

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 3074

# FISCAL NOTE

**REPORTED OUT**  
**APR 12 2006**  
**SENATE FINANCE COMMITTEE**

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: 3 235 Amended  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education  
 Title An act relating to school performance RDU K-12 Support  
incentive payments Component New -School Performance  
 Sponsor Rules Committee Incentive Program  
 Requester Governor Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	5,800.0	5,800.0	5,800.0	**	**	**
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>5,800.0</b>	<b>5,800.0</b>	<b>5,800.0</b>	<b>**</b>	<b>**</b>	<b>**</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5,800.0	5,800.0	5,800.0	**	**	**
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>5,800.0</b>	<b>5,800.0</b>	<b>5,800.0</b>	<b>**</b>	<b>**</b>	<b>**</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation will allow the Department of Education & Early Development to establish a school performance incentive program. This program will provide an incentive payment of up to \$5,500 for certified personnel and up to \$2,500 for noncertified personnel if the students in their school demonstrate substantial growth in achievement on state assessments from one year to the next. Incentive payments will be based on four achievement levels. The cost of the incentive program will not exceed \$5.8 million annually because the program is limited to 850 certified staff and approximately 340 non-certified staff. The program will sunset June 30, 2009. This bill also requires LB&A to review the program by December 31, 2008 and recommend whether it should be continued or not.

It is not expected that all 850 certified staff will qualify for the maximum bonus. EED prepared this fiscal note to show the legislature the maximum entitlement under this pilot program. The following page outlines the amount of the bonus for each of the achievement levels.

Prepared by: Eddy Joans, Director Phone \_\_\_\_\_  
 Division: School Finance Date/Time 2/23/06 12:00 AM  
 Approved by: Roger Sampson Date 2/23/06 12:00 AM  
 Agency: Commissioner

FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. ~~51~~

ANALYSIS CONTINUATION

Staffing: The department will utilize existing staff, to the extent possible, to calculate the schools that qualify for the bonus at which level, the staff to be awarded the bonus and to make the actual grant payments and provide the accounting support. Depending upon the volume of payments, it may be necessary to hire staff. If so, funds would be transferred from the grant line to cover personnel costs.

The School Performance Incentive Program will have four levels: Strong; High; Excellent; Outstanding. All school staff, certified and non-certified will be eligible for the incentive payment if the students in the school meet the achievement targets. The table below outlines the levels and the amount of the incentive payment for each level:

Achievement Level	Bonus Amount for Certified Staff	Bonus Amount for Non-Certified Staff
Strong	\$2,500	\$1,000
High	\$3,500	\$1,500
Excelent	\$4,500	\$2,000
Oustanding	\$5,500	\$2,500
Approximate # of Employees Statewide	9,000	3,700

The following chart illustrates the cost based on 850 certified staff and 340 non-certified staff that would qualify for the incentive at the highest level or \$5,500 per certified staff and \$2,500 for non-certified staff:

Achievement Level = Oustanding

Range of Cost - Assumptions

	Number of Certified Staff	Number of Non-Certified Staff	Certified Cost	Non-Certified Cost	Central Office Staff may receive up to 5% of the total paid to all employees at all schools	Total
	850	340	\$4,675,000	\$850,000	\$276,250	\$5,801,250

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

AMENDMENT

OFFERED IN THE SENATE  
TO: SB 235

BY Sen. Bunde

1 Page 3, following line 3:

2 Insert the following material:

3 "(d) Notwithstanding (a) of this section, the department may not distribute a school  
4 performance incentive payment to more than 350 certificated employees annually. The limitation  
5 of this subsection does not affect the number of noncertificated employees and central office  
6 personnel to whom the department distributes a school performance incentive payment under (a)  
7 and (b) of this section. The department's regulations adopted under this section shall implement  
8 the requirements of this subsection.

9 (e) The public school performance incentive program described in this section expires  
10 June 30, 2009. The program may be continued or reestablished by the legislature. The  
11 Legislative Budget and Audit Committee shall review the program not later than December 31,  
12 2008, and may submit its recommendations to the respective houses of the legislature in the form  
13 of a bill that, if enacted into law, would continue or reestablish the program on or before July 1,  
14 2009."

15

16 Page 3, line 4:

17 Delete "(d)"

18 Insert "(f)"

CS FOR SENATE BILL NO. 235(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to a public school performance incentive program; and providing for  
2 an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 INTENT. It is the intent of the legislature that the state establish the public school  
7 performance incentive program described in sec. 2 of this Act to serve as an incentive for  
8 public school personnel to create a learning environment in which the students at that school  
9 demonstrate improved academic achievement more rapidly than would usually be expected,  
10 or, if already at an advanced level of achievement, continue to perform at an advanced level.  
11 It is intended that payments under the program described in sec. 2 of this Act be available to  
12 all employees at such a school, including all teachers, administrators, and noncertificated  
13 personnel such as paraprofessionals and other support staff, so that all personnel collaborate  
14 to promote overall student achievement. A payment under the program described in sec. 2 of

1 this Act is not intended to supplant or otherwise affect public school employee salaries or to  
2 have any effect on evaluation, promotion, discipline, or retirement of public school  
3 employees. The program described in sec. 2 of this Act is not intended to replace or affect any  
4 current state, local, or federal financing of public education or any necessary future increases  
5 in that state, local, or federal financing.

6 \* Sec. 2. AS 14.03 is amended by adding a new section to read:

7       **Sec. 14.03.126. Public school performance incentive program.** (a) The  
8 department shall establish by regulation a program that provides, subject to  
9 appropriation, for an annual school performance incentive payment by the department  
10 to personnel employed at public schools at which students have demonstrated  
11 significant improvement in performance on statewide assessments, as determined by  
12 the department. The department shall set the amount of the school performance  
13 incentive payment, not to exceed \$5,500 for each certificated employee and \$1,500 for  
14 each noncertificated employee. Notwithstanding any other provision of law, a school  
15 performance incentive payment under this section may not be included in the  
16 calculation of benefits for purposes of AS 14.25 or AS 39.35.

17       (b) The department shall establish a procedure by regulation for a school  
18 performance incentive payment by the department to personnel employed at the  
19 central office of a school district in which at least one school has met the requirements  
20 for distribution of a school performance incentive payment to employees of the school.  
21 The amount paid under this subsection may not exceed five percent of the total paid to  
22 all employees at all schools eligible under this section for the school performance  
23 incentive payment in the district. A payment under this subsection

24               (1) may be made only to an employee who the department, in  
25 consultation with the chief school administrator of the district, determines has  
26 substantially contributed to the improvement in achievement at the schools in the  
27 district that meet the requirements for the school performance incentive payment; and

28               (2) may not exceed the highest school performance incentive payment  
29 paid to a certificated teacher in the district.

30       (c) A school district may not consider school performance incentive payments  
31 when determining salaries for school personnel. Neither a school district nor the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

Professional Teaching Practices Commission may consider the receipt or nonreceipt of a school performance incentive payment by a school employee when evaluating, promoting, or disciplining the employee.

(d) Notwithstanding (a) of this section, the department may not distribute a school performance incentive payment to more than 850 certificated employees annually. The limitation of this subsection does not apply to payments made under (a) or (b) of this section to noncertificated employees or school district central office personnel. The department shall include the limitation of this subsection in regulations adopted under this section.

(e) In this section,

(1) "school district" means a borough school district, a city school district, a regional educational attendance area, or a state boarding school;

(2) "school performance incentive payment" means a payment under the program established under this section.

\* Sec. 3. AS 14.03.126, as added by sec. 2 of this Act, is repealed June 30, 2009.

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

REPORT AND RECOMMENDATIONS. Before December 31, 2008, the Legislative Budget and Audit Committee shall review the school performance incentive program established under AS 14.03.126, as enacted in sec. 2 of this Act, and submit a report to the legislature that includes recommendations for legislation pertaining to the program.

\* Sec. 5. This Act takes effect July 1, 2006.

Amend #1



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 12 April 2006 TIME: 10:50 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please!  
CS SB 235 (FIN) 24-GS2025\A  
plus 1 amendment - attached

Thanks  
Mindy

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAR 17 2006  
SENATE FINANCE COMMITTEE

DATE: 3/6/06

FURTHER:

DATE TURNED  
IN TO OFFICE: 3/17/06

Finance Committee considered SENATE BILL NO. 235

## SB 235 SCHOOL PERFORMANCE BONUSES

"An Act relating to a public school performance incentive program; and providing for an effective date."

and recommends:

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

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DEED	1/11/06	5,000.0			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

## FISCAL NOTE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 1 (CORRECTED)  
 Bill Version: SB 235  
 (S) Publish Date: 1/17/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education  
 Title An act relating to school performance RDU K-12 Support  
incentive payments Component New -School Performance  
 Sponsor Rules Committee Incentive Program  
 Requester Governor Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	15,000.0					
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>15,000.0</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15,000.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>15,000.0</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation will allow the Department of Education & Early Development to establish a school performance incentive program. This program will provide an incentive payment of up to \$5,500 for certified personnel and up to \$2,500 for noncertified personnel if the students in their school demonstrate substantial growth in achievement on state assessments from one year to the next. Incentive payments will be based on four achievement levels. The cost of the incentive program will vary from one year to the next based on the number of schools that qualify and at which level. Because it is not known how many schools will qualify for the incentive payments in FY2007, the department will seek an extended lapse date for this appropriation through June 30, 2008.

The following page outlines the amount of the bonus for each of the achievement levels. There is also an estimate of the range of costs for the program. If 5% of Alaska's school staff qualified for the incentive at the highest level, the cost would be approximately \$3 million and up to \$15 million if 25% qualify.

Prepared by: Barbara Thompson, Director Phone \_\_\_\_\_  
 Division Teaching & Learning Support Date/Time 1/11/06 3:00 PM  
 Approved by: Roger Sampson Date 1/12/2006  
 Agency Commissioner

FISCAL NOTE #1 (CORRECTED)

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. SB 235

**ANALYSIS CONTINUATION**

Staffing: The department will utilize existing staff, to the extent possible, to calculate the schools that qualify for the bonus at which level, the staff to be awarded the bonus and to make the actual grant payments and provide the accounting support. Depending upon the volume of payments, it may be necessary to hire staff. If so, funds would be transferred from the grant line to cover personnel costs.

The School Performance Incentive Program will have four levels: Strong; High; Excellent; Outstanding. All school staff, certified and non-certified will be eligible for the incentive payment if the students in the school meet the achievement targets. The table below outlines the levels and the amount of the incentive payment for each level:

Achievement Level	Bonus Amount for Certified Staff	Bonus Amount for Non-Certified Staff
Strong	\$2,500	\$1,000
High	\$3,500	\$1,500
Excellent	\$4,500	\$2,000
Outstanding	\$5,500	\$2,500
Approximate # of Employees Statewide	9,000	3,700

The following chart illustrates a range of costs based on estimates of the percentage of school staff that would qualify for the incentive at the highest level or \$5,500 per certified staff and \$2,500 for non-certified staff:

Achievement Level = Outstanding

Range of Cost - Assumptions

Assumption % of staff that qualify for bonus	Estimate of Certified Staff that qualify (of approx. 9,000)	Estimate of Non-Certified Staff that qualify (of approx 3,700)	Range of Certified Cost Based on % of staff	Range of Non-Certified Cost Based on % of staff	Central Office Staff may receive up to 5% of the total paid to all employees at all schools	Total
5%	450	185	\$2,475,000	\$462,500	\$146,875	\$3,084,375
10%	900	370	\$4,950,000	\$925,000	\$293,750	\$6,168,750
15%	1,350	555	\$7,425,000	\$1,387,500	\$440,625	\$9,253,125
20%	1,800	740	\$9,900,000	\$1,850,000	\$587,500	\$12,337,500
25%	2,250	925	\$12,375,000	\$2,312,500	\$734,375	\$15,421,875
30%	2,700	1,110	\$14,850,000	\$2,775,000	\$881,250	\$18,506,250
40%	3,600	1,480	\$19,800,000	\$3,700,000	\$1,175,000	\$24,675,000
50%	4,500	1,850	\$24,750,000	\$4,625,000	\$1,468,750	\$30,843,750
75%	6,750	2,775	\$37,125,000	\$6,937,500	\$2,203,125	\$46,265,625
100%	9,000	3,700	\$49,500,000	\$9,250,000	\$2,937,500	\$61,687,500

**Sectional Analysis For SB 235**  
**School Performance Incentive Program**  
**Prepared 3-29-06**

**Section 1**

Section 1 contains intent language to create a school performance incentive program for personnel employed in the Alaska public school system. This section establishes that all school employees may qualify for a performance incentive bonus provided the overall student achievement in the school increases more than what is expected in one year.

**Section 2**

Section 2 requires the department to establish regulation to implement the school performance incentive program. This section establishes the maximum payment under the program at \$5,500 for certificated staff and \$2,500 for noncertificated staff. This section prohibits a payment under this program from counting as compensation under the state retirement system. This section also allows payments to district central office staff that have substantially contributed to the improved achievement of a school.

An amendment will be proposed that will:

1. limit the total number of certificated staff that can participate in the program to 850
2. require a review by Legislative Budget and Audit by December 31, 2008 to recommend whether or not the program should be continued beyond July 1, 2009.

# Alaska School Performance Incentive Program

*Measuring Individual Student  
Achievement*



# *What is the Program?*

## School Performance Incentive Program

- Performance incentive pay for improved student achievement beyond a year's growth
- Entire staff in a school receive incentive (all or none) includes administrators, teachers, classified
- Target based on individual student growth
- Compares the same student from previous year to current year
- All schools qualify if they meet growth target
- Measurement tool is the Standards Based Assessments (SBA) given annually in April

# *Benefits*

## School Performance Incentive Program

- Target not reached = no state financial liability
- Create a strong workforce for Alaska
- Enhance teacher recruitment efforts
- Accountability: directly linked to high levels of achievement
- Promote collaboration, effective instruction and spread responsibility across grade levels and content areas
- Requires focused instruction aligned to Alaska standards

# Value Table

## School Performance Incentive Program

Previous Year Level ↓	Current Year Level					
	Far Below Prof. Minus	Far Below Prof. Plus	Below Proficient Minus	Below Proficient Plus	Proficient	Advanced
Far Below Prof. Minus	0	140	170	200	220	220
Far Below Prof. Plus	0	80	140	170	200	200
Below Prof. Minus	0	40	90	140	180	180
Below Prof. Plus	0	10	50	90	140	150
Proficient	0	0	20	50	100	130
Advanced	0	0	20	50	100	110

Values may change as a result of 2006 data analysis, public input, and State Board regulations.

# Computing Index

School Performance Incentive Program

Student	Last Year	Current Year	Points
Student A	Proficient		
Student B	Below Prof. Minus		
Student C	Advanced		
Student D	Below Prof. Plus		
Student E	Far Below Prof. Plus		
Student F	Proficient		
Student G	Far Below Prof. Plus		
Student H	Below Prof. Minus		
Student I	Below Prof. Plus		
Student J	Advanced		
School Index Score			

# *Computing Index*

School Performance Incentive Program

<b>Student</b>	<b>Last Year</b>	<b>Current Year</b>	<b>Points</b>
Student A	Proficient	Advanced	
Student B	Below Prof. Minus	Below Prof. Minus	
Student C	Advanced	Proficient	
Student D	Below Prof. Plus	Far Below Prof. Plus	
Student E	Far Below Prof. Plus	Below Prof. Minus	
Student F	Proficient	Below Prof. Plus	
Student G	Far Below Prof. Plus	Below Prof. Plus	
Student H	Below Prof. Minus	Below Prof. Plus	
Student I	Below Prof. Plus	Below Prof. Plus	
Student J	Advanced	Advanced	
<b>School Index Score</b>			

# *Computing Index*

School Performance Incentive Program

<b>Student</b>	<b>Last Year</b>	<b>Current Year</b>	<b>Points</b>
Student A	Proficient	Advanced	130
Student B	Below Prof. Minus	Below Prof. Minus	90
Student C	Advanced	Proficient	100
Student D	Below Prof. Plus	Far Below Prof. Plus	10
Student E	Far Below Prof. Plus	Below Prof. Minus	140
Student F	Proficient	Below Prof. Plus	50
Student G	Far Below Prof. Plus	Below Prof. Plus	170
Student H	Below Prof. Minus	Below Prof. Plus	140
Student I	Below Prof. Plus	Below Prof. Plus	90
Student J	Advanced	Advanced	110
<b>School Index Score</b>			<b>1030/10 = 103</b>



# *Performance Levels*

School Performance Incentive Program

Growth Index Level	Index Point Value
Strong	102-104.99
High	105-107.99
Excellent	108-109.99
Outstanding	110 and Greater

Model is built on 100 as one year of growth.

# *Performance Level Incentive*

School Performance Incentive Program

<b>Level</b>	<b>Certificated</b>	<b>Non-Certificated</b>
Strong	\$2,500	\$1,000
High	\$3,500	\$1,500
Excellent	\$4,500	\$2,000
Outstanding	\$5,500	\$2,500

Multiple levels provide greater incentive and achievable gradations, but recognize real growth in achievement.

# *Expected Outcomes*

School Performance Incentive Program

- All staff have ownership of instruction and share responsibility for results
- Incentive to work differently, embrace innovation and create partnerships to improve student achievement
- Accountability and incentive to cause all students to reach proficiency and higher levels of advanced achievement
- Expand responsibility for the three Rs to all staff
- Instruction designed and delivered to meet student needs

# *Why Other Models Fail*

School Performance Incentive Program

- Not based on student growth
- Unrealistic targets
- Conflict among staff: Some must lose for others to win
- Exclude building administrators
- Instrument used to measure is not reliable and consistent
- Compensation not large enough to provide incentive for change
- Weak commitment to the program

# School Performance Incentive Program Recap

- Based on growth in student achievement
- Empowers expertise of educators and school personnel
- Includes all staff: all make it or no one makes it
- SBA used to measure growth



## **School Performance Incentive Program**

**Goal:** To accelerate growth in student achievement.

### **Overview of benefits to Alaska**

1. **Accountability:** The money is directly linked to high levels of student learning.
2. Promotes effective instruction, staff collaboration, and shared responsibility.
3. Enhances Alaska's teacher recruitment efforts.
4. **No-risk program:** If there is no performance, there is no cost.

### **Why is this program different from other bonus programs?**

- Focuses on how the same students performed this year compared to last year – student growth.
- Provides clear targets for meeting success.
- Provides an incentive for **ALL** school staff to work together, be creative, and design and implement systems to improve student performance.
- Provides a system for policy makers to recognize school performance.
- Focuses on improving each student's performance from where he or she currently is to proficiency and beyond.

### **Why have other models failed?**

- Not based on individual student growth related to achievement standards.
- Unrealistic or unclear targets for success.
- Competition among staff – some must lose for others to win.
- Excluded building administrators and other school staff.
- The instrument/criteria used to measure success was not reliable and consistent.
- Compensation was not large enough to change behavior.

### **What will be the outcomes from this program?**

- Instruction directly linked to outcomes.
- Incentive to work differently and create partnerships that will result in more than a year's growth in learning for students.
- Cause creative and effective use of instructional time in schools – scheduling the school day and year with a focus on higher levels of student learning.

- Accountability and incentive to cause students to reach proficiency and higher levels of advanced achievement.
- Responsibility for student learning and achievements is expanded to all staff.

**The bottom line:** The program will award bonuses to a school's administrators, teachers and support staff each year that its students show more than a year's academic growth. In some cases, school district central office staff will receive bonuses as well.

**How growth is measured:**

1. Each student's score on state standards-based assessments will be placed in one of six achievement categories: advanced, proficient, below proficient plus, below proficient minus, far below proficient plus, and far below proficient minus.
2. Each student's performance will be compared with his or her performance the previous year. Schools will earn various points based on whether a student moves up or down in the categories or remains in the same one.
3. The points will be totaled, and then divided by the number of students in the school to produce a school score. That score will be applied to an index that has several levels.
4. The higher the points, the larger the bonus, up to the maximum set in law. Schools that do not show progress will not earn a bonus.

**Cost:**

1. Bonuses will range from \$2,500 to \$5,500 for certificated staff (administrators and teachers) and \$1,000 to \$2,500 for noncertificated staff (support staff such as aides and custodians). School district central office staff, except for superintendents, who play a significant role in a school's growth will be eligible for bonuses of up to \$5,500.
2. The cost will depend on how many people earn bonuses, and on details of the point system and the index, which will be set in regulation by the State Board of Education & Early Development.
3. A fiscal note prepared by the department estimates the range of what the program could cost. For example, if 5 percent of the state's school staff members received the highest level of bonus, it would cost nearly \$3.1 million. If 25 percent of the state's school staff members received the highest level of bonus, it would cost about \$15.4 million.

FRANK H. MURKOWSKI  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

98258  
P.O. Box 110001  
JUNEAU, ALASKA 99811-0001  
(907) 465-3500  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

January 13, 2006

The Honorable Ben Stevens  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would provide for a public school performance incentive program. This program is an innovative approach to creating a learning environment in which students will improve more rapidly than would usually be expected.

This program would inspire and empower Alaska's outstanding educators to use their expertise and innovative instructional practices to improve student growth and achievement. A performance incentive program would enhance Alaska's teacher recruitment efforts, raise accountability by linking the incentive payments directly to increased levels of student achievement, and promote effective instruction, staff collaboration, and shared responsibility. The program would encourage public schools to adjust schedules to maximize instructional time and align teacher skills to student needs.

This bill would authorize a substantial performance incentive payment, subject to appropriation, to school personnel -- up to \$5,500 for certificated personnel such as teachers, counselors, and administrators, and up to \$2,500 for noncertificated personnel such as instructional aides, school nurses, and school secretaries. Public school personnel would be eligible for a performance incentive payment if the students in their school achieved substantial improvement on the statewide assessments.

The program provided for in this bill is unique in two ways. First, it is intended that a performance incentive payment would be made when students achieve more than one year's academic growth. We expect learning growth in students each year and public school personnel are paid to teach students a

COMMITTEE COPY

The Honorable Ben Stevens  
January 13, 2006  
Page 2

normal year's worth of information. This program, however, would reward public school personnel if students acquire more than one year's worth of growth. When students gain more than one year's worth of growth, they will advance one or more levels on the state's statewide achievement assessments, triggering a performance incentive payment. If students were already at the most advanced level, keeping them advanced would trigger a payment.

Tying the performance incentive payment to growth would mean that all public schools would have an opportunity to earn the payment. Because the performance incentive payment would not be pegged at a set level of achievement, public schools that have high-achieving students would not have an advantage over schools with low-achieving students. All children can learn, and all can improve their achievement level. Schools would not be in competition with each other -- a school would be eligible for the performance incentive payment if its students achieve sufficient growth, even if some other schools show more growth or faster growth.

The second unique aspect of this proposed program is that it is intended to apply to all public school employees. Even noninstructional personnel would be eligible for the performance incentive payment if the students at the public school achieved the requisite growth. This would create within the public school building a community in which all employees have a stake in the success of the students. Teachers who teach subjects that are not tested; administrators, paraprofessionals, and support staff all would have an incentive to encourage students to excel at all scholastic pursuits, and to keep students interested and engaged. The school community would have an incentive to work together for the greater good.

The details of the performance incentive program would require mathematical formulae and the setting of eligibility requirements that are best left to regulation. The Department of Education and Early Development (department) would have to determine what level of growth is appropriate for the performance incentive payment -- if it is too easy or too difficult to obtain, it would not provide an incentive. The department also would provide in regulation for a mechanism to reward school district central office personnel -- such as a curriculum or special education director -- who have a significant influence on the achievement of the students in the eligible schools in that district.

The bill provides that a payment under the program is not included in an employee's compensation for retirement purposes. Also, under the bill, whether an employee does or does not receive a performance incentive payment

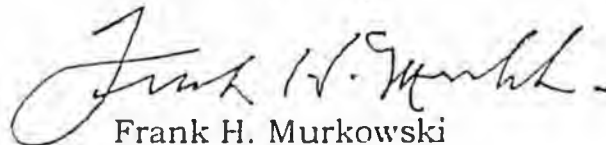
The Honorable Ben Stevens  
January 13, 2006  
Page 3

would have no bearing on the employee's evaluation, and a school district could not diminish or supplant an employee's regular salary because the employee received a payment.

This program is not intended to have any effect on the current or future levels of foundation or other funding for public education. This program is intended to reward excellence by providing incentives for a public school community to work collaboratively to exceed the expected level of learning for all students in a single year. Foundation funding and this program are entirely separate and each stands on its own.

This bill is good for children and good for Alaska. I urge your prompt and favorable action on it.

Sincerely yours,

A handwritten signature in cursive script, reading "Frank H. Murkowski".

Frank H. Murkowski  
Governor

Enclosure

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/13/06

FURTHER: Finance

Date of 5-Day Notice: 1/26/06  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3.3.06

Health, Education and Social Services Committee considered SENATE BILL NO. 235

**SB 235 SCHOOL PERFORMANCE BONUSES**

"An Act relating to a public school performance incentive program; and providing for an effective date."

and recommends:

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

<b>CS Senate Bill:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<b>SCS House Bill:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#
EED	1/11	X			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Elton	<i>K. S. Elton</i>		✓		
Wilken	<i>Gary Wilken</i>			✓	
Green	<i>Linda Green</i>	✓			
Olson	<i>Mark A. Olson</i>			✓	
Dyson	CHAIR: <i>Mark Dyson</i>	✓			

**SB**

**236**

**HFIN**

**FILE**



# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSSB 236(FIN)  
(S) Publish Date: 2/3/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: AK Housing Finance Corp Dividend RDU: Alaska Housing Finance Corp.  
Component: Operations  
Sponsor: Senate Rules Committee  
Requester: Governor Component No.: 110

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012

CHANGE IN REVENUES ( )	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	42,500.0	40,000.0	40,000.0	40,000.0	40,000.0	40,000.0

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1139 AHFC Dividend	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The passage of SB 236 will not have an impact on AHFC's operating budget.

This bill would amend the agreement between AHFC and the State calling for the transfer of AHFC's net income to the state general fund in the form of an annual dividend. Due to changes in accounting standards, the outdated term "Net Income" in the transfer plan will need to be changed to "Adjusted Change in Net Assets." This legislation will also reverse out changes made in financial reporting required by GASB 34 to comply with the intent of the original legislation. As a result of this change, the change in the dividend paid to the State by AHFC would increase from \$38.1 million to \$80.6 million. The FY07 increase to fund code 1139 AHFC Dividend is \$42.5 million. These increased funds are accounted for in the Governor's FY07 budget request.

Prepared by: Bryan Butcher, Director, Govt. Relations/Public Affairs Phone 330-8445  
Division: Alaska Housing Finance Corporation Date/Time 2/1/06 9:33 AM  
Approved by: \_\_\_\_\_ Date 02/01/06  
Agency: \_\_\_\_\_

**SB**

**236**

**SFIN**

**FILE**

**SENATE FINANCE COMMITTEE REPORT**  
**First Committee of Referral**

REPORTED OUT  
**FEB 02 2006**  
 SENATE FINANCE COMMITTEE

DATE: 1/13/06

FURTHER:

Date of 5-Day Notice: \_\_\_\_\_  
 (in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/2/2006

Finance Committee considered **SENATE BILL NO. 236**

**SB 236 AK HOUSING FINANCE CORP DIVIDEND**

"An Act relating to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 236 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

<b>CS Senate Bill:</b>	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<b>SCS House Bill:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DOR AHFC	2/1/06			✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR:				
COCHAIR: <i>[Signature]</i>	✓			

# FISCAL NOTE

REPORTED OUT  
FEB 02 2006  
SENATE FINANCE COMMITTEE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 12  
Bill Version: SB 236  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title AK Housing Finance Corp Dividend RDU Alaska Housing Finance Corp.  
Component Operations  
Sponsor Senate Rules Committee  
Requester Governor Component No. 110

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	<b>42,500.0</b>	<b>40,000.0</b>	<b>40,000.0</b>	<b>40,000.0</b>	<b>40,000.0</b>	<b>40,000.0</b>
-------------------------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1139 AHFC Dividend	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The passage of SB 236 will not have an impact on AHFC's operating budget.

This bill would amend the agreement between AHFC and the State calling for the transfer of AHFC's net income to the state general fund in the form of an annual dividend. Due to changes in accounting standards, the outdated term "Net Income" in the transfer plan will need to be changed to "Adjusted Change in Net Assets." This legislation will also reverse out changes made in financial reporting required by GASB 34 to comply with the intent of the original legislation. As a result of this change, the change in the dividend paid to the State by AHFC would increase from \$38.1 million to \$80.6 million. The FY07 increase to fund code 1139 AHFC Dividend is \$42.5 million. These increased funds are accounted for in the Governor's FY07 budget request.

Prepared by: Bryan Butcher, Director, Govt. Relations/Public Affairs Phone 330-8445  
Division Alaska Housing Finance Corporation Date/Time 2/1/06 9:33 AM  
Approved by: \_\_\_\_\_ Date 02/01/06  
Agency \_\_\_\_\_



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 2/2/2006 TIME: 11:15 am

TO: Legal

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: ROBIN PAUL  
SENATE FINANCE CMTE. ASST. SECRETARY  
PHONE: 465-2618  
FAX: 465-2187

NOTES: Final Please CS SB 236 (FIN)  
of Work Draft 24-GS2058/G  
No Changes!

*Thanks!*  
*Robin*

*J*

CS FOR SENATE BILL NO. 236( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to subsidiary corporations of the Alaska Housing Finance Corporation  
2 and to the dividend paid to the state by the Alaska Housing Finance Corporation; and  
3 providing for an effective date."

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

5 \* Section 1. AS 18.56.086 is amended to read:

6 Sec. 18.56.086. Creation of subsidiaries. The corporation may create  
7 subsidiary corporations for the purpose of financing or facilitating the financing of  
8 school construction, facilities for the University of Alaska, [OR] facilities for ports  
9 and harbors, or other capital projects. A subsidiary corporation created under this  
10 section may be incorporated under AS 10.20.146 - 10.20.166. The corporation may  
11 transfer assets of the corporation to a subsidiary created under this section. A  
12 subsidiary created under this section may borrow money and issue bonds as evidence  
13 of that borrowing and has all the powers of the corporation that the corporation grants  
14 to it. Unless otherwise provided by the corporation, the debts, liabilities, and

1 obligations of a subsidiary corporation created under this section are not the debts,  
2 liabilities, or obligations of the corporation.

3 \* Sec. 2. AS 18.56.089(c) is amended to read:

4 (c) The corporation shall make a dividend available to the state each fiscal  
5 year. The corporation shall pay the dividend for a current fiscal year to the state before  
6 the end of that fiscal year. The legislature may appropriate the dividend for capital  
7 projects. The corporation shall notify the commissioner of revenue of the amount of  
8 each dividend under this subsection for inclusion in the state operating budget and  
9 shall also notify the commissioner when each dividend is available for payment to the  
10 state. The amount of the dividend for a current fiscal year is calculated as follows:

11 (1) the lesser of \$103,000,000 or 75 percent of the adjusted change in  
12 net assets [NET INCOME] of the corporation for the base fiscal year;

13 (2) minus the amount of money from the corporation used during that  
14 current fiscal year for bond repayment and other costs related to the bonds issued  
15 under

16 (A) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

17 (B) sec. 10(b), ch. 130, SLA 2000;

18 (C) sec. 1, ch. 1, SSSLA 2002;

19 (D) sec. 4, ch. 120, SLA 2004; and

20 (3) minus any appropriation of unrestricted unencumbered money of  
21 the corporation during the current fiscal year, other than an appropriation for the  
22 corporation's operating budget.

23 \* Sec. 3. AS 18.56.089(d) is amended by adding a new paragraph to read:

24 (4) "adjusted change in net assets" means the change in net assets from  
25 the base fiscal year, adjusted for capital expenditures incurred during the base fiscal  
26 year.

27 \* Sec. 4. The uncodified law of the State of Alaska enacted in sec. 2, ch. 76, SLA 2003, as  
28 amended by sec. 3, ch. 120, SLA 2004, is amended to read:

29 Sec. 2. TRANSITION: PHASE-IN OF AMOUNT OF DIVIDEND. (a)  
30 Notwithstanding the amount of the annual dividend under AS 18.56.089(c), the  
31 dividend is calculated as follows for the following years:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

(1) fiscal year 2004:

(A) \$103,000,000;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2004 for bond repayments and other costs related to the bonds issued under

(i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

(ii) sec. 2, ch. 129, SLA 1998;

(iii) sec. 10(b), ch. 130, SLA 2000;

(iv) sec. 1, ch. 1, SSSLA 2002;

(v) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2004, other than an appropriation for the corporation's operating budget;

(2) fiscal year 2005:

(A) \$103,000,000;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2005 for bond repayments and other costs related to the bonds issued under

(i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

(ii) sec. 2, ch. 129, SLA 1998;

(iii) sec. 10(b), ch. 130, SLA 2000;

(iv) sec. 1, ch. 1, SSSLA 2002;

(v) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2005, other than an appropriation for the corporation's operating budget;

(3) fiscal year 2006:

(A) \$103,000,000;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2006 for bond repayments and other costs related to the bonds issued under

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

- (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;
- (ii) sec. 2, ch. 129, SLA 1998;
- (iii) sec. 10(b), ch. 130, SLA 2000;
- (iv) sec. 1, ch. 1, SSSLA 2002;
- (v) sec 4, ch. 120, SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2006, other than an appropriation for the corporation's operating budget;

(4) fiscal year 2007:

(A) the lesser of \$103,000,000 or 95 percent of the adjusted change in net assets [NET INCOME] of the Alaska Housing Finance Corporation for fiscal year 2005;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2007 for bond repayments and other costs related to the bonds issued under

- (i, ch. 26, SLA 1996, up to a maximum of \$1,000,000;
- (ii) sec. 10(b), ch. 130, SLA 2000;
- (iii) sec. 1, ch. 1, SSSLA 2002;
- (iv) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2007, other than an appropriation for the corporation's operating budget;

(5) fiscal year 2008:

(A) the lesser of \$103,000,000 or 85 percent of the adjusted change in net assets [NET INCOME] of the Alaska Housing Finance Corporation for fiscal year 2006;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2008 for bond repayments and other costs related to the bonds issued under

- (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;
- (ii) sec. 10(b), ch. 130, SLA 2000;

1  
2  
3  
4  
5  
6  
7  
8  
9

(iii) sec. 1, ch. 1, SSSLA 2002;

(iv) sec. 4. ch. 120. SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2008, other than an appropriation for the corporation's operating budget.

(b) For purposes of this section, "adjusted change in net assets" ["NET INCOME"] has the meaning set out in AS 18.56.089(d).

\* Sec. 5. AS 18.56.089(d)(3) is repealed.

\* Sec. 6. This Act takes effect July 1, 2006.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 236  
(S) Publish Date: 1/13/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title The act relating to the dividend paid to the State RDU \_\_\_\_\_  
By the Alaska Housing Finance Corp Component \_\_\_\_\_  
Sponsor Rules Committee \_\_\_\_\_  
Requester Governor Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by: Kevin Jardell, Legislative Director  
Division: Governor's Legislative Office  
Approved by: Tom Boutin, Deputy Commissioner  
Agency: Department of Revenue

Phone \_\_\_\_\_  
Date/Time: 1/12/06 12:00 AM  
Date: 1/12/2006



Headquarters:  
430L Boniface Parkway  
Anchorage, AK 99504  
907-338-6100

Mailing Address:  
PO Box 101020  
Anchorage, AK 99510

Internet Web Site:  
<http://www.ahfc.state.ak.us>

## Sponsor Statement SB 236

### **"An Act relating to a dividend payment to the state made by the Alaska Housing Finance Corporation each fiscal year"**

Senate Bill 236 would amend the agreement between the Alaska Housing Finance Corporation and the State calling for the transfer of AHFC's net income to the State General Fund in the form of an annual dividend that funds debt service for certain bonds and capital projects.

Under the current plan, 18.56.089(c) calls for an annual transfer (with a phase in beginning in FY 2007) from AHFC to the State equal to:

***(1) the lesser of \$103,000,000 or 75 percent of the net income of the corporation for the base fiscal year;***

The Governmental Accounting Standards Board ("GASB") has adopted statement number 34, which AHFC implemented in FY 2002. GASB 34 changed the financial statement presentation of the net income of governmental entities to "change in net assets". Since the current Statute refers to "net income", the first required change is to replace all references to net income.

Another change is more involved and begins with what used to be the Balance Sheet, now called the Statement of Net Assets. Pre GASB 34 accounting by AHFC involved multiple equity accounts including contributed capital and retained earnings. Contributed capital represented the original investment by the State in AHFC and retained earnings was accumulated profits.

In determining the transfer prior to GASB 34, net income was the baseline. Using the change in net assets line item from the current financial presentation incorporates items that, before GASB 34, were not included in net income. Such items were the direct cash transfers to the State that were presented as direct reductions in contributed capital as they did not represent operating activity of AHFC. GASB 34 does not allow that accounting treatment for those items and requires that they



flow through the Statement of Net Assets as Expenses of one form or another.

Therefore, in order to conform to the intent of the original legislation, the Governor is proposing to modify the transfer plan statute to use an "Adjusted Change in Net Assets" as the baseline for the transfer. That adjusted change in net assets incorporates all of the expenses that were under pre-GASB 34 rules included in net income and excludes those expenditures that were not.

Without the passage of SB 236, the dividend paid to the State by AHFC will be 38.1 million. With the legislation, the dividend will be \$80.6 million.



FRANK H. MURKOWSKI  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



50236  
P.O. Box 110001  
JUNEAU, ALASKA 99811-0001  
(907) 465-3500  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 13, 2006

The Honorable Ben Stevens  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the dividend paid to the state by the Alaska Housing Finance Corporation.

As a result of the Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), governmental entities no longer are allowed to report contributed capital and retained earnings on their balance sheets. In addition, the balance sheet itself has now been renamed to "Statement of Net Assets." Under the rules of pre-GASB 34 generally accepted accounting principles, capital grants and other transfers to or on behalf of the state were considered a return of capital to the state and were shown as a reduction of contributed capital -- thus, not affecting net income. The GASB 34 requires these same amounts to be included in net income (now called "Change in Net Assets").

The bill would permit the Alaska Housing Finance Corporation to remove those expenditures from "Change in Net Assets" before the dividend is calculated. It further would allow the Alaska Housing Finance Corporation to remove prior years' capital appropriations from "Change in Net Assets" before the dividend is calculated.

The primary objective of these changes is to bring the corporation's reconciliation and calculation of the dividend into compliance with GASB 34 rules.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski  
Governor

Enclosure

COMMITTEE COPY

**SB**

**237**

ERIE

NIH

# HOUSE COMMITTEE REPC 7

(11)

Date Referred to Committee: March 17, 2006

FURTHER REFERRALS:

Date of Committee Action: 4-26-06

The FINANCE Committee considered:

CSSB 237(FIN)

CS FOR SENATE BILL NO. 237(FIN)

ADDITIONAL JUDGES FOR THIRD DISTRICT

"An Act relating to the compensation of judges and judges, and to increasing the number of superior court judges designated for the third and fourth judicial districts; and providing for an effective date."

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

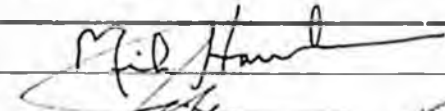
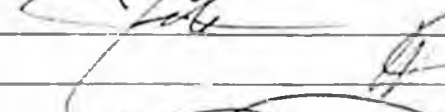


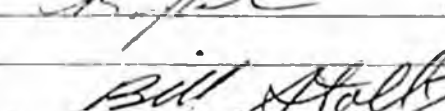
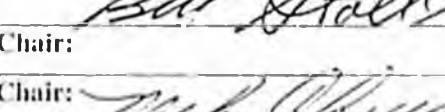

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:

- ADM
- CEM
- COR
- CR1
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
CRT		x		
LAW		x		
LAW		x		
DPS		x		
ADM		x		
ADM		x		
COR		x		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
AK JUD Council	2	x		
GOV	4	x		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Hawk	*			
	Holm			✓	
	Kelly			✓	
		x			
	Toube	x		*	
	STOLTE				x
Chair: 	Churchill			x	x

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSSB 237(FIN) REVISED  
(S) Publish Date: 3/22/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Court System  
Title: Increasing the Number of Superior Court Judges RDU: Alaska Court System  
Component: Court System  
Sponsor: Senate Rules Committee  
Requester: Governor Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	5,275.2	5,275.2	5,275.2	5,275.2	5,275.2	5,275.2
Travel	22.8	22.8	22.8	22.8	22.8	22.8
Contractual	84.6	96.6	96.6	96.6	96.6	96.6
Supplies	339.4	24.0	24.0	24.0	24.0	24.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING &amp; CAPITAL</b>	<b>5,722.0</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>

<b>CAPITAL EXPENDITURES</b>	<b>7,149.3</b>					
-----------------------------	----------------	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	12,871.3	5,418.6	5,418.6	5,418.6	5,418.6	5,418.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>12,871.3</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time	24	24	24	24	24	24
Part-time						
Temporary						

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

This bill adds six new superior court judges: two in Palmer, two in Anchorage, one in Kenai and one in Fairbanks. This fiscal note reflects the operating and capital costs of these new positions and the necessary support staff. This fiscal note also includes the proposed salary increase for judicial positions within the court system.

Prepared by: C S Christensen III, Deputy Administrative Director  
Division: Alaska Court System  
Approved by: Stephanie Cole, Administrative Director  
Agency: Alaska Court System

Phone: 463-4735  
Date/Time: 3/22/06 12:39 PM  
Date: 3/22/2006

Alaska Court System  
 Fiscal Note Calculation for CSCB 237(FIN) REVISED  
 3/22/2006

Fiscal Note #8

<u>Personal Services:</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Superior Court Judge, Anchorage, (2 pos), 82A	365,200	365,200	365,200	365,200	365,200	365,200
Law Clerk, Anchorage, (2 pos), 13D	105,200	105,200	105,200	105,200	105,200	105,200
In-Court, Anchorage, (2 pos), 12A	107,200	107,200	107,200	107,200	107,200	107,200
Administrative Asst, Anchorage, (2 pos), 12A	107,200	107,200	107,200	107,200	107,200	107,200
Superior Court Judge, Palmer, (2 pos), 82A	365,200	365,200	365,200	365,200	365,200	365,200
Law Clerk, Palmer, (2 pos), 13D	108,200	108,200	108,200	108,200	108,200	108,200
In-Court, Palmer, (2 pos), 12A	109,800	109,800	109,800	109,800	109,800	109,800
Administrative Assistant, Palmer, (2 pos), 12A	109,800	109,800	109,800	109,800	109,800	109,800
Superior Court Judge, Kenai, 82A	182,600	182,600	182,600	182,600	182,600	182,600
Law Clerk, Kenai, 13D	55,700	55,700	55,700	55,700	55,700	55,700
In-Court, Kenai, 12A	56,400	56,400	56,400	56,400	56,400	56,400
Administrative Assistant, Kenai, 12A	56,400	56,400	56,400	56,400	56,400	56,400
Superior Court Judge, Fairbanks, 82A	184,100	184,100	184,100	184,100	184,100	184,100
Law Clerk, Fairbanks, 13D	59,100	59,100	59,100	59,100	59,100	59,100
In-Court, Fairbanks, 12A	59,500	59,500	59,500	59,500	59,500	59,500
Administrative Assistant, Fairbanks, 12A	59,500	59,500	59,500	59,500	59,500	59,500
<b>New Position Costs</b>	<b>2,091,100</b>	<b>2,091,100</b>	<b>2,091,100</b>	<b>2,091,100</b>	<b>2,091,100</b>	<b>2,091,100</b>
<b>Judicial Salary Increase (detail next page)</b>	<b>3,184,100</b>	<b>3,184,100</b>	<b>3,184,100</b>	<b>3,184,100</b>	<b>3,184,100</b>	<b>3,184,100</b>
<b>Subtotal Personal Services</b>	<b>5,275,200</b>	<b>5,275,200</b>	<b>5,275,200</b>	<b>5,275,200</b>	<b>5,275,200</b>	<b>5,275,200</b>
<b>Travel:</b>						
3rd District Circuit Travel (one week per month)	11,400	11,400	11,400	11,400	11,400	11,400
4th District Circuit Travel (one week per month)	11,400	11,400	11,400	11,400	11,400	11,400
<b>Subtotal Travel</b>	<b>22,800</b>	<b>22,800</b>	<b>22,800</b>	<b>22,800</b>	<b>22,800</b>	<b>22,800</b>
<b>Contractual:</b>						
Software Maintenance and Network Costs	21,600	21,600	21,600	21,600	21,600	21,600
Software Licensing	48,000					
Moving Costs Related to Expansion of Court Facilities	15,000					
Maintenance & Utilities Costs		75,000	75,000	75,000	75,000	75,000
<b>Subtotal Contractual Services</b>	<b>64,600</b>	<b>96,600</b>	<b>96,600</b>	<b>96,600</b>	<b>96,600</b>	<b>96,600</b>
<b>Supplies:</b>						
Operating Supplies @ \$1,000/position	24,000	24,000	24,000	24,000	24,000	24,000
Furniture & Computers for New Positions	117,000					
Jury Room Furniture	26,500					
Courtroom Equipment	171,900					
<b>Subtotal Supplies</b>	<b>339,400</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>
<b>Subtotal Operating Expenditures</b>	<b>5,722,000</b>	<b>5,418,600</b>	<b>5,418,600</b>	<b>5,418,600</b>	<b>5,418,600</b>	<b>5,418,600</b>
<b>Capital Expenditures<sup>1</sup></b>						
Anchorage Remodel	270,600					
Kenai Remodel/Expansion	6,588,400					
Fairbanks Remodel/Expansion	290,300					
<b>Subtotal Capital Expenditures</b>	<b>7,149,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total All Expenditure Categories</b>	<b>12,871,300</b>	<b>5,418,600</b>	<b>5,418,600</b>	<b>5,418,600</b>	<b>5,418,600</b>	<b>5,418,600</b>

<sup>1</sup> Accommodating two additional superior court judges in Anchorage is most effectively accomplished by remodeling for two additional courtrooms and associated space in the Birney Courthouse. The Kenai courthouse is presently exceeding designed capacity. The design of the Kenai courthouse is similar to that of Palmer, which is presently undergoing renovation and will accommodate the new positions required. Two new courtrooms and associated space for Kenai, however, must be added. The Fairbanks funding will be used to complete chambers and staff offices on the fifth floor of the Rubincowitz Courthouse.

**Alaska Court System**  
**Proposed Judicial Salary Increase**  
*Assumes Addition of Six Superior Court Judges*

Description	Number of Justices or Judges	Budgeted FY07 Base Annual Salary	Proposed FY07 Annual Salary <sup>1</sup>	Total Budgeted FY07 Annual Salary & Benefits	Proposed FY07 Annual Salary & Benefits
Chief Justice	1	128,655	166,009	197,074	249,703
Justices	4	128,030	165,200	784,776	994,251
Administrative Director	1	125,986	163,200	194,358	248,026
Appellate Court Judges	3	120,956	156,080	558,682	707,141
Superior Court Judge	27	118,398	152,760	4,930,832	6,237,973
Superior Court Judge with 3.5% Geo-Diff on \$40K	6	118,398	152,760	1,104,339	1,394,814
Superior Court Judge with 10.5% Geo-Diff on \$40K	1	118,398	152,760	186,923	235,335
Superior Court Judge with 17.5% Geo-Diff on \$40K	6	118,398	152,760	1,138,732	1,429,207
District Court Judge	16	100,368	129,517	2,566,442	3,238,314
District Court Judge with 3.5% Geo-Diff on \$40K	3	100,368	129,517	485,640	611,616
District Court Judge with 10.5% Geo-Diff on \$40K	1	100,368	129,517	164,835	206,827
District Court Judge with 17.5% Geo-Diff on \$40K	1	100,368	129,517	167,790	209,782
				12,480,421	15,762,989

Proposed Salary Increase

3,282,568

Less Vacancy Rate of 3%

(98,500)

FY07 Funding Required for Proposed Salary Increase

3,184,100

<sup>1</sup>The salary increase for a supreme court justice is based on the salary of a federal district court judge. The salary increases of the remaining judicial positions are proportionally adjusted based on current salary structure.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSSB237-LAW-TDC-4-4 06  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title: "An Act increasing the number of superior court judges designated for the third and fourth judicial districts..." RDU: Criminal Division  
Sponsor: Senate Rules by Request of the Governor Component: Third Judicial District - Outside Anchorage  
Requester: House Finance Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	166.9	166.9	166.9	166.9	166.9	166.9
Travel	0.5	0.5	0.5	0.5	0.5	0.5
Contractual	14.8	14.8	14.8	14.8	14.8	14.8
Supplies	2.7	2.7	2.7	2.7	2.7	2.7
Equipment	13.9	0.9	0.9	0.9	0.9	0.9
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>198.8</b>	<b>185.8</b>	<b>185.8</b>	<b>185.8</b>	<b>185.8</b>	<b>185.8</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	198.8	185.8	185.8	185.8	185.8	185.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>198.8</b>	<b>185.8</b>	<b>185.8</b>	<b>185.8</b>	<b>185.8</b>	<b>185.8</b>

Estimate of any current year (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)  
The bill increases the number of superior court judges designated for the third and fourth judicial districts by adding two (2) in Anchorage, two (2) in Palmer and one (1) each in Kenai and Fairbanks. The Senate Judiciary Committee amended the Governor's originally proposed legislation to add a judge in Palmer and one in Fairbanks, increasing the number of judges the bill would add from four to six.  
  
Because additional judges do not increase the number of cases handled by each District Attorney's office, under the original bill, the Criminal Division was prepared to absorb any increased demands with existing resources. However, with the addition of two (2) judges in Palmer, we believe that Palmer District Attorney's office will require an additional prosecutor and law office assistant.

Prepared by: Kathryn Daughetee, Director Phone: 405-3573  
Division: Administrative Services Division Date/Time: 4/4/06 8:38 AM  
Approved by: Kathryn Daughetee for David W. Marquez, Attorney General Date: 4/4/2006  
Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. CSSB237

ANALYSIS CONTINUATION

The Palmer District Attorney's office is already extremely busy. With the population increases in the Mat-Su Valley over the past several years, the criminal caseload has steadily increased. In calendar year 2002, the Palmer office received 595 felony referrals. In calendar year 2005, that number had increased to 869 felony referrals. Additionally, the cases being referred are more complex. For example, a growing percentage of drug cases handled by Palmer involve methamphetamine labs. These lab cases are much more resource intensive than previously referred drug cases such as a possession or sale of cocaine case. Death cases are also very resource intensive; in 2005 the Palmer office had 12 homicide cases referred. Therefore, the office is dealing with a higher volume of cases, and the nature of those cases require greater resources.

Palmer has also seen an increase in the level of litigation in cases. Over the past year, the defense bar has been forcing more cases to grand jury and to trial. Thus, although the number of cases in Palmer will not increase due to increasing the number of superior court judges, the pace with which cases are processed will substantially increase. In addition, the bill doubles the number of superior court courtrooms that the office will be required to staff at any given moment. These two factors coupled with the already increasing demands in Palmer require that to make efficient use of the additional judges so that cases are processed more quickly, the Palmer office will need additional resources hereby requested.

The amount requested is in accordance with the FY 2007 timekeeping and billing rate for one additional attorney with associated support staff costs. Because Law does not typically add one law office assistant for each attorney, a slight increase to the personal services cost was added to the normal cost of new attorney to allow for full costs of a new law office assistant that will be needed.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB237-LAW-HS-3-29-06  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
 Title: "An Act increasing the number of superior court judges designated for the third and fourth judicial districts..." RDU: CIVIL  
 Component: Human Services  
 Sponsor: Senate Rules by Request of the Governor  
 Requester: House Finance Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	151.4	151.4	151.4	151.4	151.4	151.4
Travel	0.5	0.5	0.5	0.5	0.5	0.5
Contractual	14.8	14.8	14.8	14.8	14.8	14.8
Supplies	2.7	2.7	2.7	2.7	2.7	2.7
Equipment	7.4	0.9	0.9	0.9	0.9	0.9
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>176.8</b>	<b>170.3</b>	<b>170.3</b>	<b>170.3</b>	<b>170.3</b>	<b>170.3</b>

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	176.8	170.3	170.3	170.3	170.3	170.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>176.8</b>	<b>170.3</b>	<b>170.3</b>	<b>170.3</b>	<b>170.3</b>	<b>170.3</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

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

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

This bill adds two new judges in Palmer, two in Anchorage, and one each in Fairbanks and Kenai. Additional caseload or demands on resources from the additional judges in Anchorage, Kenai, and Fairbanks will be absorbed from existing resources. The addition of two judges to the Palmer Court would require an additional attorney in the Child Protection/Human Services Section.

Child Protection Section attorneys handle Child in Need of Aid (CINA) cases throughout the state, and Human Services Section attorneys handle adult protection proceedings and foster care licensing cases. In areas where only one or two attorneys are located, these attorneys handle both Child Protection and Human Services work. For the sole attorney in the Palmer office, the current CINA caseload alone is 160, far exceeding the department's goal of 100 CINA cases per attorney, as

Prepared by: Kathryn Daughhete, Director Phone: 465-3673  
 Division: Administrative Services Division Date/Time: 3/30/06 9:18 AM  
 Approved by: Kathryn Daughhete for David W. Marquez, Attorney General Date: 3/30/2006  
 Agency: Department of Law

## FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. \_\_\_\_\_

### ANALYSIS CONTINUATION

recommended by the Department of Health and Human Services, Administration for Children in 2002. In 2004, the American Bar Association issued Standards of Practice for Lawyers Representing Child Welfare Agencies. That body recommended a maximum of 60 active cases.

As a result of the excessive caseload in Palmer, attorneys from Anchorage must not only assist with the CINA overload, but take over adult protection and foster care licensing cases. With the addition of another attorney in Palmer, the two positions would carry a more manageable caseload consisting of CINA, adult protection, and foster care licensing cases, freeing Anchorage attorneys to handle increasing caseloads that will result from the the two new judges this bill proposes to add there.

Caseloads in the Palmer court for all these types of cases have increased dramatically as a result of the steady rise in population in the Mat-Su Valley. Probate filings (where cases involving guardianships of adults and minors are brought) increased 27% between FY 2004 and FY 2005. Cases involving children's matters also increased 13% for this same time period. As the population in the Mat-Su region continues to increase, case loads will continue to increase.

Further, the Mat-Su region has seen a significant and growing amount of methamphetamine manufacturing and use. When people manufacture and/or use meth in their homes, there are many hazards and risks created for children in these homes, from chemical contamination to increased risk of sexual abuse from parents or adults using the drug. In one day in October, 2005, AST busted three labs. Children under the age of 5 were located at two of the homes, but children resided in each of those homes, resulting in three new CINA cases in one day.

The number of cases does not tell the whole story. For whatever reason, cases in the Palmer court are contested more often than in other parts of the state. The Palmer attorney has stated that she has had contested proceedings (temporary custody hearings, adjudications or termination trials, or placement hearings) on 176 occasions between February 2005 and March 2006. She was either in court for an entire trial day or in court for a portion of a day for an evidentiary hearing. This far exceeds the amount of trial time spent by other attorneys in the state.

The addition of two more judges will make it impossible for one attorney to handle Child Protection/Human Services cases scheduled before six different judicial officers including the district court judge and master. As it currently stands, the judges have not been able to accommodate the Palmer attorney's schedule, and she is often booked to be in two courtrooms at once.

Because there are only two superior court judges now and the courts' calendars are booked up, trials are often continued. Although the Office of Children's Services is required by federal law to hold hearings within certain timeframes in order to achieve timely permanent placements for children, it is frankly a relief to the attorney in this position that the trials are continued because of her already overburdened schedule. A second AAG will be necessary in order for our office to be prepared for those hearings and to advance cases more quickly.

The cost of the additional attorney is in accordance with the Department of Law's FY 2007 timekeeping and billing rate for one FTE attorney position including allocated administrative support and overhead costs such as telephones, network chargeback.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB237CS(JUD)-DPS-JSA-3-29-06  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correc: \_\_\_\_\_ Dept. Affected: Public Safety  
Title: "An Act increasing the number of superior court judges..." RDU: Alaska State Troopers  
Compon: JS Anchorage; AST Detachments  
Sponsor: Governor  
Requester: House Finance Committee Component No. 831:2325

## Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	284.0	284.0	284.0	284.0	284.0	284.0
Travel						
Contractual	85.3	70.0	70.0	70.0	70.0	70.0
Supplies	12.7	12.7	12.7	12.7	12.7	12.7
Equipment	119.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>501.5</b>	<b>366.7</b>	<b>366.7</b>	<b>366.7</b>	<b>366.7</b>	<b>366.7</b>

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

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

## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	501.5	366.7	366.7	366.7	366.7	366.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviat						
<b>TOTAL</b>	<b>501.5</b>	<b>366.7</b>	<b>366.7</b>	<b>366.7</b>	<b>366.7</b>	<b>366.7</b>

Estimate of any current year (FY2006) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget pr \_\_\_\_\_

### POSITIONS

Full-time	4	4	4	4	4	4
Part-time						
Temporary						

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

Passage of this legislation will have a significant fiscal impact on the Department of Public Safety.

This bill adds six new superior court judges in the State of Alaska. They will be assigned in the following manner: two in Anchorage, two in Palmer, one in Fairbanks, and one in Kenai.

By statute, the commissioner of the Department of Public Safety is the executive officer of the Alaska Supreme Court. Across the state, those responsibilities are delegated and carried out by the Alaska State Troopers (AST) and Court Services Officers (CSO) assigned to Judicial Services units within the Division of AST.

Prepared by: Special Assistant Cliff Stone Phone: 907-465-2649  
Division: Office of the Commissioner Date/Time: 3/29/06 11:58 AM  
Approved by: Commissioner William Tandeske Date: 3/29/2006  
Agency: Department of Public Safety

FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. SB237CS(JUD)-DPS-15A-5-28-06

**ANALYSIS CONTINUATION**

Security provided by Judicial Services includes protection of the public, the judiciary, and prisoners; security of court facilities; and maintaining peace and order in the courtrooms. Judicial Services transports felons, misdemeanants, and fugitives between institutions, between institutions and courthouses, and to and from doctor's appointments. Troopers and officers assigned to Judicial Services also transport prisoners within and outside of Alaska.

Judicial Services also serve court writs that include subpoenas, summons and complaints, writs of assistance, evictions, executions, child custody orders, mental health commitments, domestic violence protective orders, and several other types of court process.

This fiscal note reflects the operating cost for three new Court Services Officers (CSO), one Administrative Clerk II, and all necessary vehicles, equipment and supplies to support these new positions.

One new CSO will be assigned to Anchorage, one to Fairbanks, and one to Palmer along with vehicles and associated equipment. The new administrative clerk will also be assigned to Palmer.

These new positions are in addition to the five new CSO's this department has in the Governor's FY2007 budget request needed to handle the already overwhelming workload. Over the years, the number of CSO positions has neither kept pace with the increase in the number of criminal and civil cases, nor with the increase in the number of judges or courts to be served.

**Judicial Services-Anchorage (component #831)**

	CSO	TOTAL
Pers Svcs	78.6	78.6
Travel		0.0
Contractual	26.5	26.5
Supplies	4.0	4.0
Equipment	38.8	38.8
Total	147.9	147.9
PFT	1	1

**AST Detachments (component #2325)**

	CSO	Adm Clk. II	TOTAL
Pers Svcs	159.8	45.6	205.4
Travel			0.0
Contractual	53.0	5.8	58.8
Supplies	8.0	0.7	8.7
Equipment	77.6	3.1	80.7
Total	298.4	55.2	353.6
PFT	2	1	3

**Court Service Officer's positions - Accumulated Comparisons**

City	Current FY06	Gov. FY07	SB 237
Anchorage	18	19	20
Fairbanks	7	8	9
Palmer	5	6	7

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number \_\_\_\_\_  
Bill Version: CSSB 237(FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 4/3/06 6:27 p.m. Dept. Affected: Administration  
Title: An Act increasing the number of superior court RDU: Legal and Advocacy Services  
judges designated for the third and fourth..... Component: Office of Public Advocacy  
Sponsor: Senate Rules Committee  
Requester: Governor Component No. 43

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	194.0	194.0	194.0	194.0	194.0	194.0
Travel						
Contractual	74.6	74.6	74.6	74.6	74.6	74.6
Supplies	4.0	4.0	4.0	4.0	4.0	4.0
Equipment	13.4	2.0	2.0	2.0	2.0	2.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>286.0</b>	<b>274.6</b>	<b>274.6</b>	<b>274.6</b>	<b>274.6</b>	<b>274.6</b>

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	286.0	274.6	274.6	274.6	274.6	274.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>286.0</b>	<b>274.6</b>	<b>274.6</b>	<b>274.6</b>	<b>274.6</b>	<b>274.6</b>

Estimate of any current year (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

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

**ANALYSIS:** *(Attach a separate page if necessary)*  
This legislation adds six new superior court judges: two in Anchorage, two in Palmer, one in Kenai, and one in Fairbanks. This will greatly improve the efficiency of the court, allowing for more timely motion rulings, hearings, and trials. The increased efficiency of the court system in processing both criminal and civil matters will put pressure on OPA's resources -- requiring more timely processing of motions, and resulting in a greater number of hearings and trials occurring simultaneously.  
  
See attached page for further analysis.

Prepared by: Joshua P. Fink, Director Phone: (907) 269-3500  
Division: Office of Public Advocacy Date/Time: 4/3/06 at 6:27 pm  
Approved by: Mike Tibbles, Deputy Commissioner Date: 4/4/2006  
Agency: Administration

## FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. CSSB 237(FIN)

### ANALYSIS CONTINUATION

Initially, when this legislation would have created four (4) additional superior court judgeships, OPA submitted an indeterminate fiscal note as the agency did not feel it was possible to estimate with any precision the increased costs. However, under this amended legislation, two (2) additional superior court judgeships will be created and an indeterminate fiscal note does not adequately reflect the financial demands this will place on OPA.

CSSB 237 (FIN) doubles the superior court judicial capacity in the Mat-Su Valley. This is the busiest court in the state, and the busiest OPA office.

In FY '05, the two superior court judges in Palmer handled 655 cases. This resulted in 2,390 events being scheduled. An event is counted each day that it is scheduled and includes a raignments, bail, adjudication, disposition, evidentiary, and representation hearings, as well as jury trials. Doubling this judicial capacity at the felony level will require additional resources at the OPA Palmer office to ensure coverage of the aforementioned hearings and to ensure adequate preparation for civil (CINA, probate, juvenile delinquency, custody) and criminal cases as they move forward at a more efficient pace. Thus, where the backlog was tenable in terms of workload for OPA staff attorneys, when there were only two superior court judges as they could only be in two places at one time, doubling this capacity to four judges will require additional resources to keep pace with the increase judicial capacity and efficiency.

OPA will need one new attorney in Palmer with a split criminal/civil caseload. This position would be expected to carry half a criminal caseload and half of a civil case load (parental representation of parents in CINA matters, probate proceedings, custody matters, and juvenile delinquencies). OPA will also need a non-attorney guardian ad litem to handle additional and more timely CINA hearings. (The current GAL in the Valley has a caseload exceeding 100 children and new cases are contracted out or covered by the Anchorage GALs).

Finally, OPA is requesting an additional \$30.0 in contract costs for the Kena Peninsula where OPA utilizes Palmer staff attorneys for high level felony cases and otherwise contracts with local contractors. (OPA does not have an office on the Kena Peninsula). Cases on the Peninsula have been spiking, as have costs, and this spike will increase with the addition of a new superior court judge, increasing judicial capacity there by 33% in a venue with similar problems to the Mat-Su Valley.

# FISCAL NOTE

STATE OF ALASKA  
2007 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB 237(FII)  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 3/28/06/ 3:06 p.m. Dept. Affected: Administration  
 Title: An Act increasing the number of superior court judges RDU: Legal and Advocacy Services  
judges designated for the third and fourth..... Component: Public Defender Agency  
 Sponsor: Senate Rules Committee  
 Requester: Governor Component No. 1631

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

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	228.0	228.0	228.0	228.0	228.0	228.0
Travel	6.2	6.2	6.2	6.2	6.2	6.2
Contractual	36.7	36.7	36.7	36.7	36.7	36.7
Supplies	4.0	4.0	4.0	4.0	4.0	4.0
Equipment	20.1	2.0	2.0	2.0	2.0	2.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>295.0</b>	<b>276.9</b>	<b>276.9</b>	<b>276.9</b>	<b>276.9</b>	<b>276.9</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	295.0	276.9	276.9	276.9	276.9	276.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>295.0</b>	<b>276.9</b>	<b>276.9</b>	<b>276.9</b>	<b>276.9</b>	<b>276.9</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

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

See analysis continuation section.

Prepared by: Quinlan Steiner, Director Phone: (907) 334-4414  
 Division: Public Defender Agency Date/Time: 3/28/06 3:06 p.m.  
 Approved by: Mike Tibbles, Deputy Commissioner Date: 3/28/2006  
 Agency: Administration

## FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. CSSE 237(FIN)

### ANALYSIS CONTINUATION

This bill increases the number of superior court judges by adding two (2) in Anchorage, two (2) in Palmer and one (1) in Kenai and one (1) in Fairbanks. Increasing judicial resources is expected to impact both the civil cases and criminal cases handled by the agency. The additional judicial availability posed by six new judges is expected to require one additional attorney, one additional paralegal, and one additional law office assistant.

The agency expects to place one attorney and one law office assistant in Palmer and one paralegal in Anchorage. It is not expected that adding a judge to Kenai and Fairbanks will require additional resources. Kenai recently received an additional attorney and law office assistant. The appellate caseload in Fairbanks has recently been transferred to Anchorage, and the position has remained in Fairbanks to absorb caseload increases.

Palmer will require additional resources because the population in the region is the fastest growing in the state and the criminal and CIVIL filings are expected to similarly increase. Additionally, the Palmer office is operating at capacity, and placing resources before the new judges will not be possible without additional staff. Consistent with the Agency's overall strategic plan, it is expected that adding low-cost support staff, rather than merely adding attorneys, will increase efficiency sufficient to accommodate the increase in work associated with two additional judges.

Anchorage will require an additional paralegal position because a new judge is expected to decrease the amount of time that a case waits for an evidentiary hearing on motions; the current waiting period is in excess of two months. A low-cost paralegal position is, therefore, required to assist attorneys in preparing for motion hearings that will occur in greater frequency.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number \_\_\_\_\_  
Bill Version: CSSB 237 (FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Corrections  
Title: "An Act increasing the number of superior court judges designated for the third and fourth judicial districts..." RDU: Probation and Parole  
Sponsor: Rules Committee Component: Statewide Probation and Parole  
Requester: Governor Component No.: 2826

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	208.2	418.8	418.8	418.8	418.8	418.8
Travel	16.0	36.0	36.0	36.0	36.0	36.0
Contractual	39.6	79.2	79.2	79.2	79.2	79.2
Supplies	27.9	35.1	14.4	14.4	14.4	14.4
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>293.7</b>	<b>569.1</b>	<b>548.4</b>	<b>548.4</b>	<b>548.4</b>	<b>548.4</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	293.7	569.1	548.4	548.4	548.4	569.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type - Do not abbreviate)						
<b>TOTAL</b>	<b>293.7</b>	<b>569.1</b>	<b>548.4</b>	<b>548.4</b>	<b>548.4</b>	<b>548.4</b>

Estimate of any current year (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time	3	6	6	6	6	6
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
The legislation adds six new superior court judges: two in Anchorage, two in Palmer, one in Kenai and one in Fairbanks. The fiscal impact to the department primarily will be in the Division of Probation & Parole, due to the increased workload surrounding felony pre-sentence investigations (PSI) and pre-sentence report (PSR) production for the superior court. A fulltime PSI/PSR Probation Officer can handle about 10 to 13 investigations and reports each month, which is about the same number (10 to 15) ordered by a superior court judge each month. The department estimates that the division will require one additional probation officer for PSI/PSR production for each new superior court judge. The department anticipates hiring three new probation officers in FY07 and three more in FY08 to fulfill the PSI/PSR demands of six additional superior court judges.

Prepared by: Sharileen Griffin, Director Phone: (907) 465-3339  
Division: Administrative Services Date/Time: 3/23/06 12:05 PM  
Approved by: Portia C.K. Parker, Deputy Commissioner Date: 3/23/2006  
Agency: Department of Corrections

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSSB 237 (JUD)  
(S) Publish Date: 2/9/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Alaska Judicial Council  
Title: Addition of 6 x Superior Court Judges RDU: Alaska Judicial Council  
Component: Alaska Judicial Council  
Sponsor: Senate Rules Committee  
Requester: Governor Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel	18.0	2.3	2.3	2.3	2.3	2.3
Contractual	53.1	7.0	6.9	9.0	7.6	6.9
Supplies	0.9	0.1	0.1	0.2	0.1	0.1
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>71.9</b>	<b>9.4</b>	<b>9.2</b>	<b>11.4</b>	<b>9.9</b>	<b>9.2</b>

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	71.9	9.4	9.2	11.4	9.9	9.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>71.9</b>	<b>9.4</b>	<b>9.2</b>	<b>11.4</b>	<b>9.9</b>	<b>9.2</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill adds six new superior court judges: two in Palmer, two in Anchorage, one in Fairbanks, and one in Kenai. This fiscal note reflects the costs of soliciting, investigating, and screening applicants to fill the positions in FY 07; the costs of filling subsequent vacancies in these positions (amortized over 12 years, the average term for a superior court judge); and the costs of evaluating these judges and making retention recommendations to the public (initial appearance on ballot in November 2010 and every six years thereafter)

Prepared by: Larry Cohn, Executive Director Phone 907-279-2526, ext 1  
Division: \_\_\_\_\_ Date/Time 2/9/06 3:45 PM  
Approved by: Larry Cohn, Executive Director Date 2/9/2006  
Agency: Alaska Judicial Council

Alaska Judicial Council  
 Fiscal Note Calculation for SB 237  
 2/9/2006

Fiscal Note #2  
 CSSB 237(JUD)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
<b><u>Travel</u></b>						
Judicial Council Travel - Selection meetings	18,000	2,250	2,250	2,250	2,250	2,250
Subtotal Travel	18,000	2,250	2,250	2,250	2,250	2,250
<b><u>Contractual</u></b>						
Printing and mail processing of vacancy announcements	5,024	523	523	523	523	523
Printing and mail processing of selection surveys	9,360	1,170	1,170	1,170	1,170	1,170
Printing of juror survey cards for retention evaluation	0	150	0	0	0	0
Electronic hosting of online selection surveys	8,000	1,000	1,000	1,000	1,000	1,000
Analysis of selection survey data	29,287	3,999	3,999	999	3,999	3,999
Analysis of retention survey data	0	0	0	1,420	0	0
Advertising of Council selection meetings	1,200	150	150	150	150	150
Advertising to solicit public comment re: retention	0	0	0	700	0	0
Advertising Council retention recommendations	0	0	0	0	700	0
Applicant credit histories	184	26	26	50	26	26
Subtotal Contractual	53,055	7,018	6,868	9,012	7,568	6,868
<b><u>Supplies</u></b>						
Paper for surveys	856	117	117	180	117	117
Subtotal Supplies	856	117	117	180	117	117
Subtotal Operating Expenditures	71,911	9,385	9,235	11,442	9,935	9,235
<b><u>Grand Total All Expenditure Categories</u></b>	<b>71,911</b>	<b>9,385</b>	<b>9,235</b>	<b>11,442</b>	<b>9,935</b>	<b>9,235</b>

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 4  
Bill Version: CSSB 237(FIN)  
(S) Publish Date: 2/17/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: OOG  
Title: "An Act increasing the number of superior court RDU Elections  
judges designated for the third judicial..." Component: Elections  
Sponsor: Senate Rules Committee  
Requester: Senate Finance Committee Component No. 21

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual				9.0		
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF				9.0		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill adds six new superior court judges, five in the third judicial district and one in the fourth judicial district. If the judges are appointed in 2007, they would be subject to an initial retention election in 2010 (AS 15.35.060). This amount reflects the costs associated with printing the judicial candidate pages in the Official Election Pamphlet, as required by AS 15.58

Prepared by: Whitney Brewster, Director Phone 465-2644  
Division: Division of Elections Date/Time 2/13/2006 11:33am  
Approved by: Whitney Brewster, Director Date 2/13/2006  
Agency: Office of the Lt. Governor, Division of Elections

# ALASKA STATE SENATE



Session:  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-2327  
(907) 465-5241 Fax

Interim:  
119 N. Cushman, Suite 201  
Fairbanks, Alaska 99701  
(907) 456-8161  
Senator\_Ralph\_Seekins@legis.state.ak.us

## SENATE JUDICIARY COMMITTEE

Senator Ralph Seekins, Chairman

### Senate Bill 237 Letter of Intent

February 9, 2006

The legislature finds that the Alaska Court System has experienced a steady multi-year trend in the growth of the criminal caseload. Much of the growth in criminal caseload has occurred in Anchorage, Palmer, Kenai, and Fairbanks in part due to rapid increases in population in some areas. For example, the Matanuska-Susitna Borough had a 77 percent increase in population from 1990 to 2004 and a 39 percent increase in felony case filings for fiscal year 2004 alone. Overall, felony criminal case filings with the court have increased by approximately 20 percent from fiscal year 2002 to fiscal year 2004.

Felony criminal cases are typically the most complex and time intensive criminal cases that the Alaska Court System handles. Over the years, these cases have become even more complex and therefore time consuming due to changes in the nature of criminal cases and the use of scientific evidence in a greater number of cases. Additionally, increased participation by victims and other new court procedures have resulted in cases requiring more actual courtroom time prior to resolution. Felony criminal cases are becoming back-logged to a degree that undermines the criminal justice system.

Prosecutors, law enforcement and others who regularly appear before the Alaska Court System recognize that additional superior court judges are essential for the efficient handling of the felony caseload. The legislature finds that justice will be better served for victims, defendants and the general public if the court system has the resources necessary for efficient processing of these cases.

Therefore, it is the intent of the legislature that the additional superior court judges authorized by this bill be assigned to criminal matters, or be utilized by the court system in a manner that will allow criminal matters to be more efficiently processed by the court.

*Adopted by the Senate*

Date: 3/15/06

COMMITTEE COPY

**adn.com**

Anchorage Daily News

Print Page

Close Window

## More judges are needed

Legislators should support adding seats to the bench

*(Published: February 18, 2006)*

To be effective, justice should be swift, certain and fair. But speed and certainty are at risk in Alaska with a growing state population that is boosting civil and criminal caseloads, especially in the Mat-Su.

That's why the state House and Senate are considering bills presented by the governor to increase the number of Superior Court judges, particularly in the 3rd Judicial District, which encompasses Mat-Su, Anchorage and the Kenai Peninsula. The Senate bill would add six judges -- two in Palmer, two in Anchorage and one in Kenai, along with an additional judge in Fairbanks. The House version would add four judges -- two in Anchorage, one in Palmer and one in Kenai.

It's been five years since lawmakers have added a Superior Court judge to the Anchorage bench, during which time the city has added more than 15,000 residents. It's been 10 years since Palmer got its second Superior Court judge. Since then, the Mat-Su Borough has grown by almost 25,000 people.

The Senate version of the legislation makes the most long-term sense, both for filling immediate needs and anticipating increased caseloads.

The proposed addition of two judges for the Palmer courthouse is particularly welcome in the Valley, where cases have increased four times the rate of criminal cases statewide, and where some minor crimes go unpunished. Between 2003 and 2004, the number of new felony cases filed at the Palmer court rose by 38 percent.

Judges aren't the only answer in the Valley, where police, state troopers, prosecutors and courts all are overworked. But legislators have a chance to contribute to speedier justice in felony cases by giving the courts the judges and staff they need. Swifter prosecution of those cases would make more time available to prosecute misdemeanor offenses, too. That way, minor offenders wouldn't walk off without consequences, taking with them an increased contempt for the law.

Adding six judges will cost money, for the new judges and necessary support staff. The Senate Judiciary Committee proposal would add more than \$2 million a year to the state budget. All state spending, however, comes down to choices. In this case, adding judges to the bench would do Alaskans a lot more good than the governor's proposed public relations campaign to sell Alaska's political wishes to the rest of the country -- and for about the same price in next year's budget.

Adding enough judges to handle the work is a budget need the state cannot afford to ignore; it's a necessary investment in public safety and swift justice. Lawmakers should do this now, before the problem gets worse.

**BOTTOM LINE:** Alaska has a growing population and a growing criminal caseload that calls for more judges.

For SB 237 000

**Previous Fiscal Notes that the Committee Needs to Adopt:  
Important!**

Fiscal Note 2: Alaska Judicial Council

Fiscal Note 4: Office of Governor-Elections

**New Fiscal Notes that the Committee Needs to Adopt: Very  
Important!**

**Administration: OPA, dated 04/03/06**

New Note, one has not previously been issued for this agency

**Administration: Public Defender, dated 03/28/06**

New Note, one has not previously been issued for this agency

**Alaska Court System: Salary Increase and New Judges, dated 03/22/06**

Replaces previous Fiscal Note 7

**Dept. of Corrections: Probation and Parole, dated 03/23/06**

Replaces Fiscal Note 5

**Dept. of Law-Criminal Division, dated 04/04/06**

Replaces Fiscal Note 6

**Public Safety: AST, dated 03/29/06**

New Note, one has not previously been issued for this agency

**Dept. of Law: Civil Section, dated 03/30/06**

New Note, one has not previously been issued for this agency

FRANK H. MURKOWSKI  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



P.O. BOX 110001  
JUNEAU, ALASKA 99811-0001  
(907) 465-3500  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 13, 2006

The Honorable Ben Stevens  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would add a total of four Superior Court judge positions to the third judicial district in the state court system.

As Alaska's population grows, the demand on the court system from both civil and criminal cases increases. The population growth does not occur uniformly throughout the state. The Matanuska-Susitna Borough had a 77 percent increase in population from 1990 to 2004 and a 39 percent increase in felony case filings for fiscal year 2004. The Palmer court is perhaps the most overcrowded court in the system.

The impact on the court system of felony criminal cases is very burdensome. Criminal cases, particularly violent felony criminal cases, are often the most complex and time-sensitive types of cases handled by the court system. They are also the most likely type of case to proceed to a time-consuming trial. Time is of the essence to both the victims of crimes waiting for justice to be served and the accused seeking resolution to the criminal charges.

The additional Superior Court judge positions provided for under this bill are essential to the efficient operation of the court system.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in black ink that reads "Frank H. Murkowski".

Frank H. Murkowski  
Governor

COMMITTEE COPY

**SB**

**237**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
**FEB 17 2006**  
 SENATE FINANCE COMMITTEE

DATE: 2/9/06

FURTHER:

DATE TURNED  
 IN TO OFFICE: 2/17/06

Finance Committee considered

SENATE BILL NO. 237

## SB 237 ADDITIONAL JUDGES FOR THIRD DISTRICT

"An Act increasing the number of superior court judges designated for the third judicial district, to provide additional superior court judges at Anchorage, Palmer, and Kenai; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 237 (FIN)
- adopt previous \_\_\_\_\_ CS FORTHCOMING (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
Electronics	2/13/06			✓	
Corrections	2/15/06	293.7			
Law	2/15/06	198.8			
Court	2/14/06	5722.0			

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
Alk. Jud. Council	2/9/06	71.9			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>A. Bunker</i>	✓			
<i>William Chell</i>			✓	
<i>Paul Nims</i>			✓	
<i>John V. Hartman</i>			✓	
COCHAIR: <i>Lyn Green</i>	✓			
COCHAIR: <i>[Signature]</i>				

# FISCAL NOTE

REPORTED OUT  
FEB 17 2006  
SENATE FINANCE COMMITTEE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CS SB237(JUD)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: OOG  
Title "An Act increasing the number of superior court judges designated for the third judicial...." RDU Elections  
Component Elections  
Sponsor Senate Rules Comm"tee  
Requester Senate Finance Committee Component No. 21

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual				9.0		
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	9.0	0.0	0.0

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

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

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF				9.0		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	0.0	0.0	0.0	9.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal.

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill adds six new superior court judges, five in the third judicial district and one in the fourth judicial district. If the judges are appointed in 2007, they would be subject to an initial retention election in 2010 (AS 15.35.060). This amount reflects the costs associated with printing the judicial candidate pages in the Official Election Pamphlet, as required by AS 15.58.

Prepared by: Whitney Brewster, Director  
Division: Division of Elections  
Approved by: Whitney Brewster, Director  
Agency: Office of the Lt. Governor, Division of Elections

Phone: 465-2644  
Date/Time: 2/13/2006, 11:33am  
Date: 2/13/2006

# FISCAL NOTE

REPORTED OUT  
**FEB 17 2006**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB 237(FIN)  
 (S) Publish Date: 2/14/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Court System  
 Title Increasing the Number of Superior Court Judges RDU Alaska Court System  
 Component Court System  
 Sponsor Senate Rules Committee  
 Requester Governor Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	5,275.2	5,275.2	5,275.2	5,275.2	5,275.2	5,275.2
Travel	22.8	22.8	22.8	22.8	22.8	22.8
Contractual	84.6	96.6	96.6	96.6	96.6	96.6
Supplies	339.4	24.0	24.0	24.0	24.0	24.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING &amp; CAPITAL</b>	<b>5,722.0</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>

<b>CAPITAL EXPENDITURES</b>	5,741.3					
-----------------------------	---------	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	11,463.3	5,418.6	5,418.6	5,418.6	5,418.6	5,418.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>11,463.3</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>	<b>5,418.6</b>

Estimate of any current year (FY 2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time	24	24	24	24	24	24
Part-time						
Temporary						

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

CSSB 237 (FIN) adds six new superior court judges: two in Palmer, two in Anchorage, one in Kenai, and one in Fairbanks, and increases the compensation of judicial officers. This fiscal note reflects the operating and capital costs of these new positions and the necessary support staff, as well as the operating costs of the salary increase.

Prepared by: C. S. Christensen III, Deputy Administrative Director Phone 463-4736  
 Division: Alaska Court System Date/Time 2/14/06 6:48 PM  
 Approved by: Stephanie Cole, Administrative Director Date 2/14/2006  
 Agency: Alaska Court System