delete "mandatory"

- 3 Page 1, line 2, following "borough":
- 4 Insert "; relating to the formation of separate unorganized boroughs; and relating
- 5 to property taxation in the unorganized boroughs"

- 6 Page 1, line 13:
- 7 Delete "including"
- 8 Insert "providing a mechanism under which"

- 9 Page 1, line 14, following "unorganized borough":
- 10 Insert "may be included"

- 11 Page 3, line 4:
- 12 Delete "ELECTION OF INITIAL OFFICIALS"
- 13 Insert "INCORPORATION ELECTION"

- 14 Page 3, line 6:
- 15 Delete "proposed borough for initial borough"
- 16 Insert "region of the proposed borough to determine whether the voters desire
- 17 incorporation and, if so, to elect the"

- 18 Page 3, line 7, following "under":
- 19 Delete "AS 29.05.120"

1 Insert "AS 29.05.110 and 29.05.120"

2 Page 3, line 15:

3 Delete "A"

4 Insert "If a majority of the voters voting on the question approve incorporation, a"

5 Page 3, after line 18:

6 Insert new bill sections to read:

7 ** Sec. 5. FORMATION OF SEPARATE UNORGANIZED BOROUGH. If a majority
 8 of the voters voting on the question disapprove incorporation under sec. 3 of this Act,
 9 notwithstanding other provisions of law, the region becomes a separate unorganized borough
 10 on the first Monday following certification of the election. Beginning on January 1 of the
 11 year following certification of the election, an annual tax of ^{four} ~~six~~ mills, ^{Insert #1} is levied each year on
 12 the full and true value of taxable property in that unorganized borough. ^{Insert #2} The provisions of
 13 AS 29.45.010 - 29.45.500 apply to taxes levied under this section. The state assessor shall
 14 assess the property, collect the taxes levied under this section and deposit them in the general
 15 fund, and perform the mandatory duties of a municipality, a board of equalization, or a
 16 municipal official under AS 29.45.010 - 29.45.500, except that the state assessor may not act
 17 through the adoption of an ordinance or grant exemptions from taxation not required under
 18 AS 29.45.010 - 29.45.500.

19 * Sec. 6. By January 1, 2001, the revisor of statutes shall prepare draft legislation to
 20 conform the statutes to sec. 5 of this Act and submit the draft to the senate and the house of
 21 representatives."

Insert #1:

plus cost of collection, or equivalency,

Insert #2:

*for the purpose of appropriation
 by the legislature for funding
 REAA schools.*

SFC- 4/4/96
SR
Moved
Adopted

Revised AMENDMENT # 2

OFFERED IN THE SENATE
TO: CSSB 280(CRA)

BY SENATOR RIEGER

Page 3, after line 18:

Insert new bill section to read:

"*Sec. 5. AS 29.05.011(5) and AS 29 05.021 are repealed."