

ALASKA LEGISLATURE

2020

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

1 DESCRIBED IN THE SUSITNA AREA PLAN;

2 (5)] allow additional public uses of the area that are [IN A MANNER]
3 compatible with the purposes specified in [(1) - (4) OF] this section.

4 * Sec. 11. AS 41.23.020(c) is amended to read:

5 (c) The Nelchina Public Use Area shall be open to mineral entry under
6 AS 38.05.185 - 38.05.275, and the commissioner may adopt regulations to achieve the
7 purposes specified in AS 41.23.010. Each valid existing right or permit shall remain
8 valid and continue in full force and effect according to its terms. Exploration,
9 development, and extraction of subsurface resources shall be allowed in a manner that
10 is compatible with the purposes specified in AS 41.23.010(1) - (3) [AS 41.23.010(1) -
11 (4)].

12 * Sec. 12. AS 41.23.030(d) is amended to read:

13 (d) The commissioner shall allow traditional access to the Nelchina Public Use
14 Area by motorized or nonmotorized means of transportation to private land, interests
15 in private land, and for lawful sport and subsistence hunting, fishing, trapping, and
16 recreational purposes in a manner that is compatible with the purposes specified in
17 AS 41.23.010(1) - (3) [AS 41.23.010(1) - (4)].

18 * Sec. 13. AS 41.23.050 is amended to read:

19 **Sec. 41.23.050. Purpose of AS 41.23.050 - 41.23.080.** The purpose of
20 AS 41.23.050 - 41.23.080 is to establish the area described in AS 41.23.080 as the
21 Ernie Haugen Public Use Area. The Ernie Haugen Public Use Area is established to

22 (1) protect, develop, and maintain fish and wildlife habitat and the fish
23 and wildlife that use the habitat [SO THAT TRADITIONAL PUBLIC USES MAY
24 CONTINUE];

25 (2) protect, [PERPETUATE AND] enhance, and preserve traditional
26 public uses of fish and wildlife, including [PUBLIC ENJOYMENT] of fishing,
27 hunting, trapping, viewing, and photography;

28 (3) perpetuate and enhance general public recreation in a quality
29 environment; and

30 (4) allow additional public uses of the area that are [, INCLUDING
31 PERSONAL USE WOOD CUTTING, WHEN DETERMINED] compatible with the

1 purposes specified in [(1) - (3) OF] this section.

2 * **Sec. 14.** AS 41.23.100(b) is repealed and reenacted to read:

3 (b) The Hatcher Pass Public Use Area is established to

4 (1) protect, develop, and maintain fish and wildlife habitat and the fish
5 and wildlife that use the habitat;

6 (2) protect, enhance, and preserve traditional public uses of fish and
7 wildlife, including fishing, hunting, trapping, viewing, and photography;

8 (3) perpetuate and enhance general public recreation in a quality
9 environment; and

10 (4) allow additional public uses of the area that are compatible with the
11 purposes specified in this subsection.

12 * **Sec. 15.** AS 41.23.140 is repealed and reenacted to read:

13 **Sec. 41.23.140. Purpose of AS 41.23.140 - 41.23.170.** The purpose of
14 AS 41.23.140 - 41.23.170 is to establish the area described in AS 41.23.170 as the
15 Goldstream Public Use Area. The Goldstream Public Use Area is established to

16 (1) protect, develop, and maintain fish and wildlife habitat and the fish
17 and wildlife that use the habitat;

18 (2) protect, enhance, and preserve traditional public uses of fish and
19 wildlife, including fishing, hunting, trapping, viewing, and photography;

20 (3) perpetuate and enhance general public recreation in a quality
21 environment; and

22 (4) allow additional public uses of the area that are compatible with the
23 purposes specified in this section.

24 * **Sec. 16.** AS 41.23.150(c) is amended to read:

25 (c) Consistent with the purposes of AS 41.23.140(1) - (4) [AS 41.23.140(1) -
26 (3)], the commissioner shall allow uses within the Goldstream Public Use Area,
27 including but not limited to horseback riding, hiking, mining, all terrain vehicle
28 driving, bicycling, dog sledding, cross-country skiing, skijoring, snowmachining,
29 camping, and other traditional public uses of fish stocks and wildlife populations such
30 as fishing, hunting, trapping, viewing, and photographing of moose, trumpeter swan
31 and other waterfowl, otter, beaver, mink, muskrat, and fox.

1 * **Sec. 17.** AS 41.23.150(d) is amended to read:

2 (d) The Goldstream Public Use Area is open to mineral entry under
3 AS 38.05.185 - 38.05.275, and the commissioner may adopt regulations to achieve the
4 purposes specified in AS 41.23.140(1) - (3) [AS 41.23.140(1) - (2)]. Each valid
5 existing right or permit remains valid and continues in full force and effect according
6 to its terms. The commissioner shall permit the exploration, development, and
7 extraction of subsurface resources in a manner that is compatible with the purposes
8 specified in AS 41.23.140(1) - (3) [AS 41.23.140(1) - (2)].

9 * **Sec. 18.** AS 41.23.160(a) is amended to read:

10 (a) Except as provided in this section, the commissioner may prohibit or
11 restrict uses determined to be incompatible with the purposes of the Goldstream Public
12 Use Area under AS 41.23.140(1) - (3) [AS 41.23.140(1) - (2)] within the state-owned
13 land and water described in AS 41.23.170.

14 * **Sec. 19.** AS 41.23.160(d) is amended to read:

15 (d) The commissioner shall allow access to the Goldstream Public Use Area
16 by motorized or nonmotorized means of transportation to private land, interests in
17 private land, and for hunting, fishing, trapping, mining, and recreational purposes in
18 a manner that is compatible with purposes specified in AS 41.23.140(1) - (3)
19 [AS 41.23.140(1) - (2)]. Existing trails remain open to public use.

1 **Sec. 16.05.911. Regulation of the means of access for hunting, trapping,**
 2 **and fishing.** Notwithstanding other provisions of law, traditional means of access for
 3 purposes of hunting, trapping, or noncommercial fishing may not be restricted except
 4 as

5 (1) specifically authorized by act of the legislature;
 6 (2) specifically authorized by a regulation adopted by the Board of
 7 Fisheries or the Board of Game, provided that ^{the} [a] local fish and game advisory
 8 committee with jurisdiction over the area where the regulation would apply has [not
 9 objected in writing ^{proposed} to the adoption] of the regulation;

10 (3) necessary to maintain sustained yield management of a fish stock
 11 or game population or to protect or enhance habitat that is essential to the maintenance
 12 of sustained yield management of a fish stock or game population;

13 (4) necessary to achieve the statutory purpose of an area established by
 14 law to protect a fish stock or game population or the habitat of a fish stock or game
 15 population, such as a refuge, sanctuary, range, or critical habitat area;

16 (5) necessary to achieve temporary protection for a fish stock or game
 17 population or the habitat of a fish stock or game population for a period of less than
 18 one year in a specifically identified area; or

19 (6) provided by a law or by a regulation adopted by the Board of
 20 Fisheries or the Board of Game that is applicable to a refuge, sanctuary, range, critical
 21 habitat area, controlled-use area, or conservation area and that is in effect on the
 22 effective date of this section.

23 * **Sec. 4.** AS 16.05.940 is amended by adding a new paragraph to read:

24 (37) "means," "means and methods," and "methods" mean the tools,
 25 implements, devices, substances, or vehicles employed to take fish or game and the use
 26 of tools, implements, devices, substances, or vehicles to take fish or game.

27 * **Sec. 5.** AS 16.20.020 is repealed and reenacted to read:

28 **Sec. 16.20.020. Purposes.** The purposes of AS 16.20.010 - 16.20.080 are to

29 (1) protect, enhance, and preserve fish and game habitat and the fish
 30 and game that use the habitat;

31 ~~(2)~~ consistent with (1) of this section, protect, enhance, and preserve

J.D.
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Adopted

Been notified

Adopted

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STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date/Time: Dept Affected: Natural Resources
Title: FISH AND GAME/REFUGES/HABITAT BRU: Minerals, Land & Water Development
& USE AREAS Component: Claims, Permits and Leases
Sponsor: Rep. MASEK
Requestor: (H) RES Component No 2460

Expenditures/Revenues (Thousands of Dollars)
Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2000) cost: \$ n/a

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)

No fiscal impacts are anticipated from this legislation as existing staff currently deals with access issues and it is not anticipated that approval of this legislation will significantly add to the present workloads.

Prepared by: Robert M. Loeffler *Robert M. Loeffler* Phone: 907-269-8625
Division: Mining, Land and Water Date: 01-Mar-00
Approved by Commissioner: John Shively *John Shively* Date: 01-Mar-00
Agency: Natural Resources

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**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

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CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
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Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0

Estimate of any current year (FY2000) cost: \$ n/a

POSITIONS

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

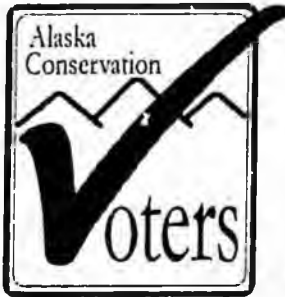
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HB 349 ~ Fish and Game / Refuges / Habitat and Use Areas

TO: House Finance Committee Members
FROM: Susan Schrader, Conservation Advocate
DATE: March 29, 2000

Alaska Conservation Alliance and Alaska Conservation Voters are sister nonprofit organizations dedicated to protecting Alaska's environment through public education and advocacy. Our 40 member organizations represent over 21,000 registered Alaskan voters who can be found in all user groups of Alaska's wildlife, including subsistence users, sport hunters, wildlife viewers, and photographers. We respect and appreciate the long, rich tradition held by Alaskans, Native and non-Native alike, that surrounds our state's wildlife resources. We also acknowledge that opportunities to use and appreciate our wildlife belong to all Americans as well as to visitors to our state from other countries.

We are opposed to HB 349 for the following reasons:

- In Sections 1 and 2 of the bill, the addition of "enhancement" appears to be an effort to enshrine the near-sighted principles of intensive game management more deeply into Alaska statutes. Whereas "development" embodies a range of policies that address the long-term benefits of wildlife resources for all user groups, "enhancement" clearly mandates policies aimed, single-mindedly, at increasing populations of wildlife without consideration of other biologic principles.
- Section 3 represents yet another attempt to restrict members of the Boards of Fisheries and of Game as well as the biologists at ADF&G in their efforts to protect wildlife and their habitat. We cannot support any further restrictions on the ability of the Boards or the Department to regulate access.
- Section 5 markedly and dangerously expands ADF&G's management mandate of many of Alaska's premier wildlife refuges. Refuges such as Creamers Field, McNeil River, Anchorage Coastal, and Mendenhall Wetlands are highly-prized by many Alaskans for their values as sanctuaries for wildlife and people alike. To statutorily mandate that activities such as hunting, trapping, and motorized recreation should be permitted in *all* refuges clearly fails to recognize that some areas must be managed first and foremost to protect and preserve habitat and the wildlife populations while other refuges can support wildlife viewing, photography, or other non-consumptive, quiet uses but not hunting or motorized use.

OVER

Conserve Alaska. It's Only Natural.

Thank you for the opportunity to comment on HB 349. Several of the issues we identified in testimony before other committees have been resolved through changes made to the present version of the bill. For example, reinsertion of the word 'development' in Section 1 emphasizes the importance of human utilization as a resource use.

However, there are still several areas of concern to the department within the bill:

Section 3 of the bill would limit the Board of Game's authority to restrict the means of access for the purpose of taking fish or game. Access restrictions could be authorized only in the 6 specific ways outlined in this section. Management of access is and has been one of the most useful tools available to the Board of Game for reducing conflicts between user groups while still allowing maximum opportunity to harvest wildlife populations. Without the ability to craft appropriate mixtures of access methods and timing, the Board will be faced with the need to shorten hunts and reduce bag limits in order to scale back harvests that would climb in some areas due to unrestricted access.

Changes made to the bill have done away with several of the problems we originally identified in this section by simplifying the process by which Advisory Committees would be involved in access issues considered by the Board and by grandfathering existing access rules where they are in effect. However, as we read it, the current version would allow a single AC to veto an access-related proposal. There are few wildlife management measures that are universally beloved, no matter their worth, and we think it is unwise to instill this degree of power in a single AC. It is quite likely that one committee could prevent an access rule that had general support within the region and across the state.

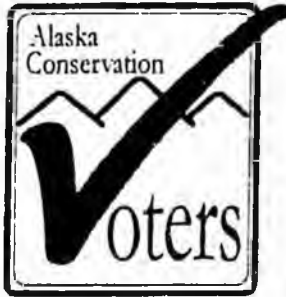
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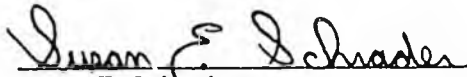
We are opposed to HB 349 for the following reasons:

- In Sections 1 and 2 of the bill, the addition of "enhancement" appears to be an effort to enshrine the near-sighted principles of intensive game management more deeply into Alaska statutes. Whereas "development" embodies a range of policies that address the long-term benefits of wildlife resources for all user groups, "enhancement" clearly mandates policies aimed, single-mindedly, at increasing populations of wildlife without consideration of other biologic principles.
- Section 3 represents yet another attempt to restrict members of the Boards of Fisheries and of Game as well as the biologists at ADF&G in their efforts to protect wildlife and their habitat. We cannot support any further restrictions on the ability of the Boards or the Department to regulate access.
- Section 5 markedly and dangerously expands ADF&G's management mandate of many of Alaska's premier wildlife refuges. Refuges such as Creamers Field, McNeil River, Anchorage Coastal, and Mendenhall Wetlands are highly-prized by many Alaskans for their values as sanctuaries for wildlife and people alike. To statutorily mandate that activities such as hunting, trapping, and motorized recreation should be permitted in *all* refuges clearly fails to recognize that some areas must be managed first and foremost to protect and preserve habitat and the wildlife populations while other refuges can support wildlife viewing, photography, or other non-consumptive, quiet uses but not hunting or motorized use.

OVER

Conserve Alaska. It's Only Natural.

Clearly recognizing the volatile and divisive nature of issues surrounding wildlife management, the members of Alaska Conservation Voters join with other Alaskans who are calling for balanced, fair and far-sighted wildlife management decisions, based upon the best scientific data available, that reflect the values of most Alaskans. Many of the provisions in HB 349 run counter to this approach, and we therefore cannot support this bill.


Susan E. Schrader

Thank you for the opportunity to comment on HB 349. Several of the issues we identified in testimony before other committees have been resolved through changes made to the present version of the bill. For example, reinsertion of the word 'development' in Section 1 emphasizes the importance of human utilization as a resource use.

However, there are still several areas of concern to the department within the bill:

Section 3 of the bill would limit the Board of Game's authority to restrict the means of access for the purpose of taking fish or game. Access restrictions could be authorized only in the 6 specific ways outlined in this section. Management of access is and has been one of the most useful tools available to the Board of Game for reducing conflicts between user groups while still allowing maximum opportunity to harvest wildlife populations. Without the ability to craft appropriate mixtures of access methods and timing, the Board will be faced with the need to shorten hunts and reduce bag limits in order to scale back harvests that would climb in some areas due to unrestricted access.

Changes made to the bill have done away with several of the problems we originally identified in this section by simplifying the process by which Advisory Committees would be involved in access issues considered by the Board and by grandfathering existing access rules where they are in effect. However, as we read it, the current version would allow a single AC to veto an access-related proposal. There are few wildlife management measures that are universally beloved, no matter their worth, and we think it is unwise to instill this degree of power in a single AC. It is quite likely that one committee could prevent an access rule that had general support within the region and across the state.

Section 4 of the bill would define "methods and means" in statute to mean "tools, implements, devices, or vehicles" used to take fish or game. Methods and means are not currently defined in either statute or regulation, but there is an entire section of the fish and game regulations dealing with methods and means. This section addresses issues such as shooting off of highways, definition of bait, prohibiting the use of poison, wanton waste, same day airborne restrictions, and many other rules necessary for good wildlife management. The way the bill is structured it would limit the use of methods and means only to tools, implements, and vehicles. All other methods and means regulations would go away because they would conflict with the statute. If that is not the intent, then this section needs to be changed.

Section 7 of the bill addresses the department's authority for hunter education and wildlife conservation education programs. The change made to subsection (2) in this version has answered the concerns we identified earlier, where we felt the responsibility and ability to mount these programs were being taken away from the department. I would like to point out, however, that we would read the term "wildlife conservation education program" broadly, because it is important that we take advantage of wildlife interpretive opportunities (e.g., Potter's Marsh interpretive center, etc.) in addition to the more narrowly defined activities mentioned in the bill.

Committees:

Transportation
Chair

Resources
Vice Chair

World Trade and
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Alaska State Legislature



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Representative Beverly Masek

Sponsor Statement for HJR 53 & HB 349

The Alaskan Way of Life Protection Act

HJR 53 and HB 349 were introduced to alleviate the problems many Alaskans face due to the inability of the State to provide adequate management and protection to those traditional uses of wildlife that have sustained many Alaskans, including Native Alaskans throughout time.

Since the mid-1970's, the imposition of "urban" values on those Alaskans who choose to remain in a culture that is tied closely to the land has escalated. Although little or no scientific evidence exists to discredit traditional management techniques of wildlife resources for human consumptive uses, the zealots in the environmental movement continue to try and force their belief system on the rest of society by denying access to proven remedies supportive of human consumptive values.

Although Alaskans who fish, hunt and trap may not be able to agree upon specific allocation remedies due to competition inherent among all consumptive users of the resource, including non-human predators, we should be able to agree on the necessity of protecting those cultural values from constant attack by those whose values differ. HJR 53 and HB 349 is part of the plan to move us back towards rules that require respect for differing values. I have never heard of a fisher, hunter, or trapper speak in front of the Board of Fish or Board of Game requesting non-consumptive uses be eliminated in any part of Alaska; however we constantly hear from the environmental community about how their beliefs are somehow superior to the beliefs of others and should therefore be imposed upon the rest of us.

Mankind has been competing with non-human predators for thousands of years and part of that competitive struggle has included a variety of measures intended to lesson the competition. With the advent of modern wildlife conservation sciences, we reached a stage where we could insure the health of all species and sustain meaningful levels of human harvests. That is until recently when animal rights activists essentially eliminated sustained yield management.

HJR 53 and HB 349 should mark the beginning of our attempt to fight back by once again allowing for proven management techniques to take place. Sound scientific measures minus the emotional hysteria will insure that the important cultural values attendant to fishing, hunting and trapping are protected. It is also important to make sure that we continue the prohibition against using the government to impose personal values held by one segment of the population on others. And make no mistake about it, the use of government processes by environmentalists has only one intended goal, and that is to impose their values on the rest of society regardless of the facts.

Committees:

Resources
Co-Chair

Transportation

World Trade and
State & Federal Relations

Alaska State Legislature



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Representative Beverly Masek

HB 349

"An Act relating to the powers of the Board of Game"

SECTIONAL ANALYSIS

- Sec. 1.** Inserts the term enhancement in AS 16.05.221(b)
- Sec. 2.** Inserts the term enhancement in AS 16.05.255(a) (3) and (a) (10).
- Sec. 3.** Adds a new section that provides direction to the Board of Game in relation to the regulation of traditional means of access for hunting and trapping. The new section, AS 16.05.911 would allow the Board to restrict access under the proscribed circumstances in (1) – (6) on page 3, lines 5 – 22.
- Sec. 4.** AS 16.05.940 is amended to include a definition of means and methods.
- Sec. 5.** Changes the statutory language in AS 16.20.020 so as to make clear that fishing, hunting and trapping are protected uses of state wildlife refuges.
- Sec. 6.** Changes AS 16.20.500 adds traditional uses of fish and wildlife as a purpose of critical habitat areas.
- Sec. 7.** Amends AS 16.55.010 so as to clarify that it is the duty of the Department to assist non-profit organizations interested in preserving fishing, hunting and trapping to develop hunter education and wildlife conservation education programs.
- Sec. 8.** Changes the Department's granting authority under AS 16.55 by directing that any grants given by the department for hunter education, or wildlife conservation education must go to an organization whose purpose it is to preserve fishing, hunting and trapping as described in AS 16.55.030.

- Sec. 9. Amends AS 16.05.030 so that only non-profit organizations established to preserve fishing, hunting and trapping are eligible to receive grant moneys under this section.
- Sec. 10. Amends AS 41.23.010 to clarify the Nelchina Public Use Area has as its purposes the enhancement and preservation of wildlife and wildlife habitat, and the protection of traditional uses of fish and wildlife.
- Sec. 11. Amends AS 41.23.020(c) to make it compatible with the new language in AS 41.23.010.
- Sec. 12. Amends AS 41.23.020(d) to make it compatible with the new language in AS 41.23.010.
- Sec. 13. Amends AS 41.23.050 to clarify the Ernie Haugen Public Use Area has as its purposes the enhancement and preservation of wildlife and wildlife habitat, and the protection of traditional uses of fish and wildlife.
- Sec. 14. Amends AS 41.23.100(b) to clarify the Hatcher Pass Public Use Area has as its purposes the enhancement and preservation of wildlife and wildlife habitat, and the protection of traditional uses of fish and wildlife.
- Sec. 15. Amends AS 41.23.140 to clarify the Goldstream Public Use Area has as its purposes the enhancement and preservation of wildlife and wildlife habitat, and the protection of traditional uses of fish and wildlife.
- Sec. 16. Amends AS 41.23.150(c) to make it consistent with AS 41.23.140 (1) – (4) and adds the term stocks after the term fish.
- Sec. 17. Amends AS 41.23.150(d) so that it is consistent with AS 41.23.140(1) – (3).
- Sec. 18. Amends AS 41.23.160(a) so that it is consistent with AS 41.23.140(1) – (3).
- Sec. 19. Amends AS 41.23.160(d) so that it is consistent with AS 41.23.140(1) – (3).

Campaign for the Abolition of Angling

Welcome to the Campaign for the Abolition of Angling [CAA].

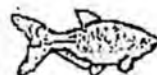
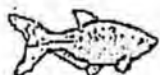
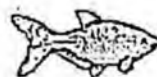
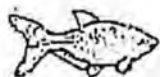
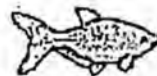
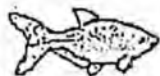
We are dedicated to banning angling. We were established in 1981 following the publishing of the Wedgway Report which concluded that fish can feel pain and have the ability to suffer.

Our work consists of publicity, education, and direct action.

NATIONAL ANTI-ANGLING WEEK JUNE 16th - 24th 2000

June 16th is the traditional start of the angling season and as usual we will be there to let them know how cruel fishing is. Over this week there will be stalls, leafletting, litter picks, talks, media interviews and direct actions to highlight the suffering fish endure at the hands of anglers. If you are interested in taking part or even in organizing an activity then please at the address below. We have leaflets and factsheets (most are already on this website) and other materials available, as well as details of your area, if you are interested in taking part.

For more information on the campaign for the abolition of angling, please check out our
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Fishing: Aquatic Agony

That human beings regard some kinds of fish as "pets" and others as objects of sport or consumption is one of society's many inconsistent attitudes toward animals. Millions of fish annually are subjected to severe pain and stress by the commercial fishing industry and in "sport" or "recreational" fishing.

The Painful Reality

The poet Byron said it best: "[T]he art of angling [is] the cruelest, the coldest, and the stupidest of pretended sports."⁽¹⁾ "Sport" fishing generally refers to fishing with a rod and reel, but may include the use of bows and arrows, small nets, spears, or guns. It survives partly because of the misconception that fish don't feel pain. While fish do not express pain and suffering in ways that humans easily recognize, they do gasp and struggle when caught. Moreover, fish have been known to go out of their way, and even risk their own lives, to aid others in trouble.

Scientific reports from around the world substantiate the fact that fish feel pain. For example, a U.K. inquiry into angling and shooting, known as The Medway Report, concluded: "[T]he evidence suggests that all vertebrates (including fish) . . . experience similar sensations to a greater or lesser degree in response to noxious stimuli."⁽²⁾ Fish feel pain out of biological necessity, just as mammals do. Without the ability to feel pain, they would not be able to survive.

Hooked fish struggle out of fear and physical pain. Once fish are brought out of their environment and into ours, they begin to suffocate. Often their gills collapse and the swim bladder can rupture due to the sudden change in pressure on their bodies. Anglers also often impale their victims on a "stringer" and dangle them in water so that they won't die quickly and "spoil."

Fish who are released can suffer such severe stress from being "played" that they may die even though they manage to swim away or may be so weakened that they are easy prey for predators.⁽³⁾ The "fight" to survive during catch and release can cause a buildup of lactic acid, making the fish stiff and sore, lessening their chances of survival.⁽⁴⁾

Many trout streams are so intensively fished that they are subject to "catch and release" regulations requiring that all fish caught must be let go; the aquatic animals in these streams are likely to spend their entire short lives being repeatedly traumatized and injured.

Terry Hill, a former angler, recalls: "On several occasions, I caught fish who had hooks actually embedded in their lips. What had happened was, earlier in that fish's life, a hook had been lost by a fisherman and had embedded itself in the fish's lip. As the fish had

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C.A.S.H. Courier - Spring 1999

THE END OF TRAPPING IN THE UNITED STATES By Peter Muller

That could be a headline you'll see in papers from sea to shining sea - if a bill introduced by New York Representative Nita Lowey passes the House of Representatives and the Senate and is signed into law by our beloved President William Jefferson Clinton. Representative Lowey introduced H.R. 1581 in the House on April 27, 1999. The bill is currently in committee and we'll be watching and reporting on its progress.

So far, 62 additional representatives have signed on as co-sponsors.

The Bill starts out:

SECTION 1. DECLARATION OF POLICY.

It is the policy of the United States to end the needless maiming and suffering inflicted upon animals through the use of steel-jawed leghold traps by prohibiting the import or export of, and the shipment in interstate commerce of, such traps and of articles of fur from animals that were trapped in such traps.

The penalty provided for in this bill is a fine and a prison term of not more than two years for each violation.

C.A.S.H., as well as many other organizations, has been struggling to encourage various legislative bodies to pass local or state laws outlawing or restricting trapping. In some states that have ballot initiatives, they have succeeded in banning trapping.

If H.R. 1581 passes, then trapping will be prohibited nationwide overnight. This may well be the most important animal protective legislation ever proposed.

Let's all urge our federal representatives to support this bill.

Incidentally, Representative Lowey is considered by many observers of the New York political scene to have the "inside track" as the Democratic Party nominee for senator if Hillary Clinton decides not to run for that position. Best news we've had in a long time.

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Relevant Factsheets:
Learn the Facts about Hunting

Answers to Commonly Asked Questions about Hunting

Isn't hunting a worthy tradition because it teaches people about nature?

There are many ways to learn about nature and the "out-of-doors." At its best, hunting teaches people that it is okay to kill wildlife while learning about some aspects of nature. However, the very essence of sport hunting is the implicit message that it is tolerable recreation to kill and to accept the maiming of wildlife. Even those who claim that wounding and maiming is not the intent of hunting cannot deny that it happens, and that they continue to hunt anyway.

It is folly to suggest that we can teach love, respect and appreciation for nature and the environment through such needless destruction of wildlife. One can learn about nature by venturing into the woods with binoculars, a camera, a walking stick, or simply with our eyes and ears open to the world around us.

Does hunting help create a bond between father and son?

We do not know, but there are countless recreational and other activities that can strengthen the parent/child bond. Bonding has less to do with the activity and more to do with whether the parent and child spend significant, concentrated, and loving time together. Yet the particular recreational activity engaged in is also important, because what emerges from it is not only bonding but also a moral message to the child about what constitutes acceptable recreation.

Hunting as a form of family entertainment is destructive not only to the animals involved, but also to the morals and ethics of young children who are shown or taught that needless killing is acceptable recreation. The Humane Society of the United States rejects the notion that a relationship of love and companionship should be based on the needless killing of innocent creatures. Killing for fun teaches callousness, disrespect for life, and the notion that "might makes right."

Isn't hunting a popular and growing form of recreation?

No. The number of hunters has been steadily declining for decades. According to the U.S. Fish and Wildlife Service, in 1994 there were 15.3 million licensed hunters in the U.S., compared with 15.6 million in 1993, 15.8 million in 1990, and 16.3 million in 1980. This drop has occurred even while the general population has been growing -- now just six percent of Americans hold hunting licenses. Hunters claim that their numbers are growing in order to give the impression that recreational killing is acceptable. The facts are that more and more hunters are giving up hunting because it is no longer a socially acceptable activity.

What are state wildlife agencies doing to maintain interest in hunting?

Most states actively recruit children into hunting, through special

fun.

Aren't most hunts to limit overpopulation and not truly for recreation?

No. Most hunted species are not considered to be overpopulated even by the wildlife agencies that set seasons and bag limits to govern the percentage of populations that can be legally killed. Black ducks, for instance, face continued legal hunting -- even on National Wildlife Refuges -- despite the fact that their populations are at or near all time lows. If hunters claim that they hunt in order to prevent overpopulation, then they should be prepared to forgo hunting except when it really is necessary to manage overpopulated species. This would mean no hunting of doves, ducks, geese, raccoons, bears, cougars, turkeys, quail, chuckar, pheasants, rabbits, squirrels, and many other species.

Moreover, hunters are usually the first to protest when wolves, coyotes and other predators move into an area and begin to take over the job of controlling game populations. The State of Alaska, for example, has instituted wolf-control (trapping and shooting), on the grounds that wolf predation may bring caribou populations down to a level that would limit the sport-hunting of caribou. Finally, hunters kill opossums, foxes, ravens, and numerous other plentiful species without the pretension of shooting them so that they do not starve or freeze to death.

Is hunting to prevent wildlife overpopulation usually effective?

No. Wildlife, to a large degree, will naturally regulate its own populations if permitted, eliminating any need for hunting as a means of population control. Discussions which arise in regard to supposed wildlife overpopulation problems apply primarily to deer. Hunters often claim that hunting is necessary to control deer populations. As practiced, however, hunting often contributes to the growth of deer herds. Heavily hunted states like Pennsylvania and Ohio, for instance, are among those experiencing higher deer densities than perhaps ever before. When an area's deer population is reduced by hunting, the remaining animals respond by having more young, which survive because the competition for food and habitat is reduced. Since one buck can impregnate many does, policies which permit the killing of bucks contribute to high deer populations. If population control were the primary purpose for conducting deer hunts, hunters would only be permitted to kill does. This is not the case, however, because hunters demand that they be allowed to kill bucks for their antlers.

Does hunting ensure stable, healthy wildlife populations?

No. The hunting community's idea of a "healthy" wildlife population is a population managed like domestic livestock, for maximum productivity. In heavily hunted and "managed" populations, young animals feed on artificially enhanced food sources, grow and reproduce rapidly, then fall quickly to the guns and arrows of hunters. Few animals achieve full adulthood. After twenty years of heavy deer hunting at the Great Swamp National Wildlife Refuge in New Jersey, for example, only one percent of the deer population lived longer than four years, and fewer than ten percent lived longer than three years. In a naturally regulated population, deer often live twelve years or longer.

Though hunting clearly kills individual animals, can hunting actually hurt wildlife populations?

Yes. Hunters continue to kill many species of birds and mammals (e.g., cougars, wolves, black ducks, swans) that are at dangerously

low population levels. While hunting may not be the prime cause of the decline of these species, it must contribute to their decline and, at a minimum, frustrate efforts to restore them.

Even deer populations may be damaged by hunting pressure. Unlike natural predators and the forces of natural selection, hunters do not target the weaker individuals in populations of deer or other animals.

Rather, deer hunters seek out the bucks that have the largest rack. This desire for "trophy sized" bucks can and has had detrimental effects on the health of deer herds. First, hunting can impact the social structure of a herd of deer because hunters kill the mature males of a herd and create a disproportionate ratio of females to males. It is not uncommon to find a herd that has no bucks over the age of three. Second, genetically inferior bucks may be left to propagate the species, thereby weakening the overall health of the herd.

Because hunters largely want to shoot only bucks, hunting may cause artificial inflation of deer populations. When these populations reach levels that available habitat cannot support, increased disease and starvation may be the result.

We don't understand the full effect of hunting on wildlife behavior or health because wildlife agencies will not conduct the studies necessary to find the answers (i.e., "spy-blind" observations of duck hunting, in which under-cover authorities secretly observe hunters).

Is hunting for food a good way to save money on grocery bills?

Almost never. When all costs are considered (e.g., license fees, equipment, food, lodging and transportation), hunting is not an economical way to provide food. Statistics gathered by the University of Maryland's Extension service reveal that hunters spent more than \$51 million to kill 46,317 deer in Maryland in 1990. This breaks down to approximately \$1,100 for each deer killed. Assuming that the meat of each deer killed was preserved and eaten, and that each deer provided 45 lbs. Of meat, the cost of venison in 1990 in Maryland was \$24.44 per pound. For most hunted animals, such as ducks, doves, rabbits, squirrels, and crows, among others, use for food is now minimal, and the expense of equipment far outweighs the value of any food that is obtained. For the vast majority of hunters, hunting is recreation, not a means of gathering food.

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Guest Opinion

by Louis Dawson

Lethal injection

Executing our right to use federal lands

By Louis Dawson

Editor's Note: This article covers the U.S. National Forest Management Planning process, as exemplified in the White River National Forest, Colorado. It was originally published in Coucir Magazine, December, 1999 and is reprinted here with permission from the author, Louis Dawson, who is primarily a muscle-powered recreator. He believes an anti-human philosophy underlies the proposed management plan for the White River. Dawson says that "in time, this philosophy will adversely affect every sort of recreation, motor or muscle powered." While much of what Dawson is writing about is specific to the White River, he notes that other national forests, including the Chugach, are in the planning process, and the Clinton Roadless Initiative has the potential to severely curtail public access for recreation and resource development. While some readers may find his opinion hard-hitting, it is not the intention of RDC to offend the Forest Service or others with different views.

Divide, conquer and kill. If radical environmentalists in central Colorado are not repeating that mantra, they should be. The Forest Service here just released Proposed Revised Forest Management Plan "D" for White River National Forest. By taking a major departure from present management style, the Plan views recreation as a destructive activity to be regulated and restricted. Machine or muscle powered user, our land is being jerked out from under us like the proverbial rug.

Up front, the proposed Forest Plan appears to limit roads and motorized recreation, while letting most muscle powered recreation continue as-is. That's somewhat true — for now. Indeed, it appears the Forest planners took great pains not to offend vocal "moral highground" groups such as elk hunters, hikers and backcountry skiers. If you read the plan with care, you'll get a chuckle out of the obvious placation bones

thrown to these groups (of which I'm a member). But in evaluating the Plan you have to look twice. You must look at the details of the plan documents — and you must look at underlying philosophy that will drive thousands of management decisions not written into the documents. As a total outdoorsman I've done both those things, and I'm alarmed.

The proposed plan is based on a form of management known as "closed unless posted open," which means that any recreation, including hiking, is done by permission from the federal government. What's more, the underlying philosophy of the Plan is tilted towards managing for "biodiversity." That sounds good, until you realize that "biodiversity" can mean different things to different people. The Forest Service definition of the term appears slanted towards the radical environmentalist side: the view that recreation and biodiversity are, in most cases, mutually exclusive — that humans are a scourge on the land.

Each National Forest in the United States is required by law to periodically revise its management plan. These massive documents define use for every square inch of federal land within Forest boundaries. The first step in revision is a massive gathering of data, much of this being subjective and influenced by biased observation, bogus assumptions, and the latest political trends.

Example: Plan documents state that "cross-country skiers...prefer...non-motorized areas outside of Wilderness; winter access in Wilderness is minimal because of avalanche..." That's flat wrong. Many skiers enter legal Wilderness boundaries in the White River Forest. Indeed, one of our most popular lift accessed backcountry ski areas is in Wilderness behind Snowmass Ski Resort. What's more, the huge Flat Tops Wilderness lives up to its name and includes plentiful cross-country ski terrain safe from avalanche. Much of our other Wilderness, though somewhat steep and rugged, also has terrain with little or no

avalanche danger.

If backcountry skiers such as myself need more terrain without snowmobiles, the logical solution is to snow plow or build a few more roads and trailheads that access Wilderness boundaries. Keep such access open in winter and we will automatically have all the non-motorized terrain we could ever ask for. After all, the White River Forest is 1/3 legal wilderness!

The new Plan, with an anti-human bent predicated on false assumptions, seeks to concentrate everyone in small areas near existing trailheads such as Vail Pass.

Example: Shed your assumptions about foot travel, an activity most of us assume is sacrosanct and virtually un-regulated. In Plan D, thousands of acres of land are proposed for "Primitive" and "Pristine" use levels, which turn out to be almost deserted. For example, join six hikers on a trail in a classified "Primitive" area, and according to the Plan you'll need to be the only users on about 6 miles of trail — otherwise you'll exceed the maximum use level! Sure, staffers at the Forest Service office will tell you that "Plan D doesn't restrict hiking." What they don't tell you is "for now." And all this assumes trails exist.

Amazingly, there is even talk of closing several mountain trails and obliterating them through "restoration." As for mountain biking, trail after trail has been slated for closure. Why the closures? There is only one answer: in view of the Plan's underlying philosophy, mountain bicycling is destroying biodiversity and must be curtailed.

With such false data and bogus assumptions to work with, the fed's next step is the public scoping process, wherein those who can spend the most money and throw the most paper have the most influence — provided such input is aligned with the Forest Service's anti-human, anti-recreation direction.

For example, funded by Aspen area wealth, our local environmental groups have made a religion out of negativity and nay-saying. According to them, White River Forest is on a quick road to oblivion. The USFS appears to consume such sentiment with gusto, then use it to justify their anti-human stance. But is our forest damaged enough to need draconian action? Or, as the environmentalists claim, does the future bode so ill we need to start heavy recreation restrictions immediately? No to both.

"Reality doesn't matter to the Forest planners. Muscle power or carbon fuel — be it winter or summer, disabled or spry, old or young, backcountry skier or lift skier, in view of the proposed Plan you're mostly a destructive nuisance in need of severe limits. Now, our recreation needs in central Colorado are second fiddle to goals of the land manager bureaucrats who lap up the latest theories of green activists, partisan wildlife biologists and bio-diversity fanatics."

I've wandered the backlands of White River National Forest for over thirty years. While this is not virgin rain forest, it's arguably decent and bio-diverse. Logging is so politically incorrect it's nearly extinct in the White River Forest. Mining has all but ceased as an industry, and in retrospect caused little lasting or incurable damage (when considered as percent of the total land). In fact, one of the most heavily mined places in the White River Forest is the Aspen area, now considered by many to be one of our state's most beautiful places, and the chosen home of many outspoken environmentalists. Go for a hike or jeep ride and the lush forest will astound you with its wealth of flowers, bugs, birds and beasts. Travel in winter, and you'll enjoy thousands of peaceful acres dormant under a protective white blanket. Sure, in some areas you can still step in a cow pie or hear a snowmobile, but overall we have a huge tract of prime backcountry around us.

And the future? It's always amusing to watch anyone of any political stripe trying to base policy on a crystal ball. In some cases it's necessary, but so often proves to be a joke. In the case of recreation we have seen some large increases. But let's not forget alpine skiing, which is flat or shrinking. What's to keep other forms of recreation from following the same pattern as alpine skiing? Most importantly, demographics show an aging population with most of our population growth coming from other cultures that don't participate heavily in outdoor recreation. Thus, implementing present restrictions based on future growth could well be unnecessary.

But reality doesn't matter to the Forest planners. Muscle power or carbon fuel — be it winter or summer, disabled or spry, old or young, backcountry skier or lift skier, in view of the proposed Plan you're mostly a destructive nuisance in need of severe limits.

Now, our recreation needs in central Colorado are second fiddle to goals of the land manager bureaucrats who lap up the latest theories of green activists, partisan wildlife biologists and bio-diversity fanatics. When theories fit their agenda they become facts that support the claim we're being shut out to help the forest. That's a false claim. This apocalyptic shift in management policy has deeper roots.

Follow the green trail back to Washington. With the demise of extractive industry, along with spending cuts, the Forest Service has less money for recreation management. On top of that, national USFS policy is now slanted towards an anti-human view based on faulty environmental ideals. Divided, we recreationists have about as much political clout as cow dung, we cost money to "manage," and we give little money back. What's more, without logging and mining to beat on, we recreators are now whipping boys for the environmentalists: our ski areas are too big, our cars use the roads too much, our huts are developments, our dogs pollute, our tracks deface pristine slopes, our tents are ugly, our vibram soles erode the trails, snowmobiles are the devil...

The whole process bears a nightmarish resemblance to lethal injection execution. Here's how it works. The first step in government termination is when they strap you down in the execution room. In the same way, we recreationists are immobilized by divisiveness. Then comes the intravenous sedative Pentothal. In the case of backcountry access your drug is the warm, fuzzy and often misinterpreted concept of "bio-diversity," which can define anything from a zoo to a game preserve — and does not include humans.

The next step of lethal injection is a huge hit of curare derivative to lock up your lungs. In the same way, our voices are locked by the poison of political correctness. Mention that humans have rights on the land, and you're considered a right-wing wacko. The last step of lethal injection execution is a squirt of potassium that burns through your veins like the fires of hell, then sends your heart into an excruciating cramp.

When your soul calls you to the backcountry, but the sign at the trailhead says "no humans allowed" and crushes your heart, will you try to scream? Sorry, it's too late: you've been immobilized, sedated, suffocated and killed.

The Forest Service says they'll make incremental changes to the Proposed Management Plan, based on public written input. It's then likely the Plan will be appealed by divided recreation groups with no consensus, and consequently little effect. Furthermore, while in various newspaper writings the environmental groups appear

to support the Plan, it's likely they'll appeal it as well (or use it as a philosophical launching pad for more extreme restrictions such as the Roadless Initiative). The nightmare is that we recreationists are now working from zero. We're reduced to actually justifying our right to recreate, no matter what form our use takes.

Chances are, any National Forest near you is in, or close to beginning a plan revision — with the needle of lethal injection aimed at the heart of your backcountry sport.

What to do? First, look at recreation as a whole, and join a group that promotes responsible multi-use of public land. You might actually shake hands with another type of user, but you'll be surprised how much you have in common. Avoid clubs or political groups that bicker with other user groups. Be wary of groups that call attention to user "conflicts" to further their agendas of use restrictions. People can get along, and emphasizing their differences is nothing less than exploitation. Most of all be willing to share. Backcountry skiers should stop feeling superior because they use blood sugar instead of gasoline. Snowmobilers should drive with courtesy and use their wallets to vote for quieter machines. Mountain bikers should work with hikers and equestrians.

Sure, we can divide the pie once in a while. Any multi-use group worth its tires or boot rubber—or steel edges—should be comfortable with occasional use restrictions (helicopter skiing comes to mind, and a quantity of legal wilderness and game preserves is desirable). But the underlying philosophy of most land management should value human recreation in the equation. In most cases, we should only restrict recreation when it causes massive, irreversible damage — not a bit of trail erosion, a tent visible by a lake, or even one group being seen by another.

After you've hashed out your differences and figured a few solutions that include humanity, mail opinion letters to your local Forest Service office and your government representatives. Remember that just because a Forest Plan looks good for your own form of recreation doesn't make it a good plan. If the underlying philosophy does not support recreation in a broad sense, you'll eventually feel the pain. Work hard, compromise, and be open minded about all forms of recreation. Otherwise, it won't be pretty -- lethal injection never is.

Louis Dawson lives in Carbondale, Colorado. He is an active outdoorsman, specializing in writing about ski mountaineering, and is well known as the first man to ski down all 54 of Colorado's 14,000 foot peaks.

When freezers are empty

Urban-rural divisions do all hunters no favors

McGrath residents face a shortage of subsistence resources even though McGrath is rural and its residents are subsistence users. Their subsistence preference has not prevented the wildlife they depend on from vanishing. McGrath hunters are the preferred "user," but they have nothing to hunt! They have lots of "preference," but what does "preference" taste like?

McGrath residents travelling far afield to hunt moose, are finding their larders bare and their traditions in jeopardy. Sen. Ted Stevens did all he could when he gave rural Alaskans a preference over urban hunters. Unfortunately, amending our Constitution to establish a "subsistence preference for and among rural residents" simply will not provide an abundance of wildlife for subsistence hunters. Establishing a preference does not protect subsistence. Preference is not opportunity.

Alaskans can do better. Instead of creating a user preference, as in the current proposal, we would have to enact: "Subsistence hunting and fishing is the preferred use of fish and wildlife in rural Alaska."

Protecting the use of wildlife for subsistence is the only way we can ensure the subsistence lifestyle. Yes, subsistence is more than hunting and fishing, but hunting is under attack. Urbane, big-city advocates of animal rights and wilderness protection are working across the nation to ban all hunting, trapping and fishing.

Protecting subsistence hunting in the Constitution makes it difficult or impossible to ban hunting. Although sport hunting would be in second place, the anti-hunters drop to last

Guest Opinion

place.

Constitutionally protecting the personal consumption of wildlife tells wildlife managers that their job is to assure an abundance of game for subsistence hunters. All hunters would appreciate the abundance. Even non-hunters would benefit from increased levels of wildlife to look at or photograph.

Establishing hunting as a preferred use of wildlife protects subsistence hunters from future anti-hunting initiatives. No-use activists would find their efforts ruled unconstitutional except in special game sanctuaries. This would not hurt hunters or trappers. What will hurt hunters is a preference amendment that pits one hunter against another.

Most hunters forget that the Alaska National Interest Lands Conservation Act does not give rural residents the priority use of wildlife. ANILCA only grants rural residents a priority over other consumptive users of wildlife. This wording grants non-consumptive users of wildlife the top priority, a bitter irony.

Animal rights activists and others opposed to the consumptive use of wildlife often argue that hunters are the cause of wildlife shortages. They seek to shorten seasons and diminish hunting opportunity. But the shortage of moose in the McGrath area is not because there are too many hunters. In fact there are 15,000 fewer hunters in Alaska today than there were a decade ago. Neither rural nor urban hunters have caused the decline. Moose populations were decimated during severe winters. The remnants are not enough to feed the wolves and bears. Providing rural Alaskans a priority over more urban "users" of wildlife will not fill freezers in rural Alaska.

In the 1950s, active wildlife management by the federal government helped moose populations to recover. A "preference among users" does not give federal game managers any encouragement to manage for an increased number of moose. Section 816 of ANILCA would have to be amended, requiring federal wildlife managers to manage wildlife before they restricted or closed an area to subsistence hunting.

The rural resident preference, combined with the scarcity of wildlife, may be all the federal managers need to justify closing the season for McGrath hunters. Under ANILCA's "priority for rural residents" concept—Medfra, Nikolai, Takotna, Telida and other "more rural" hunters might continue hunting. But these "more rural" residents will face the same continued scarcity of moose.

The "user" preference simply does not give rural residents any hope that there will be moose to hunt. Pitting one group of hunters against another only serves to make it easy to further restrict hunting.

Dividing hunters into rural v. urban is the first step to ending hunting in Alaska. Divide and conquer. Once disenfranchised, urban hunters will not fight anti-hunting initiatives. They will not counter Alaska Wildlife Alliance's anti-hunting proposals before the Board of Game. Once urban hunters are gone, hunting will be outlawed for everyone, including rural Alaskans.

It is up to rural Alaskans to protect subsistence by asking their legislators to make hunting and fishing the preferred use in our Constitution. Only then will Alaskans be able to continue their hunting tradition. Let's ensure future generations can discover the communion between man and earth that is hunting.

Bruce Campbell of Fairbanks is a geologist, environmental consultant and former legislative aide.

Human, not wolves, the issue

Well, I suppose that Mr. Daniel Gregg's letter ("Wolf control necessary," March 1) is the straw that broke the camel's back. I finally have to weigh in to stem the tide of naive people writing misinformed letters in favor of wolf control.

Get a clue — for millennia the wolf and moose populations have remained at relatively stable levels. Sure, there have been and will always be years that one or the other population will dwindle or increase, but Mother Nature generally works quite well. The kink in the works comes when humans enter the picture.

Take the McGrath area. For hundreds of years there were only a couple hundred people at most. In the last 100 years that number has increased tenfold. Humans come into an area with their artificially propped-up population levels and dominate other populations of animals. We supply ourselves with food from sources outside the area and increase our population even more. Human predation in numbers far exceeding what the moose population can stand is the problem, not the wolves.

The same goes for those who cry about rural subsistence, like Mr. David Warden in his letter ("Rural residents shunned," March 1). Quit talking as if you maintain a cultural ethic in these Bush communities. If you truly wish to subsist, do not artificially inflate the human population by bringing in food from outside sources. All you do is create mini-urban areas.

We need ways to live in harmony with nature rather than bend nature to our will, before there is little or no nature left.

— Don Love
Anchorage

Predator ideas out of touch

Well, it looks as though the Board of Game and the Legislature have left the 20th century behind. Unfortunately, their thinking is rooted in the 19th, not the 21st. What I'd like to know is where is my representation?

I'm not a hunter. Well over 50 percent of us in the state are not hunters — in fact, I doubt they add up to even 25 percent. How much representation do non-hunters have on the board? Zero. This is not a representative public forum. I would advocate that Gov. Tony Knowles not only appoint one lone voice for non-consumptive use, but that he force the board to reflect the values of the majority.

It gets old to see that the board has gone off in left field again and there is no way for those of us who oppose these policies to get any attention. The Legislature goes out of its way to take away our avenues of traditional democracy. They allow only one-sided appointments to the board, they try to take away our right to petition on wildlife issues, and now they want to amend the Constitution to somehow silence us.

With no way to have a voice, the only recourse will be an old-fashioned Boston Tea Party. We can always dump e-mail and letters across the nation: "Alaska condones gunning down predators so people can find it easier to gun down big game. Please boycott tourism here." Is that what they want?

— William Hersman
Anchorage

Game board stuck in the past

Let's drag the Board of Game into the 21st century! Granted, it's going to be about as easy as dragging an old railway tie through a swamp, but a board stuck two centuries back makes no sense. Gov. Tony Knowles is trying hard to make the board's composition more representative of all Alaska, and deserves our support.

— Alan Seegert
Denali National Park

■ MORE LETTERS: The readers write. B-12

HB

350

HFIN

FILE

HB 350

TONY KNOWLES
GOVERNOR
204 West 12th Street, Juneau, AK 99801

State of Alaska
Juneau, Alaska 99801
Telephone: 907-586-3000
Fax: 907-586-3000
www.alaska.gov

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 4, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

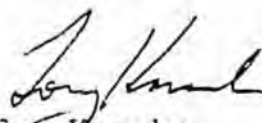
I am transmitting a bill that would allow the State of Alaska to prosecute and punish an offender for a crime that has been prosecuted by the federal government or by another state or territory.

Since early statehood, the State of Alaska has had statutory prohibitions on the state prosecuting and punishing a person, including a corporation, for an act that another jurisdiction has already prosecuted. This policy is not based on constitutional law: the state and federal constitutional prohibitions against being placed twice in jeopardy for the same act do not prohibit separate jurisdictions from separately prosecuting, and punishing, the same act under different bodies of law.

Recent events have suggested a reconsideration of this policy. The federal prosecution of a cruise ship company for illegally discharging water polluted with oil and hazardous waste into our pristine Alaska waters demonstrates that the harm suffered by our state should have been addressed in a separate state prosecution. This bill will allow the State of Alaska to prosecute an offender if a similar situation should arise again.

I urge your prompt and favorable consideration of this bill.

Sincerely,



Tony Knowles
Governor

Transmittal Letter

LETTER OF INTENT

HB 350

It is the intent of the Legislature, in repealing AS 12.20.010 and AS 11.71.310, to allow the State to prosecute all criminal conduct that has a direct impact on the citizens of Alaska, when the State's interests have not been adequately vindicated in a prosecution by another jurisdiction. It is not the intent of the Legislature to encourage multiple prosecutions if the State's interests have been upheld by the prosecution in another jurisdiction. Rather, when criminal conduct in violation of the laws of Alaska has occurred, and the State's compelling interest in achieving justice for Alaska and its people has not been sufficiently vindicated, Alaska statutes should not bar the state from pursuing a criminal action.

 3/16/00
Representative Pete Kott
Chairman, House Judiciary

FISCAL NOTE

Bill Version: HB 350

(H) Publish Date: 2/7/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction)	Dept. Affected	Law
Title <u>*An Act repealing the statutory bars to the State</u>	BRU	Criminal Division
of Alaska's prosecution of a criminal act that resulted	Component	1st-4th Judicial Districts; Criminal
Sponsor <u>Rules Committee</u>		Appeals/Special Litigation
Requester <u>Governor</u>	Component No.	<u>2198-99;2201/03/61/79</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill repeals the statutory prohibitions on the State of Alaska for prosecuting and punishing a criminal act that has been prosecuted by the federal government or another jurisdiction. This statute recently prevented the State of Alaska from prosecuting a cruise ship company that was illegally dumping water containing oil and hazardous waste in Alaska waters, because the federal government had already prosecuted the company for the same acts under federal law. This conduct should have been addressed in a separate state prosecution, so that injury to the state could be compensated by fines or restitution. This bill would allow the State of Alaska to prosecute an offender if a similar situation should arise again.

Passage of this legislation is expected to result in only a handful of new cases per year. Although they may be highly visible cases, their numbers are not anticipated to be sufficient to cause a fiscal impact on the Department of Law.

Prepared by: <u>Joan M. Kasson</u>	<i>Joan M. Kasson</i>	Phone <u>465-5370</u>
Division <u>Attorney General's Office</u>		Date/Time <u>12/1/99, 11:02 AM</u>
Approved by Commissioner <u>Bruce M. Botelho</u>	<i>Bruce M. Botelho</i>	Date <u>12/1/99</u>
Agency <u>Department of Law</u>		

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FISCAL NOTE

Bill Version: HB 350
 (H) Publish Date: 2/7/00

STATE OF ALASKA

2000 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act repealing the statutory bars to the State of Alaska's prosecution of a criminal act..."
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Administration
 BRU: Legal and Advocacy Services
 Component: Public Defender Agency
 COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2 003	FY 2004	FY 2005	FY 2006
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 (FY 00) cost: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) This bill would remove Alaska's longstanding statutory bars against successive prosecution by different sovereigns. Although successive prosecution by different sovereigns (for example, by the federal government and then the state) does not violate federal double jeopardy, several states, including Alaska have traditionally prohibited it. The United States Department of Justice has a strict policy against successive state and federal prosecutions. Presumably, if this bill passed, the Department of Law would develop similar standards.

Nevertheless, this bill could result in additional criminal cases being brought and the Public Defender Agency being appointed to additional cases. The Public Defender Agency is particularly concerned about repealing the Bar against successive prosecutions in drug cases. AS 11.71.310. The federal authorities in Alaska prosecute many drug offenses under federal law. If even a small percentage of these cases were prosecuted in state court as well, there could be a considerable effect on the Public Defender Agency's operations.

Prepared by: Barbara Brink, Director
 Division: Public Defender Agency

Phone: (907) 264-4414
 Date: 12/3/99

Approved by Commissioner: Robert Poe Jr.
 Agency: Department of Administration

Phone: 465-2200
 Date: 12/3/99

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HB

361

HFIN

FILE

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 13, 2000

P.O. BOX 110300
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2075

The Honorable John Torgerson, Co-Chair
The Honorable Sean Parnell, Co-Chair
Senate Finance Committee
Alaska State Capitol
Juneau, AK 99801

Dear Senators:

This morning I delivered the file copy of the Department of Law's fiscal note on CSHB 361 (FIN) to the Senate Finance Committee and it was not the right version. I would like to apologize.

I prepared a revised, "corrected" version of Law's fiscal note for CSHB 361 (FIN) at the direction of Assistant Attorney General Steven Daugherty after the House Finance Committee adopted a final committee substitute on March 23, 2000. The copy delivered this morning was for Work Draft 1-LS1299A, as amended on March 21, 2000. Unfortunately, as we all discovered this morning, it seems that not only was the corrected version not delivered to House Finance to accompany their committee substitute, but was not placed in our own files.

I do not know why this occurred, but it is my responsibility to be sure fiscal notes make it completely through our own internal process, and I clearly did not in this case. I have prepared a new corrected fiscal note for CSHB 361 (FIN). It is dated April 13, 2000, 10:44 a.m. Copies for the Senate Finance Committee are enclosed, and are also being delivered to House Finance and to the Legislative Finance Division.

Sincerely,



Joan M. Kasson
Special Assistant to the
Attorney General

Enclosure

cc: Senate Finance Committee
House Finance Committee
Division of Legislative Finance
Shari Kochman, Office of the Governor

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 361(FIN)

Revision Date/Time (Note if correction)	<u>4/13/00 10:44 AM (correction)</u>	Dept. Affected	<u>Law</u>
Title	<u>"...relating to charges for state services; requiring that fees levied by resource agencies ..."</u>	BRU	<u>Civil Division</u>
Sponsor	<u>House Finance Committee</u>	Component	<u>Environmental Law Legislation/Regulations</u>
Requester	<u>Senate Finance Committee</u>	Component No.	<u>2092, 2209</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	57.0	57.0	28.5	28.5	28.5	28.5
Travel	0.3	2.8	2.6	2.6	2.6	2.6
Contractual	9.2	11.7	7.1	7.1	7.1	7.1
Supplies	0.9	0.9	0.5	0.5	0.5	0.5
Equipment	6.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	73.9	72.4	38.7	38.7	38.7	38.7

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	73.9	72.4	38.7	38.7	38.7	38.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	73.9	72.4	38.7	38.7	38.7	38.7

Estimate of any current year (FY2000) cost:

POSITIONS

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 361 (FIN) makes a number of significant changes to the way fees are calculated, billed, and tracked by the Departments of Natural Resources, Environmental Conservation, and Fish and Game. The bill provides for negotiation of reimbursable service agreements and for petitions for narrowly crafted regulatory flat fees from either a single agency or multiple agencies. In addition, CSHB 361 (FIN) creates a new appeal process where billings can be appealed to the Office of Management and Budget. These changes would take effect July 1, 2001.

Of particular significance to the Department of Law from a cost perspective are: 1) provisions requiring fees levied by the natural resource agencies for designated regulatory services to be based solely

Prepared by: <u>Joan M. Kasson</u>	Phone <u>465-5370</u>
Division: <u>Attorney General's Office</u>	Date/Time <u>4/13/00, 10:44 AM</u>
Approved by: <u>Commissioner Kathryn A. Boland</u>	Date <u>4/13/00</u>
Agency: <u>Department of Law</u>	

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 361(FIN)

ANALYSIS CONTINUATION

on "actual and reasonable direct costs;" (2) a provision requiring resource agencies, upon request, to negotiate reimbursable service agreements; (3) a provision requiring monthly bills for "designated regulatory services" that provide for each expenditure "sufficient detail to permit a reasonable person to determine whether the time or cost was an actual and reasonable direct cost;" and (4) a provision excluding certain interagency charges from fees.

These proposed changes will cause a significant increase in the workload of the Department of Law. The department will need to assist in the development and review of numerous new fee regulations prior to the effective date of the act. Regulations related costs will be incurred on an ongoing basis as petitions for new regulations continue to be received and as affected natural resource departments change their fees in response to changing costs. The Department of Law will also incur costs as the result of increased need to provide advice to natural resource agencies regarding fees, and reimbursable service agreement (RSA) contract approvals.

In the first year that the new fee requirements are effective, we would expect significant litigation clarifying the provisions as to whether a fee is based on actual and reasonable costs, and whether a billing was sufficiently detailed. Extensive discovery and use of experts will be required.

Given the number of regulations and contract review projects expected to result from this bill, as well as related agency advice, we estimate that an additional one-half of a full time attorney would be needed in FY 2001 and FY 2002. This would be split between the Environmental section and the Legislation and Regulations section. In subsequent years we would expect to need one-quarter of an attorney position in the Environmental Section, there would continue to be some additional regulatory work associated with the requirements of this bill, but we would expect this work would be merged into other DEC regulations projects.

No expert costs or direct case costs are expected during the regulatory phase in FY 2001. However, in FY 2002 and subsequent years, experts and direct case costs are estimated at \$5,000.

Full-time equivalent attorney costs are based on the Civil Division's FY 2001 standard attorney cost schedule (\$93.42/hour x 1442 hours = \$134,712). The hourly rate includes all normal overhead costs, such as clerical support, communications, data processing, lease space costs, supplies, etc. One-time new equipment is not included in the rate (\$6,500), nor direct case costs. These are added separately.

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: February 11, 2000

FURTHER REFERRALS:

Date of Committee Action: 3/28/00

The FINANCE Committee considered:

HB 361

HOUSE BILL NO. 361

FEEES FOR STATE SERVICE

"An Act relating to charges for state services; requiring that fees levied by resource agencies for designated regulatory services be based on the actual and reasonable direct cost of providing the services, except in the case of certain negotiated or fixed fees; relating to negotiated or fixed fees of resource agencies; relating to invoices for designated regulatory services; establishing a petition process regarding fees charged by resource agencies for regulatory services; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 361 (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)

(5) fiscal note(s) DND, GOV fiscal note(s) _____

(3) DEC, LAW _____

zero fiscal note(s) DND zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Conc. Theriault Theriault</u>	X			
<u>Van Bunde Bunde</u>			✓	
<u>Al Davis DAVIS</u>				X
<u>Bob Gressendorf Gressendorf</u>			X	
<u>Al Davis DAVIS</u>	X			
<u>Bill Williams Williams</u>				
<u>Pat Thillies Thillies</u>	✓			
<u>B. Foster Foster</u>			X	

CHAIR'S SIGNATURE Conc. Theriault

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB361(FIN)

Revision Date/Tim 22-Mar-00

Dept Affected: Natural Resources

Title: Fees For State Service

BRU: Oil & Gas Development

Component: Pipeline Coordinator

Sponsor: (H) Finance

Requestor: (H) Finance

Component No. 1191

Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
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 (fund code)	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						
1037 GF/Mental Health						
1108 Stat Desig Prgm Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: \$

N/A

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)

Amendments approved in the House Finance version of HB361 clarifying in the definition section on page 7, line 13, under fees that the Joint Pipeline Office can continue to assign all costs of projects to the companies requesting these services, eliminates any fiscal impact on the Joint Pipeline Office. Therefore, this fiscal note has been reduced to zero.

Prepared by: William G. Britt, Jr.

Phone: 907-271-5070

Division: State Pipeline Coordinator's Office

Date: 22-Mar-00

Approved by Commissioner:

John Shively

Date:

3/22/00

Agency: Natural Resources

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FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CSHB 361(FIN)

Revision Date/Time (Note if correction) 3/22/2000 Dept. Affected Governor's Office
 Title An Act relating to charges for state services BRU Multiple
 Component Multiple
 Sponsor House Finance Committee
 Requester House Finance Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	68.8	70.9	73.0	75.2	77.5	79.8
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	68.8	70.9	73.0	75.2	77.5	79.8

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	68.8	70.9	73.0	75.2	77.5	79.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	68.8	70.9	73.0	75.2	77.5	79.8

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time	2	2	2	2	2	2
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 361(FIN) would require the Office of Management and Budget (OMB) to review complaints from any business or individual regarding permit-related charges that these businesses or individuals believe exceed the actual and reasonable direct cost of providing regulatory services. These complaints would come to OMB only if they could not be resolved at the department level. OMB would be required to determine within 30 days whether to uphold the complaint or affirm the relevant permit charges.

In addition, the bill provides that any business or individual can petition OMB to establish a single fee for all regulatory services that are required for the particular type of project being permitted.

(continued - see attached page)

Prepared by: Jack Kreinheder, Senior Policy Analyst Phone 465-4676
 Division Office of Management and Budget Date/Time 3/22/00 4:43 PM
 Approved by Commissioner: AnnaLee McConnell, Director Date 3-22-00
Office of the Governor

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CSHB 361(FIN) Fiscal Note Analysis – Continued

These provisions would require OMB to establish the capability to rapidly audit and verify agency documentation for permit-related charges, and to establish multi-agency permit fees upon public petition. OMB does not currently perform these functions or have the staff resources to do this work. It is difficult to predict the volume of permit fee complaints and petitions for establishment of multi-agency permit fee regulations that would result from the bill.

This committee substitute makes changes which should reduce the workload and additional costs resulting from the bill. We estimate that these functions would require the equivalent of two half-time positions. One half-time position would be required by the Office of Management and Budget to respond to complaints regarding permit-related charges.

An additional half-time position would be required by the Division of Governmental Coordination(DGC) to respond to petitions to establish single multi-agency fees. DGC currently is primarily funded with federal money and required general fund match that cannot be used for these purposes.

Salary and benefits for these two half-time positions would total \$68.8 in the first year, with merit increases in subsequent years. Depending on the volume of work generated by this legislation, additional position(s) may be required in the future.

Under this fiscal note, \$34.4 would be provided to OMB (Component 2144) and \$34.4 would be provided to DGC (Component 18).

OMB
3/22/2000

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 361 (Fin)

Revision Date/Time (Note if correction) 03/22/00 9:30 AM Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Environmental Health
 Component Solid Waste Management
 Sponsor House Finance
 Requester House Finance Component No. 2344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	43.2	105.4	105.4	71.3	71.3	71.3
Travel	5.0	10.0	10.0	7.5	7.5	7.5
Contractual	183.3	33.1	33.1	31.6	31.6	31.6
Supplies	1.0	2.0	2.0	1.5	1.5	1.5
Equipment	7.5	7.5	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	240.0	158.0	150.5	111.9	111.9	111.9
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	(230.4)	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	240.0	388.4	150.5	111.9	111.9	111.9
1005 GF/Program Receipts		(230.4)				
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	240.0	158.0	150.5	111.9	111.9	111.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	2	2	1	1	1
Part-time	0	0	0	1	1	1
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank
 Division Administrative Services
 Approved by Commissioner [Signature]
 Agency Department of Environmental Conservation

Phone 465-5010
 Date/Time 3/22/00 10:50 AM
 Date 3-22-00

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Reduction in Revenues Collected

The bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected. The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%. The committee substitute tempered this by increasing the rate allowed to cover actual benefits. With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

A secondary issue is the goal to establish as many fixed fees as possible. It is not possible to project how many fees will be collected as fixed, negotiated agreements or time and materials. Fees collected under negotiated agreements can be treated as statutory program receipts but fixed or time and materials billings may not. A department can not ask for additional GF program receipt authority as an RPL. As a result, the Water Quality fiscal note returns all receipt authority to general fund program receipts.

The committee substitute exempts businesses with less than 20 people from paying for inspection travel. The impact is expected in Water Quality. In Water Quality, collections will be reduced by 19.2 beginning in year 2. This is based on an estimate of 100 state, 200 placer mines, and 190 general permits being issued to businesses with less than 20 employees.

Tracking Costs and Time and Materials Billings

The intent of the bill is to have fixed fees where feasible. However, when it is not feasible, the department must be able to bill time and materials. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the programs affected by the bill. The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs.

Savings are available starting in year two by basing the four year fixed fee review on estimated rather than actual costs. Actual costs require the department to do ¼ hour time tracking on all designated regulatory services by all affected employees. Staff will analyze and prepare customized reporting from the time tracking records to support the actual costs adjustments to fixed fees. The agency proposes to use estimated rather than actual costs for both the original and subsequent updates to fixed fees. If that change were made that savings would be:

Solid Waste

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Drinking Water and Domestic Wastewater

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Water Quality

Reduce Env Tech II	26.1
Reduce Time Accounting	19.1

Total Savings Available	187.8
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Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by requiring the agency to set standard designated regulatory services fees in regulation; by allowing permittees to negotiate permit costs; and allowing appeals of charges based on both objective and subjective criteria.

There is a strong preference to have predictable fixed fees for services. Initially the fixed fees are estimates but in future revisions the committee substitute requires actuals. Developing those fixed fees will require examination of invoices and records to date to categorize different activities. Using the regulatory process will require program staff to examine similarities in services, administrative staff to assign costs, a regulation specialist to prepare regulatory language, and services of an attorney. Contractual costs will be incurred for public notices and hearings.

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YEAR 1

Solid Waste

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearngs
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry			100.0			100.0	100.0			100.0	
Including Public Notices, Advertising, Mailing and Copying, Hearngs			62.1			62.1	62.1			62.1	
Time Tracking/Cost Accounting System			18.2			18.2	18.2			18.2	
Legal Support - Regulations Specialist	43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearngs
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry			12.0			12.0	12.0			12.0	
Including Public Notices, Advertising, Mailing and Copying, Hearngs			62.1			62.1	62.1			62.1	
Time Tracking/Cost Accounting System			18.2			18.2	18.2			18.2	
Legal Support - Regulations Specialist	43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement HB:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearngs
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	70.3	5.0	3.0	1.0	7.5	85.8	86.8			86.8	1
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry			45.0			45.0	45.0			45.0	
Including Public Notices, Advertising, Mailing and Copying, Hearngs			62.1			62.1	62.1			62.1	
Time Tracking/Cost Accounting System			18.2			18.2	18.2			18.2	
Legal Support - Regulations Specialist	113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	2

YEAR 2

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearngs
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry			5.0			5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearngs			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Legal Support - Regulations Specialist	105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	2
Lost Revenues Funding Source Switch							230.4	(230.4)		0.0	0

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearngs
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	
Contractual Support for Reg Development & Facilitation with Industry			22.1			22.1	22.1			22.1	
Including Public Notices, Advertising, Mailing and Copying, Hearngs			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Legal Support - Regulations Specialist	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	
Lost Revenues Funding Source Switch							156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearngs
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	
Contractual Support for Reg Development & Facilitation with Industry			5.0			5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearngs			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Legal Support - Regulations Specialist	75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1
Lost Revenues Funding Source Switch							356.8	(78.9)	(277.9)	0.0	
Lost Revenues for Inspection Travel Businesses < 20 employees							19.2	(19.2)		0.0	
Change Statutory Program Receipts to GF Prgm Receipts								256.6	(256.6)	0.0	

YEAR 3

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry						5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry						0.0				0.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings						22.1	22.1			22.1	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry						2.5	2.5			2.5	
Including Public Notices, Advertising, Mailing and Copying, Hearings			2.5			2.5	2.5			2.5	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry						5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry						22.1	22.1			22.1	
Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

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Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry						2.5	2.5			2.5	
Including Public Notices, Advertising, Mailing and Copying, Hearings			2.5			2.5	2.5			2.5	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	1

Personal Services New Position Detail

Department of Environmental Conservation
HB 361 Fiscal Note - FY2001 Projected

Scenario: FY2001 Legislative Fiscal Note Info
Component: Solid Waste Management (2344)
BRU Name: Environmental Health

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#022	Environmental Tech II	FT	A	GG	Anchorage	1A	12 C	12.0	31,068	0	0	12,097	43,165
Justification:							Funding Detail:						
Implementation of HB 361							1004 General Fund Receipts					100.00%	43,165
Total Funding:											100.00%	43,165	

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	43,165
Total Funding:	100.00%	43,165

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 361 (Fin)

Revision Date/Time (Note if correction) 03/22/00 9:44 AM Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Environmental Health
 Component Drinking Water
 Sponsor House Finance
 Requester House Finance Component No. 2066

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	43.2	43.2	43.2	43.2	43.2	43.2
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Contractual	95.3	25.1	25.1	25.1	25.1	25.1
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	7.5	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	152.0	74.3	74.3	74.3	74.3	74.3
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	(156.1)	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	152.0	230.4	74.3	74.3	74.3	74.3
1005 GF/Program Receipts		(156.1)				
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	152.0	74.3	74.3	74.3	74.3	74.3

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank Phone 465-5010
 Division Administrative Services Date/Time 3/22/00 10:50 AM
 Approved by Commissioner *K. H. Frazier* Date 3-22-00
 Agency Department of Environmental Conservation

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Reduction in Revenues Collected

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YEAR 1

Solid Waste

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			100.0			100.0	100.0			100.0	
Time Tracking/Cost Accounting System			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			12.0			12.0	12.0			12.0	
Time Tracking/Cost Accounting System			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement HB:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	70.3	5.0	3.0	1.0	7.5	86.8	86.8			86.8	1
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			45.0			45.0	45.0			45.0	
Time Tracking/Cost Accounting System			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	1

YEAR 2

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	1
Lost Revenues Funding Source Switch							230.4	(230.4)		0.0	

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1
Lost Revenues Funding Source Switch							156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1
Lost Revenues Funding Source Switch							356.8	(78.9)	(277.9)	0.0	
Lost Revenues for Inspection Travel Businesses < 20 employees							19.2	(19.2)		0.0	
Change Statutory Program Receipts to GF Prgm Receipts								256.6	(256.6)	0.0	

YEAR 3

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
						0.0				0.0	
			22.1			22.1	22.1			22.1	
	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
			2.5			2.5	2.5			2.5	
			22.1			22.1	22.1			22.1	
	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
			22.1			22.1	22.1			22.1	
	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0
	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0
			2.5			2.5	2.5			2.5	
			22.1			22.1	22.1			22.1	
	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	

Personal Services New Position Detail

Department of Environmental Conservation
HB 361 Fiscal Note - FY2001 Projected

Scenario: FY2001 Legislative Fiscal Note Info
Component: Drinking Water (2066)
BRU Name: Environmental Health

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#019	Environmental Tech II	FT	A	GG	Anchorage	1A	12 C	12.0	31,068	0	0	12,097	43,165
Justification:							Funding Detail:						
Implementation of HB 361							1004	General Fund Receipts				100.00%	43,165
Total Funding:											100.00%	43,165	

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	43,165
Total Funding:	100.00%	43,165

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 361 (Fin)

Revision Date/Time (Note if correction) 03/23/00 9:28 AM Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Air and Water
 Component Water Quality
 Sponsor House Finance
 Requester House Finance Component No. 2062

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	113.5	75.4	50.8	50.8	50.8	50.8
Travel	10.0	7.5	5.0	5.0	5.0	5.0
Contractual	131.3	31.6	27.6	25.1	25.1	25.1
Supplies	2.0	1.5	1.0	1.0	1.0	1.0
Equipment	15.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	271.8	116.0	84.4	81.9	81.9	81.9
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	(356.8)	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	271.8	492.0	84.4	81.9	81.9	81.9
1005 GF/Program Receipts		158.5				
1037 GF/Mental Health						
1108 Stat Pgm Receipts		(534.5)				
TOTAL	271.8	116.0	84.4	81.9	81.9	81.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	2	1	0	0	0	0
Part-time	0	1	2	2	2	2
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank Phone 465-5010
 Division Administrative Services Date/Time 3/23/00 9:33 AM
 Approved by Commissioner *K. J. ...* Date 3-22-00
 Agency Department of Environmental Conservation

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Reduction in Revenues Collected

The bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected. The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%. The committee substitute tempered this by increasing the rate allowed to cover actual benefits. With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

A secondary issue is the goal to establish as many fixed fees as possible. It is not possible to project how many fees will be collected as fixed, negotiated agreements or time and materials. Fees collected under negotiated agreements can be treated as statutory program receipts but fixed or time and materials billings may not. A department can not ask for additional GF program receipt authority as an RPL. As a result, the Water Quality fiscal note returns all receipt authority to general fund program receipts.

The committee substitute exempts businesses with less than 20 people from paying for inspection travel. The impact is expected in Water Quality. In Water Quality, collections will be reduced by 19.2 beginning in year 2. This is based on an estimate of 100 state, 200 placer mines, and 190 general permits being issued to businesses with less than 20 employees.

Tracking Costs and Time and Materials Billings

The intent of the bill is to have fixed fees where feasible. However, when it is not feasible, the department must be able to bill time and materials. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the programs affected by the bill. The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs.

Savings are available starting in year two by basing the four year fixed fee review on estimated rather than actual costs. Actual costs require the department to do ¼ hour time tracking on all designated regulatory services by all affected employees. Staff will analyze and prepare customized reporting from the time tracking records to support the actual costs adjustments to fixed fees. The agency proposes to use estimated rather than actual costs for both the original and subsequent updates to fixed fees. If that change were made that savings would be:

Solid Waste

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Drinking Water and Domestic Wastewater

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Water Quality

Reduce Env Tech II	26.1
Reduce Time Accounting	19.1

Total Savings Available 187.8

Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by requiring the agency to set standard designated regulatory services fees in regulation; by allowing permittees to negotiate permit costs; and allowing appeals of charges based on both objective and subjective criteria.

There is a strong preference to have predictable fixed fees for services. Initially the fixed fees are estimates but in future revisions the committee substitute requires actuals. Developing those fixed fees will require examination of invoices and records to date to categorize different activities. Using the regulatory process will require program staff to examine similarities in services, administrative staff to assign costs, a regulation specialist to prepare regulatory language, and services of an attorney. Contractual costs will be incurred for public notices and hearings.

Appeals are permitted and envisioned on the billings. Resolving informal and formal appeals will require program staff to examine the text of the billing, administrative staff to research comparables and assign costs, and will also require the assistance of a regulations specialist. The committee substitute reduces the need for assistance from a paralegal after the initial regulation process in year 1.

YEAR 1

Solid Waste

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry						100.0	100.0			100.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			100.0			100.0	100.0			100.0	
Time Tracking/Cost Accounting System			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry						12.0	12.0			12.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			12.0			12.0	12.0			12.0	
Time Tracking/Cost Accounting System			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement HB:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	70.3	5.0	3.0	1.0	7.5	86.8	86.8			86.8	1
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry						45.0	45.0			45.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			45.0			45.0	45.0			45.0	
Time Tracking/Cost Accounting System			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	2

YEAR 2

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	
Contractual Support for Reg Development & Facilitation with Industry						5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	0
Lost Revenues Funding Source Switch							230.4	(230.4)		0.0	

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	
Contractual Support for Reg Development & Facilitation with Industry						22.1	22.1			22.1	
Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System			25.1			25.1	25.1			25.1	
Total Increased Costs Year 2:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	0
Lost Revenues Funding Source Switch							156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	
Contractual Support for Reg Development & Facilitation with Industry						5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1
Lost Revenues Funding Source Switch							356.8	(78.9)	(277.9)	0.0	
Lost Revenues for Inspection Travel Businesses < 20 employees							19.2	(19.2)		0.0	
Change Statutory Program Receipts to GF Prgm Receipts								256.6	(256.6)	0.0	

YEAR 3

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System						0.0				0.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			2.5			2.5	2.5			2.5	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System											
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			2.5			2.5	2.5			2.5	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	1

Personal Services New Position Detail

Department of Environmental Conservation
HB 361 Fiscal Note - FY2001 Projected

Scenario: FY2001 Legislative Fiscal Note Info
Component: Water Quality (2062)
BRU Name: Air and Water Quality

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#007	Environmental Spec IV	FT	A	GG	Anchorage	1A	20 C	12.0	53,724	0	0	16,560	70,284
Justification:							Funding Detail:						
Implementation of HB 361							1004	General Fund Receipts				100.00%	70,284
											Total Funding:	100.00%	70,284
18-#011	Environmental Tech II	FT	A	GG	Anchorage	1A	12 C	12.0	31,068	0	0	12,097	43,165
Justification:							Funding Detail:						
Implementation of HB 361							1004	General Fund Receipts				100.00%	43,165
											Total Funding:	100.00%	43,165

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	113,449
Total Funding:	100.00%	113,449

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 361

Revision Date/Time (Note if correction)	Dept. Affected
Title "..."relating to charges for state services; requiring that fees levied by resource agencies ..."	BRU Law Civil Division
Sponsor House Finance Committee	Component Environmental Law
Requester House Finance Committee	Component No. Legislation/Regulations
	Component No. 2092, 2209

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	85.5	85.5	57.0	57.0	57.0	57.0
Travel	0.4	2.9	2.8	2.8	2.8	2.8
Contractual	13.8	41.3	11.7	11.7	11.7	11.7
Supplies	1.4	1.4	0.9	0.9	0.9	0.9
Equipment	6.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	107.5	131.0	72.4	72.4	72.4	72.4

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	107.5	131.0	72.4	72.4	72.4	72.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	107.5	131.0	72.4	72.4	72.4	72.4

Estimate of any current year (FY2000) cost:

POSITIONS

Full-time	1	1				
Part-time			1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 361 makes a number of significant changes to the way fees are calculated, billed, and tracked by the Departments of Natural Resources, Environmental Conservation, and Fish and Game. The bill provides for negotiation of reimbursable service agreements and for petitions for narrowly crafted regulatory flat fees from either a single agency or multiple agencies. In addition, HB 361 creates a new appeal process where billings can be appealed to the Office of Management and Budget. These changes would take effect July 1, 2001.

Of particular significance to the Department of Law from a cost perspective are: 1) provisions requiring fees levied by the natural resource agencies for designated regulatory services to be based solely on "actual and reasonable direct costs;" (2) a provision requiring resource agencies, upon request, to

Prepared by: <u>Joan M. Kasson</u> <i>Joan M. Kasson</i>	Phone <u>465-5370</u>
Division <u>Attorney General's Office</u>	Date/Time <u>2/21/00, 10:47 AM</u>
Approved by <u>Commissioner</u> <i>Karl An</i> <u>Bruce M. Boleho, Attorney General</u>	Date <u>2/21/00</u>
Agency <u>Department of Law</u>	

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 361

ANALYSIS CONTINUATION

negotiate contractual reimbursable service agreements; (3) a provision requiring resource agencies to adopt industry and geographically specific regulations establishing fixed fees for "standard designated regulatory services;" (4) a provision requiring monthly bills for "designated regulatory services" that provide for each expenditure "sufficient detail to permit a reasonable person to determine whether the time or cost was an actual and reasonable direct cost;" (5) a provision assigning fee review functions to OMB but failing to provide OMB with authority to adopt regulations; (6) provisions requiring natural resource agencies or OMB to adopt certain fee regulations if specified criteria are met; (7) a provision excluding interagency charges from fees; (8) a provision excluding expenses incurred by employees if the employees do not have education, and experience, similar to what would be expected of a person providing an analogous service in the private sector.

These proposed changes will cause a significant increase in the workload of the Department of Law. The department will need to assist in the development and review of numerous new fee regulations prior to the effective date of the act. Regulations related costs will be incurred on an ongoing basis as petitions for new project specific regulations continue to be received and as affected natural resource departments changes their fees in response to changing costs. The Department of Law will also incur costs as the result of increased need to provide advice to natural resource agencies regarding fees, and reimbursable service agreement (RSA) contract approvals.

In the first year that the new fee requirements are effective, we would expect significant litigation clarifying the provisions as to whether a fee is based on actual and reasonable costs, whether a billing was sufficiently detailed, and whether the persons who provided services had qualifications comparable to what would be expected for an analogous service in the private sector. Extensive discovery and use of experts will be required, particularly on the qualifications issue

The qualifications issue is also likely to spark an increase in grievances by resource agency employees and could be expected to have some impact on department costs in defending agency personnel actions. Litigation and associated costs are also likely if OMB is forced to review fee appeals without being granted authority to adopt regulations to govern those appeals. These costs are not included in this fiscal analysis.

Given the number of regulations projects expected to result from this bill, as well as related agency advice, we estimate that an additional three-fourths of a full time attorney would be needed in FY 2001. This would be split between the Environmental Section and Legislation and Regulations. During FY 2002, three-fourths of a full time attorney would continue to be necessary; however, with the shift in emphasis from regulations development to litigation, one-fourth of the position would be devoted to the Legislation and Regulations section and one-half to the Environmental section. In subsequent years we would expect to need one-half of an attorney position, split equally between the two sections.

In the second year we would also expect to need approximately \$25,000 for outside experts and approximately \$5,000 for direct case costs. In the third and subsequent years experts and direct case costs are estimated at \$5,000.

Full-time equivalent attorney costs are based on the Civil Division's FY 2001 standard attorney cost schedule (\$93.42/hour x 1442 hours = \$134,712). The hourly rate includes all normal overhead costs, such as clerical support, communications, data processing, lease space costs, supplies, etc. One-time new equipment is not included in the rate (\$6 500), nor direct case costs. These are added separately.

LEGAL SERVICES

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

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State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 23, 2000

SUBJECT: Final CSHB 361(FIN) (Work Order No. 1-LS1299K)

TO: Representative Gene Therriault, Chair
House Finance Committee
Attn: Shar Smith

FROM: Kathryn L. Kurtz *KK*
Legislative Counsel

Attached is the final you requested.

Please note that I made the change to page 4, line 25 that you requested. The sentence now reads "Unless a negotiated service agreement reached under AS 37.10.052(b) or (c) provides otherwise, a resource agency ..." This is confusing. One can not reach a negotiated service agreement under (c); subsection (c) is about petitioning an agency or OMB to establish a single fee. Subsection (c) does not specify how single fees are to be invoiced (or mention anything about an agreement).

Also in AS 37.10.052(f), I have used the language you provided. However, using "An action taken by a resource agency or the Office of Management and Budget under (c) of this section is not subject to AS 44.62 (Administrative Procedure Act)" would be stylistically preferable.

I just wanted to make sure you were aware of these issues. Perhaps you can share this information with the next committee so it can be resolved.

KLK:pl
00-106.plm

adopted

*3/21/00
pmm*

CS FOR HOUSE BILL NO. 361(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to charges for state services; requiring that fees levied by
 2 resource agencies for designated regulatory services be based on the actual and
 3 reasonable direct cost of providing the services, except in the case of certain
 4 negotiated or fixed fees; relating to negotiated and fixed fees of resource
 5 agencies; relating to invoices for designated regulatory services; establishing a
 6 petition process regarding fees charged by resource agencies for regulatory
 7 services; and providing for an effective date."

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

9 * Section 1. AS 37.10.050 is repealed and reenacted to read:

10 **Sec. 37.10.050. Charges for state services; collection, accounting, and**
 11 **deposit of state money.** (a) A state agency may not charge a fee for the provision
 12 of state services unless the fee (1) is set or otherwise authorized by statute; and (2)
 13 where a regulation is necessary, is set by or provided for in a regulation that meets the

1 standards of AS 44.62.020 and 44.62.030. Unless specifically exempted by statute, a
2 state agency authorized to collect or receive fees, licenses, taxes, or other money
3 belonging to the state shall account for and remit the receipts, less fees to which the
4 collector is entitled by statute or regulation, to the Department of Revenue at least
5 once each month. The commissioner of administration shall separately account under
6 AS 37.05.142 for receipts deposited under this subsection. A fee or other charge that
7 is set by regulation may not exceed the estimated actual costs of the state agency in
8 administering the activity or providing the service unless otherwise provided by the
9 statute under which the regulation is adopted; however, this limitation does not apply
10 to sales of property by a state agency or fees charged by a resource agency for a
11 designated regulatory service as defined in AS 37.10.058.

12 (b) Money collected for the state shall be deposited by the collector in the
13 nearest bank to the account of the Department of Revenue when the Department of
14 Revenue directs this to be done.

15 (c) Except as provided in AS 37.10.052(a), each state agency shall annually
16 review fees collected by the agency. By October 1, each state agency shall submit a
17 report to the office of management and budget regarding existing fee levels set by the
18 agency by regulation and adjustments made to fee levels by the agency during the
19 previous fiscal year, and recommended adjustments in fees set by statute that the
20 agency collects. Each year by December 15, the office of management and budget
21 shall submit a report to the Legislative Budget and Audit Committee summarizing the
22 reports and recommendations and the extent to which the fee adjustments have been
23 incorporated in the governor's budget. Within 30 days after the convening of each
24 regular session of the legislature, the committee shall prepare a report on the status of
25 fee regulations and making recommendations for changes in regulations or statutes as
26 appropriate. The committee shall notify the legislature that the report is available.

27 * **Sec. 2.** AS 37.10 is amended by adding new sections to read:

28 **Sec. 37.10.052. Fees levied by resource agencies for designated regulatory**
29 **services; negotiated service agreements.** (a) Each resource agency shall, by
30 regulation, establish a list of fixed fees for standard designated regulatory services that
31 it provides. A fixed fee adopted under this subsection may not exceed the estimated

1 average reasonable direct cost incurred by the resource agency in providing the
2 standard designated regulatory service. The resource agency shall provide an
3 explanation of the basis for this determination upon request. The resource agency shall
4 review the list of fixed fees at least once every four years, identify any changes in the
5 average actual and reasonable direct cost of providing each standard designated
6 regulatory service for which a fixed fee has been established, and, by regulation, adjust
7 the fees accordingly. The agency shall include the results of its review in the report
8 submitted under AS 37.10.050(c).

9 (b) In the case of a designated regulatory service for which a resource agency
10 has not established a fixed fee under (a) of this section, a resource agency shall, at the
11 request of the person who will be billed for a designated regulatory service, attempt
12 to reach a negotiated service agreement for provision of that service. A negotiated
13 service agreement that is reached under this subsection is a contract that is enforceable
14 by either party under generally applicable contract remedies provided by law. A
15 negotiated service agreement reached under this subsection may include

- 16 (1) the amount of the fee;
17 (2) the structure or methodology by which the fee will be charged;
18 (3) deadlines, sequences, or milestones for the provision of the
19 regulatory service; and
20 (4) other matters reasonably related to the cost of, or procedures for,
21 the provision of the regulatory service.

22 (c) A person requiring more than one regulatory service for an activity may
23 petition the resource agency that will provide the services or, if more than one resource
24 agency will provide a regulatory service, the office of management and budget to
25 establish a single fee for all regulatory services that are required for that class of
26 activities. The resource agency or office of management and budget, as appropriate,
27 shall grant the petition if it finds that the proposed fee meets the applicable
28 requirements of this subsection and is likely to be used by the resource agency or
29 office of management and budget more than once. If a petition under this subsection
30 is granted, the resource agency or the office of management and budget shall make
31 available to the public information concerning the single fee, including, a list of

1 regulatory services to be provided and the amount of the fee. If the resource agency
2 or the office of management and budget denies the petition, the agency or office shall
3 serve upon the petitioner a statement setting out the agency's or office's reasons for
4 denial. The single fee under this subsection must be

5 (1) confined to the distinct economic sector in which the petitioner is
6 or proposes to be engaged;

7 (2) where necessary, limited by geography, facility size or capacity, or
8 other relevant factors so as to provide a reasonable assurance that only similarly
9 situated activities, with respect to cost, are included within the fixed fee;

10 (3) likely to be used by the resource agency more than once; and

11 (4) based on the estimated average reasonable direct cost of each
12 designated regulatory service required for the activity and the average fee customarily
13 charged for a regulatory service other than a designated regulatory service discounted
14 by the amount of savings that may be achieved by avoiding regulatory overlap and,
15 where applicable, coordinating multi-agency review of the activity to the maximum
16 extent possible.

17 (d) Except for fees determined under (a), (b), or (c) of this section or in
18 AS 37.10.056, a fee levied by a resource agency for a designated regulatory service
19 must be based solely on the actual and reasonable direct cost incurred by the resource
20 agency in providing the designated regulatory service to the person on whom that fee
21 is levied, computed on a time-and-expense basis.

22 (e) Nothing in this section authorizes or requires a resource agency to charge
23 a fee for a designated regulatory service.

24 **Sec. 37.10.054. Invoices for designated regulatory services.** (a) Unless a
25 negotiated service agreement reached under AS 37.10.052(b) provides otherwise, a
26 resource agency charging a fee for providing a designated regulatory service other than
27 a standard designated regulatory service for which a fixed fee has been established
28 under AS 37.10.052(a) shall, on a monthly basis, provide the person who will be billed
29 for the service with an invoice for services performed during that month. The invoice
30 must be reasonably convenient to the reader, and reasonably susceptible to audit. The
31 invoice must set out, in time increments of not greater than one-quarter hour for each

1 employee, and separately for each expenditure, the purpose of the time or expenditure
2 in sufficient detail to permit a reasonable person to determine whether the time or cost
3 was an actual and reasonable direct cost.

4 (b) If a person believes that an invoice rendered under (a) of this section
5 exceeds the actual and reasonable direct cost of providing the designated regulatory
6 service, the person may, within 30 days after receiving the invoice, request that the
7 resource agency review the invoice. The resource agency shall review the invoice
8 under the standards of this section and issue its final decision on the invoice within 30
9 days of receipt of a request for review.

10 (c) A person who timely filed a request for review under (b) of this section
11 may appeal a resource agency's adverse final decision to the office of management and
12 budget within 30 days after receipt of the decision. The office of management and
13 budget shall, within 30 days after receiving an appeal under this subsection, review the
14 matter de novo under the standards of this section and take action appropriate under
15 those standards. If the office of management and budget affirms the resource agency's
16 decision, the person appealing must pay the reasonable direct cost of the appeal.

17 **Sec. 37.10.056. Petitions to adopt regulations.** A person requiring a
18 designated regulatory service from a resource agency may petition the resource agency
19 under AS 44.62.220 and 44.62.230 to adopt regulations that would establish, for a
20 category of designated regulatory services, a fixed fee that is

21 (1) confined to the distinct economic sector in which the petitioner is
22 or proposes to be engaged;

23 (2) where necessary, limited by geography, facility size or capacity, or
24 other relevant factors so as to provide a reasonable assurance that only similarly
25 situated regulatory services, with respect to cost, are included within the fixed fee;

26 (3) likely to be used by the resource agency more than once; and

27 (4) based on the average reasonable direct cost incurred by the agency
28 in providing the designated regulatory service.

29 **Sec. 37.10.058. Definitions.** In AS 37.10.050 - 37.10.058,

30 (1) "agency" means a board, commission, or agency in the legislative,
31 judicial, or executive branch, but does not include the University of Alaska or a public

1 corporation;

2 (2) "designated regulatory service" means a regulatory service provided
3 under the following regulatory programs:

4 (A) control of solid waste facilities under AS 46.03.020(10)(D)
5 and (E);

6 (B) regulation of sewerage systems and treatment works and
7 wastewater disposal systems, and drinking water systems, under AS 46.03.720;

8 (C) regulation of the disposal of waste into waters of the state
9 under AS 46.03.100;

10 (D) certification of federal permits or authorizations under 33
11 U.S.C. 1341 (sec. 401, Clean Water Act); and

12 (E) : coastal management consistency determination relating to
13 a permit or authorization issued under a program listed in (A) - (D) of this
14 paragraph, if the determination is made by the agency issuing the permit or
15 authorization;

16 (3) "direct cost" means the hourly rate of salary and benefits of each
17 agency employee, including clerical staff, directly involved in providing a regulatory
18 service, multiplied by the number of hours spent in performing the service, together
19 with the expenditures for goods or third-party services made in providing that service;
20 "direct cost" does not include

21 (A) the costs and salaries of administrative, support, or
22 supervisory personnel who are not directly engaged in providing the service;

23 (B) other budgeted overhead expenses, including rent and
24 utilities;

25 (C) interagency charges that would not meet the requirements
26 of AS 37.10.052 - 37.10.058 if those charges had been incurred or invoiced by
27 the agency providing the designated regulatory service;

28 (D) public consultation costs when the consultation is not
29 required by law;

30 (E) costs related to an appeal of permit issuance by a person
31 other than the applicant for that permit; or

1 (F) expenses that are not reasonably necessary to comply with
2 the law under which the service is provided;

3 (4) "distinct economic sector" means a commercial or industrial
4 segment, or other category of land or water use, that, because of common operational,
5 environmental, or other factors, tends to require similar designated regulatory services;
6 each of the following is an example of a "distinct economic sector": (A) oil and gas
7 exploration, development, and production; (B) oil and gas processing and refining; (C)
8 mineral exploration, development and production; (D) coal exploration, development
9 and production; (E) commercial fishing; (F) seafood processing; (G) timber harvest;
10 (H) timber processing; and (I) residential development; nothing in this paragraph
11 precludes a resource agency from further subdividing activities listed in (A) - (I) of
12 this paragraph into more appropriate subcategories;

13 (5) "fee" means a charge assessed or requested by a state agency for
14 the provision of a service to, the incurring of a burden or cost because of, or the
15 conferring of a benefit upon, a person; "fee" does not include charges assessed or
16 requested by the Department of Natural Resources for pipeline right-of-way leases
17 granted under AS 38.35;

18 (6) "hourly rate of salary and benefits" means the hourly increment of
19 salary due the state employee under the salary schedule applicable to that employee,
20 multiplied by 149 percent to account for the cost of employment benefits paid by the
21 state to or on behalf of the employee;

22 (7) "permit" means a permit, license, certificate, or coastal management
23 consistency determination;

24 (8) "regulatory service" includes the following services provided by a
25 resource agency:

26 (A) an analysis, deliberation, testing, inspection, or other review
27 related to the application for or issuance, modification, extension, or revocation
28 of a permit; and

29 (B) an inspection, testing, monitoring, or compliance review
30 undertaken under law or the terms of a permit;

31 (9) "resource agency" means the Department of Environmental

1 Conservation, the Department of Fish and Game, and the Department of Natural
2 Resources;

3 (10) "standard designated regulatory service" means designated
4 regulatory services for categories of activities that do not generally raise complex or
5 controversial legal, technical, or policy issues.

6 * Sec. 3. AS 44.46.025(a) is amended to read:

7 (a) Except as otherwise provided in AS 37.10.050 - 37.10.058, the [THE]
8 Department of Environmental Conservation may adopt regulations that prescribe
9 reasonable fees, and establish procedures for the collection of those [THE] fees, to
10 cover the applicable direct costs [, NOT INCLUDING TRAVEL,] of inspections,
11 permit preparation and administration, plan review and approval, and other services
12 provided by the department relating to

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

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

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

19 (4) [REPEALED]

20 (5) REPEALED

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

22 (5) [(7)] control of solid waste facilities under AS 46.03.020(10) and
23 46.03.100;

24 (6) [(8)] certification of laboratories conducting environmental analyses
25 of public drinking water systems or of oil or hazardous substances, or conducting other
26 analyses required by the department;

27 (7) [(9)] certification of federal permits or authorizations under 33
28 U.S.C. 1341 (sec. 401, Clean Water Act).

29 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section
30 to read:

31 REGULATIONS. Each resource agency providing a designated regulatory service may

1 proceed to adopt regulations necessary to implement this Act. Regulations to implement a
2 provision of this Act take effect under AS 44.62 (Administrative Procedure Act), but not
3 before the effective date of secs. 1 - 3 of this Act.

4 * Sec. 5. Section 4 of this Act takes effect immediately under AS 01.10.070(c).

5 * Sec. 6. Sections 1 - 3 of this Act take effect July 1, 2001.

3/21/00

adopted Nb
AMENDMENT |

OFFERED IN THE HOUSE

TO: CSHB 361(FIN)
Version "I" 3/21/00

Page 3, line 3:

After "basis for"

Delete "this determination upon request"

Insert "the fixed fee"

Page 3, line 22:

After "service"

Insert ", at least one of which is a designated regulatory service,"

Page 4, line 10:

Delete subsection (c)(3)
Re-number following sections accordingly

Page 4, line 25

After "under"

Delete "AS 37.10.052(b)"

Insert "AS 37.10.052(b) or (c)"

Page 5, line 14

After "section"

Insert "and AS 37.10.052(d)"

Page 7, line 22:

After "certificate,"

Insert "approval,"

Page 7, line 26:

After "inspection,"

Insert "approval,"

Page 8, line 7

After "37.10.050 - "

Delete "37.10.058"

Insert "37.10.056"

AMENDMENT

2 Adopt

#2

OFFERED IN THE HOUSE

TO: CSHB 361(FIN)
Version "I" 3/21/00

Page 2, line 10:

After "to"

Delete "sales"

Insert "sale or lease"

Page 4, line 3:

Delete "serve upon"

Insert "provide to"

Page 4, following line 23:

Insert "(f) No action taken by a resource agency or the Office of Management and Budget under (c) of this section is subject to AS 44.62 (Administrative Procedure Act)."

Page 7, line 16:

After "Resources"

Delete "for"

Insert "associated with"

Page 8, line 31:

After "service"

Insert "and the Office of Management and Budget"

AMENDMENT

#3

Adopted

OFFERED IN THE HOUSE

BY REPRESENTATIVE PHILLIPS

TO: CSHB 361(FIN)

1 Page 6, line 31:

2 Delete "or"

3 Page 7, line 2, following "provided;":

4 Insert "or

5 "(G) travel expenses for inspecting businesses having not more

6 than 20 employees;"

Replacement

failed

AMENDMENT 4

By Representative

John Davies

Offered in the House

To: CSHB 361 (FIN) v.I

Page 6, line 12 following (E)

Insert "food, drugs and cosmetics under AS 17.20;"

And reletter the following subparagraphs accordingly.



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

HB 361
Fees for State Service
Sponsor Statement

State Capitol
Juneau, Alaska 99801-1182

For many years, the Legislature has debated the issue of appropriate fees for permits provided by the state's resource agencies, particularly the Department of Environmental Conservation. While policy direction has been given through the appropriation process, budgetary authorization for the collection and expenditure of program receipts has failed to address two primary questions. First, what is the appropriate level of fees to be assessed for various services? Second, how can the department be held accountable for delivering the services being charged for in the most efficient manner possible?

Several years ago, the House Finance Committee attempted to provide statutory direction for state agency permitting fees through an amendment to HB 144. Initially, the language was found to be too broad in its application. After working with DEC and representatives from the regulated community to refine the language, the bill passed both the House and Senate. However, the bill failed to return to the House for a concurrence vote on the final day of session. Although the bill failed to pass, the process generated two important outcomes. First, it identified the need for industry-wide consensus and discussions among the affected public and private sector entities. Second, it was determined that regulatory efficiency and permit streamlining could be accomplished in relatively small increments.

Over the last year, a great deal of work has been done with the affected departments and members of various resource industries with the goal of establishing a fee structure based on predictability and accountability. HB 361 is the product of this cooperative effort by the legislature, administration and regulated community. HB 361 includes the following provisions:

- 1) Requires fees levied by a resource agency for a "designated regulatory service" to be based on the actual and reasonable direct cost of providing the service.
- 2) Requires each resource agency to establish a schedule of fixed fees for "standard designated regulatory services." These services include simple repetitive permitting activities.
- 3) Requires a resource agency to make an effort to negotiate a reimbursable service agreement at the request of the permittee, unless the activity is covered under a fixed fee. Unsuccessful negotiations result in charges being levied on a time-and-expense basis.
- 4) Requires a resource agency providing a "designated regulatory service" to employ a uniform accounting and invoicing system. Detailed monthly invoices are required for fees charged on a time-and-expense basis. A permittee may appeal the merit of any invoice to the Office of Management and Budget.
- 5) Provides that a person requiring a "designated regulatory service" may petition a resource agency to amend or supplement an existing schedule of fixed fees or establish a fixed fee for a new category of service.
- 6) Provides that a person requiring more than one regulatory service may petition an agency or agencies involved for a single project fee.



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

HB 361
Fees for State Service
Sectional Analysis

State Capitol
Juneau, Alaska 99801-1182

Section 1: Exempts fees charged by a resource agency for a designated regulatory service as defined in AS 37.10.058 from limitation that "a fee or other charge that is set by regulation may not exceed the estimated actual costs of the state agency in administering the activity or providing the service."

Section 2: Sec. 37.10.052 (a) Requires fees to be based solely on the actual direct cost incurred by a resource agency providing a regulatory service. Fees under this subsection are required to be computed on a time-and-expense basis.

(b) Requires a resource agency to make an effort to negotiate a reimbursable service agreement at the request of the permittee unless the activity is covered under a fixed fee in subsection (c).

(c) Requires each resource agency to establish a list of fixed fees for standard designated regulatory services. Fixed fees are limited to \$250 unless an agency determines that the fee represents the average actual and reasonable direct cost incurred in providing the service.

Sec. 37.10.054 requires a billing agency to employ a uniform accounting and invoicing system. Monthly billing must be provided when charges are based upon actual time and expenses. Subsection (c) grants the permittee the right to appeal the merit of an invoice to the Office of Management and Budget if they believe the invoice exceeds the actual direct costs of providing the service.

Sec. 37.10.056 Establishes a process for a permittee, requiring a designated regulatory service, to petition the resource agency to adopt regulations that would (1) amend or supplement the agency's list of services; or (2) establish a fixed fee for a category of services. This section also sets up a process for a person requiring more than one regulatory service to petition the agency or agencies involved to adopt a single project fee.

Sec. 37.10.058 Defines actual and reasonable direct cost, designated regulatory service, resource agency, and other terminology used in this Act.

Section 3: Technical change to the Department of Environmental Conservation's statutes to correspond to new sections AS 37.10.050 – 37.10.058.

Section 4: Grants all resource agencies providing designated regulatory services the authority to proceed to adopt regulations necessary to implement this Act.

Section 5: Establishes an immediate effective date for section 4 of this Act.

Section 6: Establishes an effective date of July 1, 2001 for sections 1 – 3 of this Act.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 361

Revision Date/Time (Note if correction) _____ Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Environmental Health
 Component Solid Waste Management
 Sponsor House Finance
 Requester House Finance Component No. 2344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	43.2	105.4	105.4	71.3	71.3	71.3
Travel	5.0	10.0	10.0	7.5	7.5	7.5
Contractual	183.3	51.3	51.3	49.8	49.8	49.8
Supplies	1.0	2.0	2.0	1.5	1.5	1.5
Equipment	7.5	7.5	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	240.0	176.2	168.7	130.1	130.1	130.1
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	(247.8)	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts			-			
1003 GF Match						
1004 GF	240.0	424.0	168.7	130.1	130.1	130.1
1005 GF/Program Receipts		(247.8)				
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	240.0	176.2	168.7	130.1	130.1	130.1

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	2	2	1	1	1
Part-time	0	0	0	1	1	1
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank Phone 465-5010
 Division Administrative Services Date/Time 2/21/00 4:53 PM
 Approved by Commissioner *Paul Fiedler* Date 2-22-00
 Agency Department of Environmental Conservation

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HB 361 affects three programs within the Department of Environmental Conservation: Drinking Water and Domestic Wastewater; Solid Waste; and Water Quality.

HB 361 reduces revenues which can be collected; it increases costs by requiring tracking to support fees based on actual direct and reasonable costs; and it increases costs by setting a regulatory process for establishing fees, negotiations, petitions and appeals.

Reduction in Revenues Collected

First, the bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected.

The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%.

Specific findings were:

- Actual hours billed totaled 3,109.4. Under the proposal, billable hours would be 2868.9, a reduction of 240.5 hours. This is an 8% reduction in billable hours.
- Actual amount billed totaled \$267,271.76. Under the proposal, amount billed would be \$117,942.51, a reduction of \$149,329.25. This is a 56% reduction in amount billed.

With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

Increased Costs to Track Actual, Director and Reasonable Costs

Second, the bill increases costs in tracking actual, direct and reasonable costs. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the three programs affected by the bill.

The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs. To expand this system to additional

programs, the estimated cost would be 120.0 for the one time costs and ~~68.3~~^{63.0} per year in system maintenance and administration. It can not be interfaced to the state accounting system or payroll systems, thus entry of actual and direct costs will be a manual process.

Detail of the costs follows:

One time costs:

Software	10.0
Per Workstation Fee (150 units)	15.0
Technical Support	20.0
Data Conversion	35.0
Training	25.0
Customized Reporting	15.0

Annual recurring costs:

Technical support	15.0
Accounting – reconciliation, interface with state accounting and payroll, reporting	45.0
Supplies	3.0

Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by

1. requiring the agency to set standard designated regulatory services fees in regulation;
2. by allowing permittees to negotiate permit costs;
3. allowing appeals of charges based on both objective and subjective criteria; and
4. providing the permittee the ability to petition for new regulations for a standalone standard designated regulatory service, for several services which cross agency programs, or for services which cross resource agencies

The bill as proposed provides three types of fees

1. Fixed;
2. Negotiated; and
3. Time and Materials.

There is a strong preference to have predictable fixed fees for services. Developing those fixed fees will require examination of invoices and records to date to categorize different