

ALASKA LEGISLATURE

1791

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

SB

114

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/1/97

FURTHER:

REPORTED BY: SFC MAY 8 1997

DATE TURNED

IN TO OFFICE: 5-8-97

Finance Committee considered

SENATE BILL NO. 114

"An Act relating to contributions from employee compensation for political purposes; and prohibiting certain kinds of discrimination against employees for political purposes."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS SB 114 (JUD)

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
		<i>Red E. Ball</i>	✓		
		<i>Paul Starnell</i>	✓		
		<i>John Ingram</i>	✓		
Co-Chair:		Co-Chair:			
Co-Chair:		Co-Chair: <i>Red E. Ball</i>	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
5 LAW	4/4		15.0
4 LABOR	3/17	✓	
3 ADMIN - FIN	3/18		✓
1 ADMIN - APOC	3/19		34.5

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Verson: SB 114
(S) Publish Date: 4-1-97

Revision Date: _____ Department Affected: Administration
Title: "An Act relating to contributions from employees."
Sponsor: (S) Judiciary Committee Component: Alaska Public Offices Commission
Requestor: (S) JUD COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	.5	.5		.5	0	.5
CONTRACTUAL	33.6	60.9	47.1	60.9	42.1	60.9
SUPPLIES	.4	.3	.3	.3	.3	.3
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	34.5	61.7	47.4	61.7	42.4	61.7

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

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	34.5	61.7	47.4	61.7	42.4	61.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	34.5	61.7	47.4	61.7	42.4	61.7

Estimate of any current year (FY 97) cost: \$ 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.)
SEE ATTACHED

Prepared by: Karen Boorman Phone: 276-4176
Division: Alaska Public Offices Commission Date: _____
Approved by Commissioner: Mark Boyer *Mark Boyer* Date: 3/19/97
Agency: Department of Administration

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STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB114

ANALYSIS: (continued)

SB 114 requires employers to obtain written authorization from employees annually before they may withhold wages for political contributions. Employers must keep authorization forms and documents reflecting dates and amounts of contributions on file for three years. In addition, the bill prohibits giving in the name of another and discrimination against an officer or employee for failure to contribute or otherwise support or oppose a political candidate, group or issue.

The Commission estimates that this bill will result in three additional complaints each election year; two additional complaints in non-election years. Because of the complex nature of the evidence required to establish "giving in the name of another" or employment discrimination and because the new campaign finance law requires that complaints be resolved in 180 days, the Commission would need to secure additional investigative support on a contractual basis. In the complaints described, the Commission also estimates that allegations would require that the Commission retain a hearing officer to hold an administrative hearing to resolve factual disputes.

The Commission has not had to deal with employment discrimination in the past. If authority over discrimination complaints was assigned to a more appropriate regulatory agency with expertise in employment discrimination, the associated cost of complaint resolution would be reduced.

In summary, the fiscal note reflects contractual funds to handle additional complaints--including additional investigative support; retention of a hearing officer; deposition costs; and other investigative costs. Additional costs associated with complaint resolution include supply costs for paper, folders and file cabinets. Remaining contractual, supply and travel costs reflect development and distribution of forms; promulgation of regulations in the first year; and education of employers with payroll deduction plans. Specific costs include paper, internal copying costs, advertising notice, and postage charges. Educational efforts would be accomplished through mailings and trainings in Anchorage and Fairbanks. Travel to Fairbanks would occur in the first year of implementation of the bill, then each succeeding election year.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 2
Bill Verson: SR 114
(S) Publish Date: 4-1-97

Revision Date: _____ Dept. Affected: Department of Law
Title: "An Act relating to contributions from BRU: Civil Division
employee compensation for political purposes; . . . Component: General Legal Services
Sponsor: Senate Judiciary Committee
Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTS	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STF						
GRANTS, CL						
MISCELLANE						
TOTAL OPEX	15.0	12.0	7.5	12.0	7.5	12.0
CAPITAL EX						

*Same as
FN #5
Not Adopted*

CHANGE IN REVENUES ()

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

SB 114 prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving a emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. SB 114 further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: Joan M. Kasson *Joan M. Kasson* Phone: 465-5370
Division: Administrative Services Division Date: 3/18/97
Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/18/97
Agency: Department of Law

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ANALYSIS CONTINUATION:

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY 98 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 97 standard attorney cost schedule (\$27/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

FISCAL NOTE

REPORTED OUT OF
MAY 8 1997

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 3
Bill Verson: SB 114
(S) Publish Date: 4-1-97

Revision Date: _____
Title: An Act relating to contributions from employee compensation for political purposes . . .
Sponsor: Senate Judiciary
Requestor: Senate Judiciary

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	F / 03
PERSONAL SERVICES	0.0	7.0	7.0	7.0	7.0	7.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	7.0	7.0	7.0	7.0	7.0

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						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	7.0	7.0	7.0	7.0	7.0

Estimate of current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Since some portion of all union dues deducted from employees in the state's 12 bargaining agreements covering 10,500 employees may be used for political purposes, union dues authorizations would have to be renewed in writing annually. This will generate a tremendous amount of paper and bureaucratic processing. To handle this extra work will require approximately 175 hours of a personnel assistant, and 200 hours of an administrative clerk annually for online data entry and filing.

Prepared by: Don Wanie
Division: Finance

Phone: 465-3435
Date: _____

Approved by Commissioner: Mark Bover
Agency: Department of Administration

Alison M. Elger
Date: 3/18/97

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REPORTED OUT OF
MAY 8 1997

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. No. 4
 Bill Verson: SB 114
 (S) Publish Date: 4-1-97
 Department Affected: Labor
 BRU: Office of the Commissioner
 Component: Alaska Labor Relations Agency
 COMPONENT SERIAL NO. 1200

Revision Date: _____
 Title: Employees: Political contrih & activitie
 Sponsor: Senate Judiciary
 Requestor: Senate Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 (FY97) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 AS 23.40.220 addresses a public employee's written authorization for deductions for dues, fees, and other employee benefits. Section 2 of SB 114 would amend AS 23.40.220 as follows: "If all or part of a deduction under this section will be used to make a political contribution, the written authorization must comply with AS 15.13.160." It is not anticipated that the proposed amendment to AS 23.40.220 would have a fiscal impact on the operation of the Alaska Labor Relations Agency (ALRA). Since July 1, 1990, approximately eight unfair labor practice charges relating to dues deductions have been filed with ALRA, one of which concerned use of dues for political contribution purposes. Though the proposed amendment to AS 23.40.220 could increase the number of unfair labor practice charges filed, a significant increase is not anticipated. Additional staff would not be needed.

Prepared by: Jan Hart DeYoung, Hearing Examiner Phone: 269-4896
 Division: Alaska Labor Relations Agency Date: 3/17/97

Approved by Commissioner: Tom Casher, Commissioner
 Agency: Department of Labor Date: 3/17/97

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FISCAL NOTE

No. 5
Bill Version: CSSB 114 (JUD)
(S) Publish Date: 4-9-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Department of Law
Title: "An Act relating to contributions from
employee compensation for political purposes; . . . BRU: Civil Division
Sponsor: Senate Judiciary Committee Component: General Legal Services
Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTUAL	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	12.0	7.5	12.0	7.5	12.0

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	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

CSSB 114 (JUD) prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving a emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. CSSB 114 (JUD) further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: Joan M. Kasson *Joan M. Kasson* Phone: 465-5370
Division: Administrative Services Division Date: 4/4/97
Approved by Commissioner: Bruce M. Botelho, Attorney General *Bruce Botelho* Date: 4/4/97
Agency: Department of Law

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SENATE FINANCE

COMMITTEE 0-LS0614A.2

Amendment Number: 1 Cramer

Bill Number: SB 114 5/7/97

Sponsor: Phillips Date: 5/8/97

Logged In By: J. Boltune

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 114(JUD)

BY SENATOR Phillips

- 1 Page 2, line 11:
2 Delete "on a form prescribed by the commission"
- 3 Page 2, lines 13 - 14:
4 Delete "The written request is valid for no more than one calendar year from the date
5 of signing by the employee."
- 6 Page 2, line 29, following "AS 15.13.160.":
7 Insert "A labor organization shall provide each employee whose dues or fees are
8 contributed to a political action committee an opportunity to request that that portion
9 of the dues or fees that are intended to be used as a political contribution be refunded.
10 The request is valid until revoked. The labor organization shall refund the amount
11 intended to be used as a political contribution to the employee no later than 30 days
12 after the labor organization receives the payroll deduction from the employer."

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

FISCAL NOTE

No. 5
Bill Version: CSSB 114 (JUD)
(S) Publish Date: 4-9-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Department of Law
Title: "An Act relating to contributions from BRU: Civil Division
employee compensation for political purposes; . . . Component: General Legal Services
Sponsor: Senate Judiciary Committee
Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTUAL	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	12.0	7.5	12.0	7.5	12.0

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

CSSB 114 (JUD) prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving an emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. CSSB 114 (JUD) further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: Joan M. Kasson *Joan M. Kasson* Phone: 465-5370
Division: Administrative Services Division Date: 4/4/97
Approved by Commissioner: Bruce M. Botelho, Attorney General *Bruce Botelho for* Date: 4/4/97
Agency: Department of Law

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ANALYSIS CONTINUATION:

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY 98 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 97 standard attorney cost schedule (\$87/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 114(JUD)

BY SENATOR *Phillips*

1 Page 2, line 11:

2 Delete "on a form prescribed by the commission"

3 Page 2, lines 13 - 14:

4 Delete "The written request is valid for no more than one calendar year from the date
5 of signing by the employee."

6 Page 2, line 29, following "AS 15.13.160.":

7 Insert "A labor organization shall provide each employee whose dues or fees are
8 contributed to a political action committee an opportunity to request that that portion
9 of the dues or fees that are intended to be used as a political contribution be refunded.
10 The request is valid until revoked. The labor organization shall refund the amount
11 intended to be used as a political contribution to the employee no later than 30 days
12 after the labor organization receives the payroll deduction from the employer."

SB

117

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill No. 1
 Bill Version: SB 117
 (S) Publish Date: 4/18/97

Revision Date: _____ Dept. Affected: Education
 Title: "An Act relating to an infant care curriculum
in the public school system." BRU: Teaching & Learning Support
 Component: Quality Schools
 Sponsor: Senator Donley
 Requester: Senate HESS COMPONENT SERIAL NO. 2147

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUNDING: (Thousands of Dollars)

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

Estimate of current year (FY97) cost: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Any costs would be absorbed at the school district level.

Prepared by: Nancy Buell
 Division: Teaching & Learning Support, Director
 Approved by Commissioner: Shirley J. Holloway, Ph.D.
 Agency: Department of Education

Phone: 465-8689
 Date: 4/9/97
 Date: 4/9/97

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From The
**SENATE
FINANCE COMMITTEE**

4/30/97

per senate secretary's office
bill file waived from
senate Finance and returned
to her office per telcon
from Vicki at 5:29 pm.

Jerry

hand delivered s/p at 7:30 a.m.
to Vicki.

RECONSIDERATION OF HOUSE BILLS

HB 20

Senator Adams requested that the reconsideration on CS FOR HOUSE BILL NO. 20(FIN) "An Act relating to dog mushers' contests" be taken up at this time.

CS FOR HOUSE BILL NO. 20(FIN) was before the Senate on reconsideration.

The question to be reconsidered: "Shall CS FOR HOUSE BILL NO. 20(FIN) "An Act relating to dog mushers' contests" pass the Senate?" The roll was taken with the following result:

CSHB 20(FIN)

Third Reading - On Reconsideration

YEAS: 14 NAYS: 5 EXCUSED: 1 ABSENT: 0

Yeas: Adams, Donley, Duncan, Ellis, Green, Hoffman, Lincoln, Mackie, Miller, Sharp, Taylor, Torgerson, Ward, Wilken

Nays: Halford, Leman, Parnell, Pearce, Phillips

Excused: Kelly

and so, CS FOR HOUSE BILL NO. 20(FIN) passed the Senate on reconsideration, was signed by the President and Secretary and returned to the House.

UNFINISHED BUSINESS

SB 117

Senator Sharp, Cochair, moved and asked unanimous consent that the Finance Committee referral be waived on SENATE BILL NO. 117 "An Act relating to an infant-care curriculum in the public school system." Without objection, the bill was referred to the Rules Committee.

BILL: SB 117 SHORT TITLE: INFANT CARE CURRICULUM IN PUBLIC SCHOOLS
BILL VERSION:
SPONSOR(S): SENATOR(S) DONLEY

CURRENT STATUS: (S) FIN STATUS DATE: 04/18/97

HEARING: (S) HES APR 18 09:00 AM BUTROVICH ROOM 205 TELECONFERENCE

TITLE: "An Act relating to an infant care curriculum in the public school system."

03/05/97	574	(S)	READ THE FIRST TIME - REFERRAL(S)
03/05/97	574	(S)	HES, FIN
04/18/97		(S)	HES RPT 3DP 1NR
04/18/97		(S)	DP: WILKEN, WARD, GREEN; NR: ELLIS
04/18/97		(S)	ZERO FISCAL NOTE (DOE)
04/18/97		(S)	REFERRED TO FINANCE

SB

118

SFIN

FILE

FISCAL NOTE

No. 1
Bill Version: SB 118
(S) Publish Date: 5/2/97

Revision Date: _____ Dept. Affected: Revenue
Title: Alaska Permanent Fund Corp. Investments BRU: Alaska Permanent Fund Corporation
Component: Alaska Permanent Fund Corporation
Sponsor: Senate Rules Committee / LBA
Requestor: (S) STA COMPONENT SERIAL NO. 109

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0

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-Corporate Receipts	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
TOTAL	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0

Estimate of any current year (FY97) cost \$ 586.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB118 as proposed amends AS 37.13.120(f) which established the Alaska Permanent Fund Corporation's legal investment classes and their respective level of authorization. SB118 increases the percentage level of domestic and nondomestic corporate stocks to 60% of the total investments of the fund.

The projected costs above are calculated based on a 60% exposure to domestic and nondomestic stocks with 35% invested in passive manager accounts and the remaining in active portfolios.

Prepared by: Peter A. Bushre *Peter A. Bushre* Phone: 465-3172
Division: Alaska Permanent Fund Corporation Date: March 18, 1997
Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: March 18, 1997
Agency: Revenue

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Revision Date: _____ Dept. Affected: _____ Revenue _____
 Title: Alaska Permanent Fund Corporation Investments BRU: Permanent Fund Corporation
 Component: Permanent Fund Corporation
 Sponsor: (S) Rules / LB&A
 Requestor: (S) FIN COMPONENT SERIAL NO. 109

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
1048 University of AK receipts						
Other - Corporate Receipts	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0
TOTAL	4,265.0	4,986.0	6,118.0	7,278.0	8,508.0	9,863.0

Estimate of any current year cost \$ 586.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 118 as proposed amends AS 37.13.120(i) which established the Alaska Permanent Fund Corporation's legal investment classes and their respective level of authorization. SB 118 increases the percentage level of domestic and non-domestic corporate stocks to 60% of the total investments of the fund.

The projected costs above are calculated based on a 60% exposure to domestic and non-domestic stocks with 35% invested in passive manager accounts and the remaining in active portfolios.

Prepared by: Peter A. Bushre
 Division: Alaska Permanent Fund Corporation
 Approved by Commissioner: Wilson L. Condon *Ross A. Kenney*
 Agency: Revenue

Phone: 465-3172
 Date: January 8, 1998
 Date: January 8, 1998

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SB

125

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Verson: CS SB 125 (TRA)
(S) Publish Date: 4-3-97

Revision Date: _____ Dept. Affected: DOT&PF
Title: Airport Duty-Free Concessions BRU: Anch/Fbks International Airport
Sponsor: Senator Ward Component: Airport Operations
Requester: Senate Transportation Committee COMPONENT SERIAL NO. 18121813

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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
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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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) 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)

The Department of Transportation and Public Facilities anticipates no additional costs associated with passage of SB 125.

Prepared by: Sam Kito III
Special Assistant
Division: Office of the Commissioner
Approved by: [Signature]
Commissioner
Agency: Department of Transportation and Public Facilities

Phone: 465-3900
Date: _____
Date: 3/20/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Verson: SB 114
(S) Publish Date: 4-1-97

Revision Date: _____ Department Affected: Administration
Title: "An Act relating to contributions from employees."
Component: Alaska Public Offices Commission
Sponsor: (S) Judiciary Committee
Requestor: (S) JUD COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	.5	.5		.5	0	.5
CONTRACTUAL	33.6	60.9	47.1	60.9	42.1	60.9
SUPPLIES	.4	.3	.3	.3	.3	.3
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	34.5	61.7	47.4	61.7	42.4	61.7

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

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	34.5	61.7	47.4	61.7	42.4	61.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	34.5	61.7	47.4	61.7	42.4	61.7

Estimate of any current year (FY 97) cost: \$ 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.)

SEE ATTACHED

Prepared by: Karen Boorman Phone: 276-4176
Division: Alaska Public Offices Commission Date: _____

Approved by Commissioner: Mark Bover *Mark Bover*
Agency: Department of Administration Date: 3/19/97

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FISCAL NOTE

BILL NO. SB114

STATE OF ALASKA
1997 LEGISLATIVE SESSION

ANALYSIS: (continued)

SB 114 requires employers to obtain written authorization from employees annually before they may withhold wages for political contributions. Employers must keep authorization forms and documents reflecting dates and amounts of contributions on file for three years. In addition, the bill prohibits giving in the name of another and discrimination against an officer or employee for failure to contribute or otherwise support or oppose a political candidate, group or issue.

The Commission estimates that this bill will result in three additional complaints each election year; two additional complaints in non-election years. Because of the complex nature of the evidence required to establish "giving in the name of another" or employment discrimination and because the new campaign finance law requires that complaints be resolved in 180 days, the Commission would need to secure additional investigative support on a contractual basis. In the complaints described, the Commission also estimates that allegations would require that the Commission retain a hearing officer to hold an administrative hearing to resolve factual disputes.

The Commission has not had to deal with employment discrimination in the past. If authority over discrimination complaints was assigned to a more appropriate regulatory agency with expertise in employment discrimination, the associated cost of complaint resolution would be reduced.

In summary, the fiscal note reflects contractual funds to handle additional complaints--including additional investigative support; retention of a hearing officer; deposition costs; and other investigative costs. Additional costs associated with complaint resolution include supply costs for paper, folders and file cabinets. Remaining contractual, supply and travel costs reflect development and distribution of forms; promulgation of regulations in the first year; and education of employers with payroll deduction plans. Specific costs include paper, internal copying costs, advertising notice, and postage charges. Educational efforts would be accomplished through mailings and trainings in Anchorage and Fairbanks. Travel to Fairbanks would occur in the first year of implementation of the bill, then each succeeding election year.

FISCAL NOTE

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

No. 2
Bill Verson: SB 114
(S) Publish Date: 4-1-97

Revision Date: _____ Dept. Affected: Department of Law
Title: *An Act relating to contributions from BRU: Civil Division
employee compensation for political purposes; . . . Component: General Legal Services
Sponsor: Senate Judiciary Committee
Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTUAL	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	12.0	7.5	12.0	7.5	12.0

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

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 114 prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving a emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. SB 114 further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: Joan M. Kasson *Joan M. Kasson*
Division: Administrative Services Division
Approved by Commissioner: Bruce M. Botelho, Attorney General
Agency: Department of Law

Phone: 465-5370
Date: 3/18/97
Date: 3/18/97

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ANALYSIS CONTINUATION:

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY 98 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 97 standard attorney cost schedule (\$87/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 3
Bill Version: SB 114
(S) Publish Date: 4-1-97

Revision Date: _____
Title: An Act relating to contributions from employee compensation for political purposes
Sponsor: Senate Judiciary
Requestor: Senate Judiciary

Department Affected: Administration
BRU: Centralized Administrative Services
Component: Finance

COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0.0	7.0	7.0	7.0	7.0	7.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	7.0	7.0	7.0	7.0	7.0

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						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	7.0	7.0	7.0	7.0	7.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Since some portion of all union dues deducted from employees in the state's 12 bargaining agreements covering 10,500 employees may be used for political purposes, union dues authorizations would have to be renewed in writing annually. This will generate a tremendous amount of paper and bureaucratic processing. To handle this extra work will require approximately 175 hours of a personnel assistant, and 200 hours of an administrative clerk annually for online data entry and filing.

Prepared by: Don Wanie
Division: Finance

Phone: 465-3435
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Alison M. Elger
Date: 3/18/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. No. 4
Bill Version: SB 114
(S) Publish Date: 4-1-97

Revision Date: _____
Title: Employees: Political contrib & activite
Sponsor: Senate Judiciary
Requestor: Senate Judiciary

Department Affected: Labor
BRU: Office of the Commissioner
Component: _____
Alaska Labor Relations Agency
COMPONENT SERIAL NO. 1200

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 #						
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FUNDING: (Thousands of Dollars)

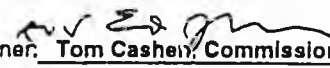
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY97) Impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
AS 23.40.220 addresses a public employee's written authorization for deductions for dues, fees, and other employee benefits. Section 2 of SB 114 would amend AS 23.40.220 as follows: "If all or part of a deduction under this section will be used to make a political contribution, the written authorization must comply with AS 15.13.160." It is not anticipated that the proposed amendment to AS 23.40.220 would have a fiscal impact on the operation of the Alaska Labor Relations Agency (ALRA). Since July 1, 1990, approximately eight unfair labor practice charges relating to dues deductions have been filed with ALRA, one of which concerned use of dues for political contribution purposes. Though the proposed amendment to AS 23.40.220 could increase the number of unfair labor practice charges filed, a significant increase is not anticipated. Additional staff would not be needed.

Prepared by: Jan Hart DeYoung, Hearing Examiner Phone: 269-4896
Division: Alaska Labor Relations Agency Date: 3/17/97
Approved by Commissioner:  Tom Cashen, Commissioner
Agency: Department of Labor Date: 3/17/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 5
Bill Version: CSSB 114 (JUD)
(S) Publish Date: 4-9-97

Revision Date: _____ Dept. Affected: Department of Law
Title: "An Act relating to contributions from BRU: Civil Division
employee compensation for political purposes; . . . Component: General Legal Services
Sponsor: Senate Judiciary Committee
Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	11.8	9.2	5.5	9.2	5.5	9.2
TRAVEL	0.8	0.7	0.6	0.7	0.6	0.7
CONTRACTUAL	2.3	1.9	1.3	1.9	1.3	1.9
SUPPLIES	0.2	0.2	0.1	0.2	0.1	0.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	12.0	7.5	12.0	7.5	12.0

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	12.0	7.5	12.0	7.5	12.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	12.0	7.5	12.0	7.5	12.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

CSSB 114 (JUD) prohibits an employer or labor organization from increasing the salary of an officer or employee, or giving a emolument, with the intent that all or part of the increase or emolument be given as a political contribution ("giving in the name of another.") The bill also prohibits discrimination against an officer or employee for failure to contribute or otherwise support a political candidate, group or issue. CSSB 114 (JUD) further prohibits an employer from withholding wages for a political contribution without an annual written authorization from the employee.

Evidence in "giving in the name of another" cases are more time intensive and factually and legally complex than other Alaska Public Offices Commission (APOC) type cases. To do these cases, the Department of Law would need to commit more discovery, investigative, and research time. Employment discrimination cases would also be a new type of case for the commission and the Department of Law, as the APOC does not currently have this authority. They are also more factually complex. In addition, new regulations and criteria would need to be developed.

Prepared by: Joan M. Kasson *Joan M. Kasson* Phone: 465-5370
Division: Administrative Services Division Date: 4/4/97
Approved by Commissioner: Bruce M. Botelho, Attorney General *Bruce Botelho for* Date: 4/4/97
Agency: Department of Law

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ANALYSIS CONTINUATION:

The Department of Law has based its fiscal note costs on the assumption that there would be three additional cases each election year, and two additional complaints in non-election year (one "giving in the name of another" case and one discrimination case). In addition, in the first year, regulations development would occur. The department estimates that approximately 125 hours of attorney time would be required for the election year projected caseload, plus \$1,125 for direct case travel and deposition costs. In non-election years, approximately 75 hours would be needed, plus \$975 in direct case travel and contractual. In addition, in FY 98 approximately 35 hours of attorney time would be required for promulgation of the new regulations.

If the employment discrimination cases could be handled by another regulatory agency with experience in these types of cases, the Department of Law's cost projections could likely decrease.

The cost estimates are based on the department's FY 97 standard attorney cost schedule (\$87/hour) and include clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Direct case costs are included separately.

SB

126

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT 3-25-97

DATE: 3/7/97

FURTHER:

Date of 5-Day Notice: 3-13-97
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/25/97

Finance Committee considered SENATE BILL NO. 126

"An Act relating to the retirement incentive program for state employees; and providing for an effective date."

and recommends:

- be replaced with CS SB 126 (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>Robert E. Hilly</i>	✓	<i>Al Adams</i>	X		
<i>John Ingram</i>	✓	<i>1. David Douglas</i>	X		
		<i>Sean P. Parrell</i>	X		
Co-Chair: <i>Deance</i>	✓	Co-Chair:			
Co-Chair: <i>Bob Meyer</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
OMB	3/20		***
Admin	3/19	Ø	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 126 | _____

Revision Date: _____ Dept. Affected: All Departments
 Title: An Act relating to the retirement incentive BRU: N/A
program for state employees Component: N/A
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee COMPONENT SERIAL NO. N/A

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	***	***	***	***	***	***

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	***	***	***	***	***	***

Estimate of any current year (FY97) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the number of employees retiring under the retirement incentive (RIP) program. However, the magnitude of the increase in participating employees and the associated fiscal impacts cannot be accurately projected, because these factors depend both on individual employee decisions to be made in the future, as well as how many employees would participate under the current RIP over the next two years, which also cannot be accurately projected.

The Knowles Administration believes that the strategic RIP approach enacted by the Legislature in 1996 and currently being implemented by the Administration is more cost-effective and will result in greater long-term savings to state government than the "universal" RIP approach which SB 126 would require.

Prepared by: Annalee McConnell *Annalee McConnell* Phone: 465-4660
 Division: Office of Management and Budget Date: _____
 Approved by Commissioner: Jim Ayers, Chief of Staff *J. Ayers* Date: 3/20/97
 Agency: Office of the Governor

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FISCAL NOTE

REPORTED OUT OF
SFC 3-25-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: _____
 Title: An Act relating to the retirement incentive program for state employees; and providing for an effective date.
 Sponsor: Senate Finance Committee
 Requestor: Senate Finance

Department Affected: Administration
 BRU: Retirement & Benefits
 Component: _____
 COMPONENT SERIAL NO. 61

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY 97) cost: \$ zero

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact on the Division of Retirement & Benefits.

Prepared by: Robert F. Stalnaker *Traci P. Parks*
 Division: Retirement & Benefits

Phone: 465-4470
 Date: _____

Approved by Commissioner: Mark Boyer *Alison M. Elgee*
 Agency: Department of Administration

Date: 3/19/97

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Not offered

SENATE FINANCE
COMMITTEE

Amendment Number: 1

Bill Number: SB 126

Sponsor: _____ Date: 3-21-97

Logged in By: PJ Spahr

0-LS0687B.1-

Cramer

3/20/97

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 126

- 1 Page 2, following line 7:
- 2 Insert a new bill section to read:
- 3 "* **Sec. 3.** Section 23(e), ch. 4, FSSLA 1996, is amended to read:
- 4 (e) The commissioner of administration may not accept the application of an
- 5 employee to participate in an approved retirement incentive plan adopted under this section
- 6 unless the employee will be appointed to retirement not later than the first day of the month
- 7 that is six months after the last day of the application period established by the commissioner
- 8 under (a) or (b) of this section. A state agency, in a plan adopted under this section, may
- 9 set an earlier date by which an employee must be appointed to retirement in order to
- 10 participate in the plan."
- 11 Renumber the following bill sections accordingly.

Provided by Bill Ludwig
Not offered

New Section 1 Added In:

Section 22(b)(3) is amended to read:

savings to the employer in personal services costs (including savings from different retirement tiers) for the employee's position will exceed the costs to the employer for that position within five ~~three~~ years after the employee is appointed to retirement.

SB

130

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 8, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/11/97

The FINANCE Committee considered:

SB 130

SENATE BILL NO. 130

RIP FOR SCHOOL DISTRICTS AND MUNICIPALITY

“An Act amending the retirement incentive programs for municipalities and school districts; and providing for an effective date.”

recommends it be replaced with the following committee substitute _____ 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) DOA 4/29/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>[Signature]</i>	Therriault			X	
<i>[Signature]</i>	Hanley			X	
<i>[Signature]</i>	Muldin	X		X	
<i>[Signature]</i>	Kohring		X		
<i>[Signature]</i>	J. DAVIES	X			
<i>[Signature]</i>	Gruessendorf	X			
<i>[Signature]</i>	MOSES	X			
<i>[Signature]</i>	G. DAVIS	X			
<i>[Signature]</i>	Kelly			X	
<i>[Signature]</i>	Foster			X	

CO-CHAIR'S SIGNATURE

[Signature] *[Signature]*

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: SB 130
(S) Publish Date: 4-29-97

Revision Date: _____
Title: An Act amending the retirement incentive programs for municipalities and school districts; and providing for an effective date.
Sponsor: Sen. Duncan
Requestor: (S) CRA

Department Affected: Administration
BRU: Retirement and Benefits
Component: _____
COMPONENT SERIAL NO. 64

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY 97) cost: \$ zero

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill extends the period of time that a municipality or school district may elect to participate in the RIP. These amendments provide that a municipality or school district may elect to open a window period for a minimum of 30, but no longer than 60 days. Applicants must retire no later than the first of the month that is six months after the close of the application window.

There is no fiscal impact on the Division of Retirement & Benefits.

If enacted, this bill will not materially affect the accrued liabilities or the funding ratio of the Public Employees' or Teachers' Retirement Systems.

Prepared by: Janet Parker
Division: Retirement & Benefits

Phone: 465-4460
Date: _____

Approved by Commissioner: Mark Bover
Agency: Department of Administration

Date: 4/25/97

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SENATOR JIM DUNCAN
ALASKA STATE LEGISLATURE

Alaska State Senate

State Capitol • Room 119 • Juneau, Alaska 99801-1182 • (907) 465-4766 • Fax 465-4748

SPONSOR STATEMENT
SB 130
RETIREMENT INCENTIVE PROGRAM
EXTENSION FOR MUNICIPALITIES AND SCHOOL DISTRICTS

SB 130 will allow school districts and municipalities to request one or more window periods before June 30, 1999 to allow their employees to participate in the retirement incentive program.

Under the terms of the Retirement Incentive legislation which passed in 1996, the window period for school districts expired on December 31, 1996, with retirement required on or before August 30, 1997. The application period for municipalities is open until June 30, 1997 with retirement required on or before February 1, 1998.

This bill will allow school districts and municipalities to request one or more window periods up until June 30, 1999, with retirement required within six months of the end of the application period. This gives school districts and municipalities more flexibility to address declining revenues over the same period as is available under the State employees Retirement Incentive Program.

According to updated statistics from the Division of Retirement and Benefits, currently there are 37 of 61 school districts participating in the Retirement Incentive. These districts have designated almost 1,800 employees to participate with an estimated savings over three years of almost \$80 million if all chose to participate. 130 school employees have actually retired to date with the rest expected to retire this summer after summer vacation begins.

Only 16 of 99 municipalities so far have chosen to use the program. 247 municipal employees have been designated with an estimated savings if all participate in excess of \$5 million.

I believe it is in the best interests of our municipal governments and school districts to allow them the maximum flexibility to address declining state revenues and increasing demands for public services through the use of the Retirement Incentive Program through 1999.

May 9, 1997

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3887 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 19, 1997

SUBJECT: Sectional Summary of SB 130. (Application periods for retirement incentive programs for municipalities and school districts)

TO: Senator Jim Duncan
Attn: Roxanne Stewart

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

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

Section 1 permits school districts to request additional periods during which employees of the school district may apply to retire under the retirement incentive program. The last application period must end by June 30, 1999. The section retains the window from June 30 through December 31, 1996, enacted in the legislation last year.

Sec. 2 changes the repeal of the school district retirement incentive program authorization to reflect the extension of the application periods made by sec. 1.

Sec. 3 amends the authorization for retirement incentive programs for municipalities and other political subdivisions to permit them to request additional periods during which their employees may retire under the retirement incentive program. The last application period must end by June 30, 1999. The section retains the window from December 31, 1996, through June 30, 1997, enacted in the legislation last year.

Sec. 4 changes the repeal of the municipal retirement incentive program authorization to reflect the extension of the application periods made by sec. 3.

Sec. 5 is an immediate effective date.

TC:glc
97-192.glc

Retirement Incentive Program Statistics								
Group	Employers	Participating	Percent	Designated	Applied	Retired	Estimated Cost of Designated	Est. Savings of Designated
TRS-SD	61	37	61.00%	1287	427	92	\$46,714,749.00	\$71,148,437.00
PERS-SD	54	19	35.00%	499	156	38	\$9,162,669.00	\$8,605,594.00
TRS-UA	1	1	100.00%	276	75	16	\$10,530,296.00	\$4,941,750.00
PERS-UA	1	1	100.00%	200	72	20	\$6,150,090.00	\$2,142,314.00
STATE	17	15	88.00%	739	284	90	\$20,717,240.00	\$16,160,358.00
ST-LEG	1	1	100.00%	17	10	10	\$471,517.00	\$491,773.00
PERS-PS	99	16	16.00%	247	67	32	\$6,978,493.00	\$5,039,407.00
TOTALS	234	90		3265	1071 32.80%	298 9.13% 27.82%		
							percent of designated	percent of applied

Retirement Incentive Program Statistics						
Group	Employers	Participating	Percent	Designated	Applied	Retired
TRS-SD	61	37	61.00%	1287	427	92
PERS-SD	54	19	35.00%	499	156	38
TRS-UA	1	1	100.00%	276	75	16
PERS-UA	1	1	100.00%	200	72	20
STATE	17	15	88.00%	739	264	90
ST-LEG	1	1	100.00%	17	10	10
PERS-PS	39	16	16.00%	247	67	32
TOTALS	234	90		3265	1071	298
					32.80%	9.13% percent of designated
					27.82%	percent of applied

State of Alaska Retirement Incentive Program Statistics			
Department	Designated	Applied	Retired
Governor's Office	2	1	1
Administration	12	6	2
Law	0	0	0
Revenue	3	2	2
Education	42	27	4
Health & Social Services	69	26	10
Labor	44	11	11
Commerce	18	10	1
Military & Veterans Affairs	0	0	0
Natural Resources	26	17	14
Fish & Game	24	19	6
Public Safety	59	23	5
Environmental Conservation	23	11	3
Corrections	243	55	18
Community & Regional Affairs	5	1	1
Transportation	95	38	6
Court System	74	17	6
	739	264	90
		35.72%	12.18% percent of designated
			34.10% percent of applied
Legislative Council	17	10	10
		58.82%	58.82% percent of designated



SENATOR JIM DUNCAN
ALASKA STATE LEGISLATURE


Alaska State Senate

State Capitol • Room 119 • Juneau, Alaska 99801-1182 • (907) 465-4766 • Fax 465-4748

MEMORANDUM

DATE: May 9, 1997

TO: Representative Mark Hanley, Co-Chair
Representative Gene Therriault, Co-Chair
House Finance Committee

FROM: Senator Jim Duncan 

SUBJECT: Request to Schedule SB 130, Extending the Application
Periods for School Districts and Municipalities under the
Retirement Incentive Program

I request that you schedule SB 130, relating to application periods for the retirement incentive program for municipalities and school districts. **Note that this bill carries a zero fiscal note from the Division of Retirement and Benefits and thus was waived from the Senate Finance Committee.**

Under the bill, school districts and municipalities will be allowed to request additional application periods for participation until June 30, 1999. The current window period for school districts expired on December 31, 1996, with retirement required on or before August 30, 1997. The current application period for municipalities is open until June 30, 1997 with retirement required on or before February 1, 1998.

I believe it is in the best interests of our municipal governments and school districts to allow them the maximum flexibility to address declining state revenues without requiring layoffs and consequent diminishment of services to the public and increasing class sizes in our schools.

Thank you for your favorable consideration of this request.

Attachments

SB

136

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 10, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/16/97

The FINANCE Committee considered:

CSSB 136(FIN) am

CS FOR SENATE BILL NO. 136(FIN) am

BUDGET AND APPROPRIATION BILLS

“An Act relating to state fiscal procedures, to the state budget, to agency performance reports, and to appropriation bills.”

recommends it be replaced with the following committee substitute CS CSSB 136 (FIN) 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) yes 3/26/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Herrault</i>	Theoriant	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Don Muller</i>	Muller				X
<i>Vic Kohring</i>	Kohring	X			
<i>Terry Martin</i>	Martin	X			
<i>Carl M. Davis</i>	DAVIS			X	
<i>Ben Grossardt</i>	Grossardt			X	
<i>Paul Moses</i>	MOSES			X	
<i>Arnold Davis</i>	DAVIS			X	
<i>Walt Kelly</i>	Kelly	✓			
<i>Bob Foster</i>	Foster	✗			

CHAIR'S SIGNATURE *Gene Herrault* *Mark Hanley*

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: 2SSB 136 (FIN)
(S) Publish Date: 3-26-97

Revision Date _____	Dept. Affected <u>Various</u>
Title <u>An Act relating to the state budget and to appropriation bills</u>	BRU _____
Sponsor <u>Senate Finance Committee</u>	Component _____
Requester <u>Senate Finance Committee</u>	Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Desig. Program & Test Fish Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
This bill is not expected to have any fiscal impact.

Prepared by Dan Spencer
Division Office of Management and Budget
Approved by for Annalee McConnell
Agency Director, Office of Management & Budget

Phone 465-4681
Date 3/19/97
Date 3/19/97

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AMENDMENT 2 failed

OFFERED IN THE HOUSE

TO: CSSB 136(FIN) am

1 Page 2, following line 16:

2 Insert a new bill section to read:

3 "* Sec. 4. AS 36.30.015(e) is amended to read:

4 (e) The board of directors of the Alaska Railroad Corporation and the board
5 of directors of the Alaska Aerospace Development Corporation shall adopt procedures
6 to govern the procurement of supplies, services, professional services, and
7 construction. The procedures must be substantially equivalent to the procedures
8 prescribed in this chapter and in regulations adopted under this chapter.
9 Notwithstanding the other provisions of this subsection, the Alaska Railroad
10 Corporation and the Alaska Aerospace Development Corporation shall comply with
11 AS 36.30.170(b), and, when procuring supplies, services, professional services, or
12 construction contracts related to construction work that the Department of
13 Transportation and Public Facilities authorizes the Alaska Railroad Corporation
14 to perform instead of the Department of Transportation and Public Facilities, the
15 Alaska Railroad Corporation shall use competitive sealed bidding or competitive
16 sealed proposals under AS 36.30.100 - 36.30.270."

17 Renumber the following bill sections accordingly.

CORNERSTONE CONSTRUCTION



OFFICE LOCATION
4141 B STREET, SUITE 201
TELEPHONE (907) 561-1993

ANCHORAGE, ALASKA

MAILING ADDRESS
P.O. BOX 241568 ZIP CODE 99524-1568
FACSIMILE (907) 561-7899

April 14, 1997

The Honorable Senator Sean Parnell
State Capital
Juneau, Alaska 99801-1182

RE: Senate bill 55
Procurement

Dear Senator Parnell,

For many years, the State of Alaska has appropriated tax funds for highway improvements. The state funds were spent in conjunction with federal matching funds. When highway improvements occurred, a project was designed, an advertisement for bids occurred, and a construction contract was awarded for the construction of the improvement. When the highway that was being improved crossed a railroad track, the work involved in the crossing or overpass was defined with technical requirements, and the construction work was included in the contract for the total highway improvement project. The owner of the railroad had input into the technical requirements and their needs were satisfied.

In recent years, when the situation described above occurred, the Department of Transportation has negotiated a force account contract (cost plus) with the Alaska Railroad for railroad work that is associated with a highway improvement. This arrangement results in the following:

- reduces the amount of work that private contractors have available to perform.
- removes tax dollar expenditures from a competitive bid arrangement.
- awards contracts that are paid for with tax dollars on a negotiated cost plus contract.
- allows the Alaska Railroad to define how a portion of their tracks that interface with a highway improvement project can be improved at taxpayer expense.
- allows the Alaska Railroad to define how much the railroad portion of a highway improvement project should cost.
- and then it gives the Alaska Railroad the taxpayers funds to provide the improvements.

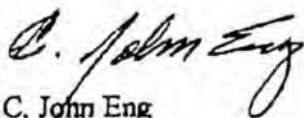
The arrangement that the Department of Transportation and the Alaska Railroad have established puts the Alaska Railroad in the position of determining what is technically required, determining the budget, and then asking the taxpayers to hand over the funds to pay for the improvements. If a person believes, as I do, that a fair and effective manner to award construction contracts for a tax funded project, involves competitive bids that are openly advertised and is a more cost effective way to spend public money than awarding a cost plus contract to a single party by negotiation.

Last year, Senator Drue Pearce added legislation to Senate Bill 215 that would be an effective way to remedy what I believe is a bad practice. During the 1997 legislative session, Senator Pearce has added the same or similar legislation to Senate Bill 55. We encourage everyone to make an attempt to get the legislation passed this year.

During the 1996 legislative session, hearings occurred in the finance committee of the senate, it was determined that the legislation would be revenue neutral, or would reduce the cost to state government. Stephani Szymanski, a member of Drue Pearce's staff, is familiar with the status of the legislation in the senate. When I spoke to you about this matter during your campaign, you expressed some interest in this matter.

If you have questions about this matter, I am available to talk to you or anyone else, at (907) 561-1993.
Thank you for your time and help.

Sincerely,



C. John Eng

copy- Stephani Szymanski
file



Alaska State Senate

Senate Finance Committee

Official Business

CSSB 136 (FIN) am **SPONSOR STATEMENT**

April 15, 1997

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Senate Bill 136 was introduced to clarify current law, making it explicit that the Governor must present all three of his required budget bills on December 15 of each year -- an operating budget bill, a capital budget bill, and a mental health program operating/capital budget bill.

Although current Alaska law requires the Governor to submit his entire budget on December 15, over the years the executive branch has fallen into a bad habit of delaying release of a capital budget several weeks into the legislative session.

Delaying the release of the capital budget hinders the public's ability to review the Governor's proposal and provide input to the Legislature. It also greatly reduces the time the Legislature has to consider the Governor's budget and complete its work within a 120 day session.

CSSB 136 (FIN) also promotes honest budgeting. Piecemealing the budget has led to deceptive budget tactics. For example, on December 16, 1996, Governor Knowles did not submit a capital budget bill but said his cap on general fund spending for capital projects would be \$100 million. When the bill was finally submitted on February 27, 1997, six weeks after the start of the legislative session, it reflected general fund capital expenses of \$113.3 million. It also proposed spending a \$16 million Alaska Industrial Development and Export Authority (AIDEA) dividend on capital projects instead of depositing the money into the general fund as the Governor originally proposed. These capital budget provisions alone, if adopted, would increase the fiscal gap by \$29.3 million.

Unfortunately, the Governor failed to provide the public with a revised summary of his budget proposal reflecting the impact of his capital budget proposal on his total spending plan for FY 98. Had the Governor released his capital budget bill with the rest of his budget bills and budget plan on December 15, the public would have known that he was proposing to increase general fund spending.

In addition, CSSB 136 (FIN) conforms the general budget submission provisions of AS 37.07.020 to the requirement in AS 37.14.003(a) for a separate mental health program bill; ensures that designated grants will be awarded to the named recipient instead of put out for bid; requires each department to report to the legislature by the 45th day of each regular session the amount of current fiscal year appropriations that the department expects to lapse into the general fund at the end of the current fiscal year; allows some information currently required to be included in the capital appropriation bill to be provide as supporting documentation; requires the Governor to submit budget amendments by the 45th legislative day instead of the 60th; and establishes a January 10 deadline for submitting currently required performance reports to the legislature.



Official Business

Alaska State Senate

Senate Finance Committee

CSSB 136 (FIN) am **SECTIONAL ANALYSIS**

April 15, 1997

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

- Sec. 1:** Amends AS 14.11.019 to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 2:** Amends AS 14.11.100(c) to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 3:** Amends AS 24.20.140 to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 4:** Amends AS 37.05.316(a) to delete the provision that allows the Department the prerogative to issue a request for proposal rather than issue a designated grant to the named recipient.
- Sec. 5:** Amends AS 37.07.020(a) making it explicit that the Governor must present all three of the Governor's required budget bills on December 15 of each year -- an operating budget bill, a capital budget bill, and a mental health program operating/capital budget bill.
- Sec. 6:** Amends AS 37.07.020(b) to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 7:** Amends AS 37.07.040 by adding a new subsection (9) to require each department to report to the legislature by the 45th day of each regular session the amount of current fiscal year appropriations that the department expects to lapse into the general fund at the end of the current fiscal year.
- Sec. 8:** Amends AS 37.07.062(a) to allow some information currently required to be included in the appropriation bill to be provided as supporting documents instead. This will conform the statute to the current practice.
- Sec. 9:** Amends AS 37.07.062(b) to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 10:** Amends AS 37.07.070(1) to require the Governor to submit budget amendments by the 45th legislative day instead of the 60th day.
- Sec. 11:** Amends AS 37.07.090(b) to establish a January 10 deadline for submitting currently required performance reports to the legislature
- Sec. 12:** Amends AS 47.30.380 to properly reference the changes to AS 37.07.020 made in section 4.

Amended
Pg 4 section 4
Deleted

0-LS0730\B.a

CS FOR SENATE BILL NO. 136(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/9/97
Offered: 3/26/97

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state fiscal procedures, to the state budget, to agency
2 performance reports, and to appropriation bills."

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

4 * Section 1. AS 14.11.019 is amended to read:

5 Sec. 14.11.019. Grant appropriations. Within the [GENERAL] appropriation
6 bill authorizing capital expenditures submitted to the legislature under
7 AS 37.07.020(a)(3) [AS 37.07.020], the governor shall include an appropriation for
8 grants in the succeeding fiscal year as determined by the six-year capital improvement
9 project grant schedule prepared under AS 14.11.013.

10 * Sec. 2. AS 14.11.100(c) is amended to read:

11 (c) The school construction account is established. Funds to carry out the
12 provisions of this section shall be included within the [GENERAL] appropriation bill
13 authorizing capital expenditures submitted to the legislature under
14 AS 37.07.020(a)(3) [AS 37.07.020] and may be appropriated annually by the

1 legislature to the account. If amounts in the account are insufficient for the purpose
 2 of providing the share to which a borough or city is entitled under this section, those
 3 funds that are available shall be distributed pro rata among the eligible municipalities,
 4 [LOCAL GOVERNMENTS] except that the legislature may direct that additional debt
 5 service on refunding bonds that exceeds the total debt service on the refunded bonds
 6 be disregarded in whole or in part.

7 * Sec. 3. AS 24.20.140 is amended to read:

8 **Sec. 24.20.140. Appropriations.** Appropriations for carrying out
 9 AS 24.20.010 - 24.20.140 shall be set out [FORTH] in the [GENERAL] appropriation
 10 bill authorizing operating expenditures submitted to the legislature under
 11 AS 37.07.020(a)(2) or [SUCH] other bills as may be necessary. The council may
 12 direct the executive director to transfer amounts from one appropriation to another if
 13 the transfer is considered necessary to accomplish the work of the council. The
 14 council may not exceed the total amount of the authorized appropriation. All
 15 expenditures of the council are subject to an independent audit that [WHICH] shall
 16 be made annually.

17 * Sec. 4. AS 37.05.316(a) is amended to read:

18 (a) When an amount is appropriated or allocated to a department as a grant
 19 under this section for a named recipient that is not a municipality, the department to
 20 which the appropriation or allocation is made shall promptly notify the named recipient
 21 of the availability of the grant and request the named recipient to submit a proposal
 22 to provide the goods or services specified in the appropriation act for which the
 23 appropriation or allocation is made. [AT THE SAME TIME, THE DEPARTMENT
 24 MAY ISSUE A REQUEST FOR PROPOSALS FROM OTHER QUALIFIED
 25 PERSONS TO PROVIDE THE SAME GOODS OR SERVICES IN THE SAME
 26 AREA. THE DEPARTMENT SHALL AWARD THE GRANT TO THE NAMED
 27 RECIPIENT UNLESS THE OFFICE OF THE GOVERNOR, WITH DUE REGARD
 28 FOR THE LOCAL EXPERTISE OR EXPERIENCE OF THOSE MAKING
 29 PROPOSALS, DETERMINES THAT AN AWARD TO A DIFFERENT PARTY
 30 WOULD BETTER SERVE THE PUBLIC INTEREST. IF THE GRANT IS
 31 AWARDED TO A PARTY OTHER THAN THAT NAMED BY THE

1 ~~LEGISLATURE. THE BASIS OF THAT ACTION SHALL BE STATED IN~~
 2 ~~WRITING AT THE TIME THE GRANT IS ISSUED AND A COPY OF THE~~
 3 ~~WRITTEN STATEMENT SHALL BE SENT TO THE LEGISLATIVE BUDGET~~
 4 ~~AND AUDIT COMMITTEE.] A grant agreement must be executed within 60 days~~
 5 ~~after the effective date of the appropriation or allocation.~~

6 * Sec. 5. AS 37.07.020(a) is amended to read:

7 (a) The governor shall prepare [AND SUBMIT TO THE LEGISLATURE
 8 BEFORE THE FOURTH LEGISLATIVE DAY] a budget for the succeeding fiscal
 9 year that [WHICH] must cover all estimated receipts, including all grants, loans, and
 10 money received from the federal government [,] and all proposed expenditures of the
 11 state government. The budget [SUBMITTED BY THE GOVERNOR] shall be
 12 organized so that the proposed expenditures for each agency are presented separately.
 13 The budget must be accompanied by the following separate bills: (1) an
 14 appropriation bill authorizing the operating and capital expenditures of the state's
 15 integrated comprehensive mental health program under AS 37.14.003(a); (2) an
 16 appropriation bill authorizing state operating expenditures other than those
 17 included in the state's integrated comprehensive mental health program; (3) an
 18 appropriation bill authorizing capital expenditures other than those included in
 19 the state's integrated comprehensive mental health program; and (4) [A
 20 GENERAL APPROPRIATION BILL TO AUTHORIZE THE PROPOSED
 21 EXPENDITURES, AND] a bill or bills covering recommendations, if any, in the
 22 budget for new or additional revenue. The budget for the succeeding fiscal year and
 23 each of the bills [PROPOSED GENERAL APPROPRIATION BILL] shall become
 24 public information on December 15 [OF EACH YEAR] at which time the governor
 25 shall submit copies to the legislature and make copies available to the public. The
 26 bills, identical in content to the copies released on December 15, shall be delivered
 27 to the rules committee of each house before the fourth legislative day of the next
 28 regular session for introduction.

29 * Sec. 6. AS 37.07.020(b) is amended to read:

30 (b) In addition to the budget and bills submitted under (a) of this section
 31 [GENERAL APPROPRIATION BILL], the governor shall submit a capital

1 improvements program and financial plan covering the succeeding six fiscal years.

2 * Sec. 7. AS 37.07.040 is amended by adding a new paragraph to read:

3 (9) for each department in the executive branch, report to the legislature
4 by the 45th day of each regular session the amount of money appropriated to the
5 department that is expected to lapse into the general fund at the end of the current
6 fiscal year.

7 * Sec. 8. AS 37.07.062(a) is amended to read:

8 (a) Each [THE GENERAL] appropriation bill authorizing capital
9 expenditures required to be submitted to the legislature in AS 37.07.020(a) must be
10 accompanied by documents supporting the expenditures [CONTAIN A SEPARATE
11 SECTION FOR CAPITAL OUTLAYS WHICH IS DIVIDED INTO SUBSECTIONS]
12 for each of the capital projects funds (AS 44.42.080). The documents must list
13 [WHICH LISTS], for each project, the (1) project identification number; (2) project
14 title; (3) source of funding; (4) amount expended on the project during the preceding
15 fiscal year, the amount authorized for the current fiscal year, and the amount proposed
16 to be expended during the succeeding fiscal year; (5) estimated start for construction;
17 (6) schedule of bond elections pertaining to the appropriation, including elections
18 previously held. The total appropriation to each capital projects fund must be reflected
19 in the balance sheet of each fund as of June 30 of each fiscal year.

20 * Sec. 9. AS 37.07.062(b) is amended to read:

21 (b) Upon the effective date of each [THE GENERAL] appropriation bill
22 authorizing capital expenditures, the amounts appropriated by the bill for capital
23 outlay shall be paid into the appropriate capital project funds established under
24 AS 44.42.080.

25 * Sec. 10. AS 37.07.070 is amended to read:

26 **Sec. 37.07.070. Legislative review.** The legislature shall consider the
27 governor's proposed comprehensive operating and capital improvements programs and
28 financial plans, evaluate alternatives to the plans, make program selections among the
29 various alternatives and determine, subject to available revenues, the level of funding
30 required to support authorized state services. The operating and capital budgets of
31 each agency shall be separately reviewed. During each regular session of the

1 legislature, legislative review of the governor's supplemental appropriation bills and
2 the governor's budget amendments shall be governed by the following time limits:

3 (1) Requests by the governor for supplemental appropriations for state
4 agency operating and capital budgets for the current fiscal year may be introduced by
5 the rules committee only through the 30th legislative day.

6 (2) Requests by the governor for budget amendments to state agency
7 budgets for the budget fiscal year may be received and reviewed by the finance
8 committees only through the 45th [60TH] legislative day.

9 * **Sec. 11.** AS 37.07.090(b) is amended to read:

10 (b) The office shall summarize the performance reports and forward copies to
11 each member of the legislature **by January 10 each year.**

12 * **Sec. 12.** AS 47.30.380 is amended to read:

13 **Sec. 47.30.380. Appropriation authorized.** Funds to carry out AS 47.30.350
14 - 47.30.400 shall be set out in the [GENERAL] appropriation bill **authorizing the**
15 **operating and capital expenditures of the state's integrated comprehensive mental**
16 **health program under AS 37.14.003(a) and submitted to the legislature under**
17 **AS 37.07.020(a)(1).**



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

HCS CSSB 136 (FIN) **SPONSOR STATEMENT**

April 16, 1997

Senate Bill 136 was introduced to clarify current law, making it explicit that the Governor must present all three of his required budget bills on December 15 of each year -- an operating budget bill, a capital budget bill, and a mental health program operating/capital budget bill.

Although current Alaska law requires the Governor to submit his entire budget on December 15, over the years the executive branch has fallen into a bad habit of delaying release of a capital budget several weeks into the legislative session.

Delaying the release of the capital budget hinders the public's ability to review the Governor's proposal and provide input to the Legislature. It also greatly reduces the time the Legislature has to consider the Governor's budget and complete its work within a 120 day session.

HCS CSSB 136 (FIN) also promotes honest budgeting. Piecemealing the budget has led to deceptive budget tactics. For example, on December 16, 1996, Governor Knowles did not submit a capital budget bill but said his cap on general fund spending for capital projects would be \$100 million. When the bill was finally submitted on February 27, 1997, six weeks after the start of the legislative session, it reflected general fund capital expenses of \$113.3 million. It also proposed spending a \$16 million Alaska Industrial Development and Export Authority (AIDEA) dividend on capital projects instead of depositing the money into the general fund as the Governor originally proposed. These capital budget provisions alone, if adopted, would increase the fiscal gap by \$29.3 million.

Unfortunately, the Governor failed to provide the public with a revised summary of his budget proposal reflecting the impact of his capital budget proposal on his total spending plan for FY 98. Had the Governor released his capital budget bill with the rest of his budget bills and budget plan on December 15, the public would have known that he was proposing to increase general fund spending.

In addition, HCS CSSB 136 (FIN) conforms the general budget submission provisions of AS 37.07.020 to the requirement in AS 37.14.003(a) for a separate mental health program bill; requires each department to report to the legislature by the 45th day of each regular session the amount of current fiscal year appropriations that the department expects to lapse into the general fund at the end of the current fiscal year; allows some information currently required to be included in the capital appropriation bill to be provided as supporting documentation; requires the Governor to submit budget amendments by the 45th legislative day instead of the 60th; and establishes a January 10 deadline for submitting currently required performance reports to the legislature.



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HCS CSSB 136 (FIN) **SECTIONAL ANALYSIS**

April 16, 1997

- Sec. 1:** Amends AS 14.11.019 to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 2:** Amends AS 14.11.100(c) to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 3:** Amends AS 24.20.140 to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 4:** Amends AS 37.07.020(a) making it explicit that the Governor must present all three of the Governor's required budget bills on December 15 of each year -- an operating budget bill, a capital budget bill, and a mental health program operating/capital budget bill.
- Sec. 5:** Amends AS 37.07.020(b) to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 6:** Amends AS 37.07.040 by adding a new subsection (9) to require each department to report to the legislature by the 45th day of each regular session the amount of current fiscal year appropriations that the department expects to lapse into the general fund at the end of the current fiscal year.
- Sec. 7:** Amends AS 37.07.062(a) to allow some information currently required to be included in the appropriation bill to be provided as supporting documents instead. This will conform the statute to the current practice.
- Sec. 8:** Amends AS 37.07.062(b) to properly reference the changes to AS 37.07.020 made in section 4.
- Sec. 9:** Amends AS 37.07.070(1) to require the Governor to submit budget amendments by the 45th legislative day instead of the 60th day.
- Sec. 10:** Amends AS 37.07.090(b) to establish a January 10 deadline for submitting currently required performance reports to the legislature.
- Sec. 11:** Amends AS 47.30.380 to properly reference the changes to AS 37.07.020 made in section 4.

SB

136

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT OF

SFC 3-25-97

DATE: 3/12/97

FURTHER:

Date of 5-Day Notice: 3-13-97
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3-25-97

Finance Committee considered

SENATE BILL NO. 136

"An Act relating to the state budget and to appropriation bills."

and recommends:

be replaced with CS SB 136 (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>Deed & Deed</i>	✓	<i>all done</i>	X		
<i>Sean R. Parrell</i>	✓				
<i>John Lyman</i>	✓				
Co-Chair: <i>Trina Pearce</i>	✓	Co-Chair:			
Co-Chair: <i>Bob Naylor</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>OMB</i>		0	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

REPORTED OUT OF
SFC 3-25-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 136

Revision Date _____	Dept. Affected <u>Various</u>	
Title <u>An Act relating to the state budget and to appropriation bills</u>	BRU _____	
Sponsor <u>Senate Finance Committee</u>	Component _____	
Requester <u>Senate Finance Committee</u>	Component Serial No. _____	

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Desig. Program & Test Fish Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
This bill is not expected to have any fiscal impact.

Prepared by Dan Spencer
Division Office of Management and Budget
Approved by Annalee McConnell
Agency Director, Office of Management & Budget

Phone 465-4681
Date 3/19/97
Date 3/19/97

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SENATE FINANCE
COMMITTEE

Amendment Number: / 0-LS0730/E.1

Bill Number: SB136 Cook

Sponsor: _____ Date: 3/19/97

Logged In By: J. Koltani

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PARNELL

TO: SB 136

1 Page 3, following line 28:

2 Insert a new bill section to read:

3 **** Sec. 8.** AS 37.07.070 is amended to read:

4 **Sec. 37.07.070. Legislative review.** The legislature shall consider the
5 governor's proposed comprehensive operating and capital improvements programs and
6 financial plans, evaluate alternatives to the plans, make program selections among the
7 various alternatives and determine, subject to available revenues, the level of funding
8 required to support authorized state services. The operating and capital budgets of
9 each agency shall be separately reviewed. During each regular session of the
10 legislature, legislative review of the governor's supplemental appropriation bills and
11 the governor's budget amendments shall be governed by the following time limits:

12 (1) Requests by the governor for supplemental appropriations for state
13 agency operating and capital budgets for the current fiscal year may be introduced by
14 the rules committee only through the 30th legislative day.

15 (2) Requests by the governor for budget amendments to state agency
16 budgets for the budget fiscal year may be received and reviewed by the finance
17 committees only through the 45th [60TH] legislative day."

18 Renumber the following bill section accordingly.