

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984

2968

HSA HB 488 - HB 506

2988

House Bill 488
Fiscal Note Analysis
Prepared by Division of Finance
Department of Administration
February 10, 1984

This analysis does not attempt to address the cost of matching private donations or contribution of State employees.

The estimated cost of producing the payroll deduction authorization forms and administering the program is \$10,000.

MF

Position Paper

HB 488

The Department of Administration supports the bill in its intent, however, caution is advised concerning the open-ended appropriation to match all contributions. The salary deduction contribution from State employees, assuming a 20% participation, is estimated at \$45,000. The real concern, however, is that the potential amount of private donations is unlimited. Large donations from multi-national corporations could conceivably require the State to match millions of dollars. For this reason it is recommended that a "not-to-exceed" amount be inserted in Section 2(c).

The intent of House Bill 488 would not pose a major accounting difficulty. Contributions deducted from employee salaries would be accumulated in a miscellaneous deduction account and transferred to an agency trust account established for the Office of the Governor. Private donations would be deposited directly to the trust account. The Office of the Governor would periodically draw a warrant on the trust account, payable to the United States Olympic Committee in Alaska.

Although the payroll system has the ability to automatically deduct authorized contributions from employees' salaries it does have a limit as to the number of deductions that can be made for an employee. When the limit is exceeded for an employee the Payroll Section is required to manually intervene in order to properly apply the deductions.

Currently few employees have reached the deduction limit of the system. House Bill 488 will not severely increase the manual payroll effort required at this time. Caution must be used when considering additional legislation of this nature in order to assure that the automated deduction limits of the payroll system are not exceeded and the Payroll Section is not forced to a largely manual effort to properly account for and distribute the payroll deductions.

Based on our reading of this bill, its provisions are effective for FY 85 only and will cease June 30, 1985.

Kenneth E. Bischoff 2/10/84

Kenneth E. Bischoff
Division of Finance

for Eleanor Anderson

Commissioner Lisa Rudd
Department of Administration
5/3D1/0210-02

SB 350 TITLE & SPONSOR SUMMARY

09:43 5/16/84 PAGE 1 OF 3

AMENDED TITLE: SSSB 350 AM

AN ACT CREATING THE ALASKA-UNITED STATES OLYMPIC TRUST FUND; AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS \$1,123,000 (F. NOTE)

PRIME SPONSOR: FERGUSON.

OTHER DOLLARS: \$0

CO-SPONSORS: FAHRENKAMP, BENNETT, FAIKS.

CURRENT STATUS: 5/11/84 VETOED BY GOVERNOR

SB 350 SENATE ACTION

09:43 5/16/84 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/20/84	01	2124	FIRST READING -- COMMITTEE REPORTS
02/20/84	02	2124	FIN -- DP04
02/20/84	03	2124	FIN F/NOTE SEN SUPPL #55
02/24/84	04	2168	RLS -- OTHER04 TAKEN UP IMMEDIATELY
02/24/84	05	2169	SECOND READING
02/24/84	06	2170	AM01 NOT ADOPTED BY DIV 06-10-04
02/24/84	07	2170	AM02 ADOPTED BY UNAN CONSENT
02/24/84	08	2170	ADVANCED TO 3RD READING BY UNAN CONSENT
02/24/84	11	2170	AM03 ADOPTED BY UNAN CONSENT
02/24/84	12	0000	ADVANCED TO 3RD READING BY UNAN CONSENT
02/24/84	09	2170	THIRD READING
02/24/84	10	2170	RETURNED TO 2ND READING BY UNAN CONSENT
02/24/84	13	2171	PASSED BY DIV 14-02-04
02/24/84	14	2171	EFF DATE SAME SECTION 4 UNAN CONSENT
02/24/84	15	2171	EFF DATE SAME SECTION 5 UNAN CONSENT
04/05/84	34	2645	FAILED TO CONC IN (H) AMS BY DIV 01-18-01
04/05/84	35	2645	CC -- BENNETT FAHRENKAMP KELLY
04/25/84	38	2827	TRANSMITTED TO GOVERNOR
05/11/84	39	3070	VETOED BY GOVERNOR

SB 350 HOUSE ACTION

09:44 5/16/84 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/27/84	16	2716	FIRST READING --- COMMITTEE REPORTS
03/06/84	17	2821	S.A. -- DP02, NR03, OTHER01
03/06/84	18	2821	S.A. F/NOTE HSE SUPPL #103
03/23/84	19	3032	FIN --- CS05, NR04
03/23/84	20	3033	FIN F/NOTE HSE SUPPL #113
03/30/84	21	3146	POSTPONED UNTIL 04/02/84 BY UNAN CONSENT
04/02/84	22	3167	SECOND READING
04/02/84	23	3167	FIN CS ADOPTED BY UNAN CONSENT
04/02/84	24	3168	AM01 ADOPTED BY DIV 21-14-05
04/02/84	25	3169	AM02 ADOPTED BY DIV 21-16-03
04/02/84	26	3169	ADVANCED TO 3RD READING BY UNAN CONSENT
04/02/84	27	3169	THIRD READING
04/02/84	28	3170	PASSED BY DIV 27-10-03
04/02/84	29	3170	EFFECTIVE DATE VOTE SAME AS PASSAGE
04/02/84	30	3170	NOTICE OF RECONSIDERATION GIVEN
04/03/84	31	3192	POSTPONED UNTIL 04/04/84 BY UNAN CONSENT
04/04/84	32	3212	PASSED ON RECONSIDERATION BY DIV 26-11-03
04/04/84	33	3213	EFFECTIVE DATE PASSED BY DIV 36-01-03
04/24/84	36	3446	RECEDED FROM AMS BY DIV 25-14-01
04/24/84	37	3447	EFF DATE ADOPTED BY DIV 28-11-01

Josephson
2/11/84✓

Original sponsors: Bettisworth, Hayes
and Martin

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 488 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska-United States Olympic
7 Trust Fund; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE INTENT. The legislature finds that it is
10 beneficial to support and encourage the spirit of dedication and excellence
11 symbolic of olympic athletes and to register wholehearted support of the
12 ~~1984~~ Winter Olympic Games ^{Summer} in Yugoslavia and the 1984 Summer Olympic Games
13 ~~in Los Angeles, California~~. Therefore, the legislature shall establish an
14 Alaska-United States Olympic Trust Fund.

15 * Sec. 2. ALASKA-UNITED STATES OLYMPIC TRUST FUND (a) There is
16 created in the Office of the Governor the Alaska-United States Olympic
17 Trust Fund. The fund shall be made available to the official United States
18 Olympic Committee in Alaska. The Alaska-United States Olympic Trust Fund
19 shall consist of money obtained from salary deduction contributions of
20 officers and employees of the state and employees of the University of
21 Alaska, from private donations, and from state matching contributions.

22 (b) During the 1984 - 1985 fiscal year, one dollar a month shall be
23 withdrawn from the salary of each state officer and each state or Univer-
24 sity of Alaska employee who requests involvement in the program under (d)
25 of this section. Salary deduction contributions shall be deposited into
26 the Alaska-United States Olympic Trust Fund.

27 (c) The state shall appropriate to the Alaska-United States Olympic
28 Trust Fund an amount equal to the amount of

29 (1) all private donations; and

1 (2) the salary deduction contributions made by all state offic-
2 ers and by all state and University of Alaska employees during fiscal year
3 1984 - 1985.

4 (d) The Department of Administration shall, before July 1, 1984

5 (1) inform all state officers and all state and University of
6 Alaska employees about the deduction program; and

7 (2) provide all state officers and all state and University of
8 Alaska employees with a postage-paid form, addressed to the governor or the
9 governor's designee, on which the intention to participate in the Alaska-
10 United States Olympic Trust Fund may be indicated.

11 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

13 * Sec. 4. This Act is repealed June 30, 1985. ?
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Alaska Public
Employees Association **APEA**
State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

TO: Representative Mitch Abood, Chairman
House State Affairs Committee

FROM: Cherie Shelley *CS*
APEA Executive Director

SUBJECT: HB 488
Olympic Games Contributions

DATE: February 20, 1984

APEA does not object to the solicitation of funds from its members to further the aims and goals of the Olympic games, through the Administration's procedure of payroll deduction.

APEA will encourage its members to contribute with promotional material in the monthly newsletter, the "Reporter."

CS/rb

Fairbanks Field Office
825-D College Road
Fairbanks, AK 99701
Telephone: (907) 456-5412

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
Telephone: (907) 274-1688

Juneau Field Office
227 4th Street
Juneau, AK 99801
Telephone: (907) 586-6305

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____, 1984
Page 1 of 2

REQUEST

Bill/Resolution No.: HB 488
Title: An act creating the Alaska-US Olympic Trust Fund
Sponsor: Bettisworth/Hayes/Martin
Requestor: State Affairs and Finance
Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: General Government Centralized Administrative Services/Finance
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		10.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
800 MISCELLANEOUS						
TOTAL OPERATING		10.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		10.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Kenneth E. Bischoff *KES*
Division: Finance

Phone: 465-2240
Date: February 10, 1984

Approved by Commissioner Lisa Rudd *L. Rudd*
Agency: DEPARTMENT OF ADMINISTRATION

Date: 2/10/84

- Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

House Bill 488
Fiscal Note Analysis
Prepared by Division of Finance
Department of Administration
February 10, 1984

This analysis does not attempt to address the cost of matching private donations or contribution of State employees.

The estimated cost of producing the payroll deduction authorization forms and administering the program is \$10,000.

Nitch—

without an effective
date; shouldn't
you delete specific
references to the
games in YUGOSLAVIA +
CALIFORNIA

(p. 1 lines 12 + 13)

and ~~the~~ insert
support of ~~the~~ " Winter AND
the ~~the~~ Summer Olympic)
GAMES.

Also -

You'll need to
delete the Reference

"During the 1984-1985
FISCAL YEAR."
p.1 line 22 p.2 line
2+3

RRR

Alaska State Legislature



REPRESENTATIVE

POUCH V
JUNEAU, ALASKA 99811

ROBERT H. "BOB" BETTISWORTH

211
FARBANKS

DATE: March 2, 1984

TO: Rep. Mitch Abood, Chairman
House State Affairs Committee

From: *RB* Rep. Robert Bettisworth

SUBJECT: HB 488 - Olympic Trust Fund

As you know Sponsor Substitute for Senate Bill 350 by Ferguson, Fahrenkamp, Bennett and Faiks has passed out of the Senate and has been referred to your Committee. As this bill is substantially the same as my HB 488, I am asking that your Committee pass out SB 350 without amendment.

In addition, I have addressed below some of the concerns expressed by members of your Committee during hearings on my version of the bill:

1. The State Chairman of the Alaska/United States Olympic Trust Fund is appointed by the U.S. Olympic Committee. The State Chairman then appoints the members of the Alaska Committee.

2. An estimate of the private donations is very hard to make. The Committee expects to have fundraisers and auctions, etc. with a one million dollar goal. The State match for private donations is limited though, because SB 350 has a match cap of one million for private donations.

3. The revenue of the fund will be used as summarized below (see full details in February 23, 1984 letter from USOC State Chairman):

- | | |
|---|--------|
| a) Encourage cross country skiing facilities upgrade | - 20% |
| b) Encourage alpine skiing facilities upgrade | - 20% |
| c) Provide seed money to start new olympic sports | - 50% |
| d) Remain in the fund for contingency and encouragement of other olympic programs | - 10% |
| TOTAL | - 100% |

4. There will be no risk of endangering the amateur status of any of our olympic athletes, because no money will go to athletes.

Rep. Mitch Abood, Chairman
House State Affairs Committee
Page 2
March 2, 1984

5. According to Russ Josephson, the bill drafter with Legislative Legal Services, no "dedicated funds issue" question exists, because there is no tax or license fee involved.

6. A more accurate fiscal note would probably be somewhere in the neighborhood of \$180,000.00 for State employee match, and a maximum of \$1,000,000.00 for the private match, depending on the contributions of the private sector. This would mean a maximum of \$1,180,000.00.

Thank you very much for your consideration of this legislation.



BOYS' CLUBS OF FAIRBANKS, INC.

P.O. BOX 1154
FAIRBANKS, ALASKA 99707



February 23, 1984

DON DENNIS
Executive Director

BOB HARDIN
President

ELMER "CHUCK" SMITH
Vice President

CARROLL BARBER
Secretary-Treasurer

Hon. Bob Bettisworth
Vice Chairman, House Finance Committee
and Chairman, Budget & Audit Committee
Pouch V
Juneau, Ak. 99811



Re: Alaska-United States Olympic Trust Fund HB488 & SB350

Dear Bob:

This will confirm and constitute a follow-through to Steve Frank's Feb. 21st call to me re: the above. Steve requested me as State Olympic Chairman to provide back-up information for the legislature re: passage of HB488 and SB350. As you know the original form of these bills were identical. Basically they provide the opportunity for state officers and employees to contribute \$1 a month for FY '84-'85 only from their salaries to further the Olympic cause both nationally and in-state. When legislation passes and the governor signs the same Alaska and the state employees will get national recognition from all persons who respect and support the Olympic cause. The bill provides that each dollar of contribution by state employees and those from the private sector will be matched dollar-for-dollar by the state legislature.

Since last contacting you Sen. Ferguson called me and advised that Sponsor Substitute for Senate Bill 350 cleared the Senate Finance Committee unanimously. Frank advised me that he feels the bill will pass the Senate shortly. Please note that in SB350, as revised, a copy of which is enclosed, the Senate changed it to an "opt-out" rather than keeping the "opt-in" language that was in the original bill. As you know HB488 is an "opt-out" bill. Bob, it would seem to me, having some legislative experience myself, that since the Senate version will pass first and be sent over to the House in the "opt-out" form that it would be advisable for the House to take action on SB350 rather than acting on HB488 and duplicating legislative work.

During our phone conversation Steve advised me that Mitch Abood's State Affairs Committee wanted basic back-up information on the anticipated manner in which the revenues in the fund will be expended to further the Olympic cause in Alaska. As you know all private donations the committee raises--state employee contributions under the bill are in this category--are sent to the USOC Training Center in Colorado Springs for the direct support to our Olympic athletes.

CHARLES CLUTTS
Coordinator of Officials

DON KLEPPER
Legion Baseball Liaison

BOB HINMAN
Babe Ruth Baseball Liaison

KEN RANKIN
Little League Baseball Liaison

DICK ENGBRETSON
Youth Football Liaison

JIM WILLIAMS
Little Dribblers Liaison



BOYS' CLUBS OF FAIRBANKS, INC.

P.O. BOX 154
FAIRBANKS, ALASKA 99707



DON DENNIS
Executive Director

Page 2

BOB HARDIN
President

ELMER "CHUCK" SMITH
Vice President

CARROLL BARBER
Secretary-Treasurer

The legislative matching contributions on the other hand are "public funds". Under USOC rules these can remain in the state of origin for promoting the Olympic cause in that state. It is these matching funds and their proposed use for Olympic purposes in Alaska which will be discussed hereafter.

Since the Olympic Trust Fund concept is a creative approach to encouraging participation in the Olympic sports by Alaskans and the first time it has been used in any state, it is apparent that the committee's projected use of the same must be flexible enough to meet the reality of Alaska's arctic and coastal conditions in the promotion of Olympic sports. In that context and spirit here is our initial plan to utilize the revenues in the Trust Fund.

1. To encourage local cross-country skiing enthusiasts and groups to build new and up-grade existing cross-country skiing trails in communities, both rural and urban, throughout the state. Trust Fund monies will be used as "seed" money to encourage such groups and communities to undertake the expansion and awareness of the sport at the earliest possible age for Alaskan youth. Working with such groups and individuals our goal is to have Alaska excel in excellence and over-all public participation in this sport even beyond that experienced in the Scandavian countries.....20%

2. The same encouragement and upgrading for alpine skiing..20%

3. Encourage local community groups both within and without the public and private school systems to start new Olympic sports in their communities, which they locally select. We have in mind here such official Olympic sports as: archery; air pistol shooting; biathlon; fencing; handball, and similar Olympic sports. The Trust Fund will provide "seed" money to start such programs and thereby encourage local groups to provide "sweat equity" and in-kind donations.....50%

4. The remaining 10% will be preserved in the fund as a contingency for unexpected occurrences and to encourage other Olympic programs. The committee has no intention of hiring any full-time staff. Everything will be volunteer. Private donations of the in-kind variety will be used in the state in furtherance of the above programs.

CHARLES CLUTTS
Coordinator of Officials

DON KLEPPER
Legion Baseball Liaison

BOB HINMAN
Babe Ruth Baseball Liaison

KEN RANKIN
Little League Baseball Liaison

DICK ENGBRETSON
Youth Football Liaison

JIM WILLIAMS
Little Dribblers Liaison

Finally, Steve asked who appointed the state Olympic chairman. It is a US Olympic Committee in Colorado Springs who appoints the 50 state chairman for indefinite terms. The state chairman then appoints his own committee.

Sincerely yours,

Edward A. Merdes, USOC State Chairman
"Striving To Help Mold The Future Of Fairbanks Through It's Youth"

Position Paper

HB 488

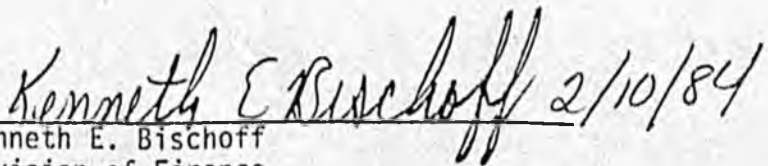
The Department of Administration supports the bill in its intent, however, caution is advised concerning the open-ended appropriation to match all contributions. The salary deduction contribution from State employees, assuming a 20% participation, is estimated at \$45,000. The real concern, however, is that the potential amount of private donations is unlimited. Large donations from multi-national corporations could conceivably require the State to match millions of dollars. For this reason it is recommended that a "not-to-exceed" amount be inserted in Section 2(c).

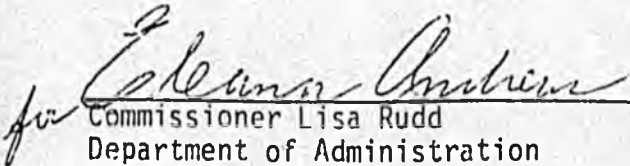
The intent of House Bill 488 would not pose a major accounting difficulty. Contributions deducted from employee salaries would be accumulated in a miscellaneous deduction account and transferred to an agency trust account established for the Office of the Governor. Private donations would be deposited directly to the trust account. The Office of the Governor would periodically draw a warrant on the trust account, payable to the United States Olympic Committee in Alaska.

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Currently few employees have reached the deduction limit of the system. House Bill 488 will not severely increase the manual payroll effort required at this time. Caution must be used when considering additional legislation of this nature in order to assure that the automated deduction limits of the payroll system are not exceeded and the Payroll Section is not forced to a largely manual effort to properly account for and distribute the payroll deductions.

Based on our reading of this bill, its provisions are effective for FY 85 only and will cease June 30, 1985.


Kenneth E. Bischoff
Division of Finance


Commissioner Lisa Rudd
Department of Administration
5/3D1/0210-02

INTERIM OFFICE:
1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 462-4968

Alaska State Legislature



Representative Mitch Abood
CHAIRMAN

House Committee on State Affairs AGENDA

DATE: Monday, Feb. 20

TIME: 1:00 P.M., ROOM 102

I. CALL THE MEETING TO ORDER

- A. NOTE THE COMMITTEE MEMBERS PRESENT AND WELCOME THOSE OBSERVING THE MEETING.
- B. REMIND THOSE WHO HAVE NOT SIGNED-IN TO DO WHO WISH TO TESTIFY, AND REMIND THOSE GIVING TESTIMONY TO SPEAK UP AND STATE THEIR NAME, ADDRESS AND PHONE NUMBER BEFORE TALKING.

II. ANNOUNCE LEGISLATION UNDER CONSIDERATION:

CSSB 310: Bob Barlett Day

CSSB 311: Ernest Gruening Day

HCR 48: 16th Annual Girls' State

HCR 49: 18th Annual Boy's State

HB 494: Lease or construction of state office facilities used for a st. ca

HB 495: POW special license plates

HB 488: Creating the AK-United States Olympic Trust Fund

(never heard (NSA)) HB 556: Complaints alleging retaliation before the State Comm. on Human Rights.

OTHER NOTES OR REMINDERS:

(B+4 w)
Please get SB's ^{or HCR's} out of the way first. Since we have so many bills, please go in order. Thank you.

H B

4 9 4

Introduced: 1/9/84
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY LISKA

2

HOUSE BILL NO. 494

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to lease or construction of state
7 office facilities used for a state capital; and
8 providing for an effective date."

9

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

10

* Section 1. AS 35.10 is amended by adding a new section to read:

11

Sec. 35.10.017. CONSTRUCTION OF CERTAIN FACILITIES. Funds of

12

the state may not be used for the lease or construction of a new

13

public facility if the public facility is intended for use as legisla-

14

tive chambers, ~~as offices for members of the legislature, for staff of~~

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~~members of the legislature, or for an agency of the legislature or as~~

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~~offices for the governor and the immediate staff of the governor,~~

17

unless the proposal for the lease or construction is approved by a

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~~vote of the qualified voters of the state at a general election or at~~

19

~~a special election called for that purpose.~~

20

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

21

10.070(c).

Rep. Liska
would like to
speak AGAIN.

HB 494

Alaska State Legislature
House of Representatives

Write in Session
Pouch V
Juneau, Alaska 99811
(907) 465-3733



Official Business

John J. Liska

Home - District 15
P.O. Box 421
Eagle River, Alaska 99577
(907) 688-2526

January 10, 1984

MEMO

FROM: Rep. John J. Liska

HOUSE BILL 494 "An Act relating to lease or construction of the state office facilities used for a state capitol; and providing for an effective date."

The purpose of this act is to require any major changes in the housing of the State Capitol, to go before the Voters of the State of Alaska.

The voters of the State voted not to build a new capitol in Willow in the 1982 election.

If there is to be a new Capitol building or legislative hall the Voters of the State should decide if they want their money spent in this manner.

This bill is not a regional bill, it pretains to all locations of the State. In addition the bill includes the concept of "lease or construction" because it might be considered to build a new legislative hall and lease it to the State. In either case, the voter should have the right to decide if this State needs a new Capitol.

...anking official but was in fact a high-level spy, The New York Times reported today.

CIA spokesman Dale Peterson, asked if he knew anything about the defector, said, "We have been asked that question several times today and have no comment on it."

The Times quoted unidentified government and intelligence sources as saying the defector, Andrzej Treumann, and his wife and daughter were in protective custody in the Washington area while he is being interviewed by CIA and FBI agents.

Justice Department spokesman Tom Stewart said in Washington that he could not reach anyone who had information about Treumann.

The Times said Treumann came to New York in 1979 to open

The Times said U.S. government officials confirmed the defection and said it was particularly significant because Treumann was a highly placed spy for the Polish intelligence service.

Treumann's espionage activities and the reasons for his defection were tightly guarded secrets, the Times said, quoting officials as saying they could not discuss the case on the record because it involved intelligence matters.

However, based on interviews with government officials, the newspaper said it learned that Treumann stopped going to his Park Avenue office in late July and reports began circulating in the banking community that he had vanished. He had told friends that he had been scheduled to return to Poland in August, the Times said.

Associated Press

g for the late-season

1 subs

government, which at the height of the sub... former Foreign... en Andersson to head... investigation commis-

Minister Borg Anders... ne commission would... zational and other... prevent similar disap... sults in future inter... posed to elaborate.

Sweden, wary of its... viet neighbor on the... of the Baltic Sea, has... aungly sensitive to for... mes lurking in its wa... ist October when a So... ortedly armed with nu... torpedoes beached... rlskrona Naval Base... rces said it a ritual for... captains to earn their... missions penetrating... the rocky Swedish... rs. Other military ex... that the deep harbors... line Swedish coast... e lunch pads to... from the front... wartime.

Capital Facts:

4. WILL A CAPITAL MOVE AFFECT PROPERTY TAXES?

Municipal grants, revenue sharing, state and federal programs inject over 500 million dollars into our local government every year. State funding supports over 84% of our schools operating budget. Personal property taxes pay the difference. It's estimated that each district in Alaska could lose up to \$7,000 in funding--per person--if the capital is moved. Some people say a capital move won't affect property taxes. Now that you know the facts, you decide.

remember the difference. We service what we sell

AUDIOVOX CLASSIC

AM-FM-Stereo Cassette Player
w/Power Amp & 5 Band Graphic Equalizer • 45 watts power
• "Audition" tuning • 4-way
tune • FM Meter • Mono Stereo
• Locking F. Knob • "Flex" Inst.

The suits listed below are just a few of the many suits on sale today only. October 23.

Sale \$160

Orig. \$320. The time is to invest in a classic to your wardrobe. Our piece suit in 100% wool you timeless styling. Fully lined jacket and traditionally tailored. Get down to business check out our entire selection of stripes, herringbones and plaids.

Sale \$280

Reg. \$360. Our 3-piece a comfortable blend of polyester/45% wool gives you timeless styling. V lined two-button jacket, pocket vest and traditional tailored slacks. Get down to business and check out our great selection of solid, pinstripes, plaids and Men's sizes.

Sale \$165

Reg. \$245. This Gentle piece classic has everything you look for in a suit. trimmer fit. And superior tailoring in a traditional of polyester/wool wool. Solids, stripes or fancy.

Sale \$180

**IMPROVED
ROADS**

**WATER
AND
SEWERS**

**BETTER
HOSPITALS**

A capital movement or capital improvements?

We can't have everything.

\$2,843,000,000.00. That's what the proposed capital move would cost all of Alaska, including the Anchorage area. A lot of people think we have better things to do with our money. State construction engineers have identified nearly \$1 billion in improvements needed all over the Anchorage area, among them:

Minnesota Drive	Phase II (International to O'Malley)	\$75 Million
Northside Corridor	Extend A & C Couplet	\$50 Million
Anchorage Int. Airport	Parking & terminal expansion	\$65 Million
Seward Highway	Rebuild 36th Ave. to Northside	\$100 Million
Glenn Highway	Rebuild 29.8 Miles	\$25 Million
UA-Anchorage	Lab/Classroom/Office Building	\$25.3 Million

These are just a few of the positive things that could be accomplished with \$2.843 billion. Can't you think of more? Let's vote against Proposition 8 and use the money for things we really need — right here at home.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

WHITE BODIES UNION

will hold their Fall
23rd, 1982, in the
0 and 7:00 p.m.
2nd
e 4th. to the 32nd.
r 22nd and 23rd
t Ball will be held
at 7:00 p.m. Tick-
ve music for your
their friends in it-

17 or 274-8051

Capital Facts:

2. WHAT IS THE CONDITION OF GOVERNMENT OFFICES, IN JUNEAU?

During the last eight years, two major office buildings within a block of the Capitol Building have been built by the state. These state-owned buildings have been supplemented more recently by privately constructed office complexes in the downtown area. The Capitol Building itself, although showing normal signs of age after 50 years of service, has been restored and modernized almost completely. Some advertisements have claimed that office space in Juneau is "horrible." Now that you know the facts, you decide.

SER 1095
WIKI-MIXION SWISS STAFF SPAGNI
289
RED & WHITE
475
BARI NPUNANTE

Save Time on Refills

Your time is valuable. When you need a prescription refill, simply call ahead for the necessary information. We can contact your doctor and have your prescription waiting for you.

The Pay 'n Save pharmacy
The better part of an



RAINBOW CREATIONS QUILTING

• Each kit contains poly-cotton fabric with a special interlocking 100% polyester batting. Follow instructions.

NOTICE OF DEFAULT
THOMAS F. CA TITLE & INSURANCE COMPANY OF AMERICA...
NOTICE TO CREDITORS
In the Matter of the Estate of E. J. JOHNSON...
NOTICE TO CREDITORS
NOTICE IS HEREBY GIVEN that the undersigned, GLENN M. MORICE is the personal representative of the above named estate...

STATE OF ALASKA
DISTRICT
In the Matter of the Estate of E. J. JOHNSON...
NOTICE TO CREDITORS
In the Matter of the Estate of E. J. JOHNSON...
NOTICE TO CREDITORS

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
AT ANCHORAGE
In the Matter of the Estate of GLENN M. MORICE...
NOTICE TO CREDITORS
In the Matter of the Estate of GLENN M. MORICE...
NOTICE TO CREDITORS

RAINBOW CREATIONS
QUILTING
• Each kit contains poly-cotton fabric with a special interlocking 100% polyester batting. Follow instructions.

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LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

JUNEAU CITY-BOROUGH ASSEMBLY MEETING
JUNEAU CITY CITY-BOROUGH ASSEMBLY CHAMBERS
FEBRUARY 1, 1984

(Considering construction of new Legislative Assembly Hall.)

Meeting called to order by Mayor Ulmer; brief introductory remarks.

First order of business: new Legislative Hall.

City Manager Teague: Staff has been "working with certain people at the state level" in planning efforts, etc.

Mr. Sam Granberg Financial Consultant of Seattle Northwest Securities, Investment Bankers:

"Good to be here after the third try" (note: at least one failure due to weather). "Want to avoid legal and political problems as much as possible; avoid financial exposure for Juneau. Noted that bond underwriters will have major concerns about possible legal problems. Reference to January 6th letter regarding financial services. Listed some services:

Development of lease;
agreement between city/borough and state;
pricing arrangements;
selection of underwriter.

Reference to January 25th letter listing areas of concern for contracts. noted that underwriter needs to be selected immediately and Requests For Proposals (RFP's) should be sent soon.

Lease would involve the Juneau Assembly and "certain state agencies."

Granberg noted that Juneau assumes essentially no risk for his services, as his fees were contingent on the bond sale.

John Scribner, Deputy Commissioner, DOT/PF: Noted three areas/phases of concern.

1. Obtaining land
2. Design
3. Construction

Land: Legislature appropriated \$4.5 million last session for land acquisition for this project. Work on acquisition began in July; Telephone Hill site was selected. There are a total of 12 or 13 properties; one being contested on main footprint and one on the rim. People contesting only want more money. Land acquisition is on track.

Design: Have gone nationwide for RFP's and have received 12 responses; all from top architectural firms. These have been narrowed to 5, and are preparing to hold a design competition. This will begin this month and take about 5 weeks. A jury will then select a firm. Noted they have an advisor on the staff with State Department (DOT?) experience. By the end of March, they should have the design consultant, and design of the project will take about a year. Construction will be in 2 phases: site work and building construction.

Site work will begin late fall this year, and final construction will begin spring/summer 1985 and take about 2 years.

For planning and design work, Scribner noted that part of the \$4.5 million land acquisition money could be used for design and that they can use other planning funds available to the State. Stated they have enough design money to continue to late fall (this year.)

Bond Counsel Don Holmar (Attorney from law firm specializing in bonds): Noted they have "been working for some period of time"; have enough drafts of: land lease, facility, construction contract.

Noted that Juneau would "act as a conduit for finances, since the State can't obtain them without a statewide vote." Cautioned that leases and contracts "have to be structured very carefully so courts won't interpret the arrangement as a state debt." Noted that "city would, in effect, loan their bonding authority to the state." Stated that one area of concern was whether bonds could be marketed with a "subject to legislative appropriation" clause standard in current state lease contracts. The lease would have to be constructed so that courts would not construe it as a subterfuge to get around constitutional provisions for legislative appropriations. Stated that he believes they can be properly structured in this regard. Commented on the possibility of litigation; noted they might advise bringing a test suit at the appropriate time.

Said, "risks were extremely small to Juneau; the state will act as Juneau's agent and assume obligations and risks; provide defense against court suits, etc." Advised that an underwriter was needed immediately so that "underwriter and state can make decisions" before doing much more. Recommended revenue bonds be utilized as they are a cheaper means than certificates of participation. Mr. Holman completed his prepared testimony by stating that the total security of the project would be tied to the state's credit.

An assemblyperson: asked for an explanation of what a bond counsel and an underwriter do.

Holman responded that a bond counsel is an attorney who specializes in bonds, and that an underwriter is an investment banker who watches bond market and markets bonds.

Assemblyman Poor: asked if the Legislature didn't have to act; stating he thought legislative approval was needed for leases of over \$12,000. Holman responded that the Legislature has traditionally made lump sum appropriations for leases and the task is to structure arrangements so legislative approval was not required for this concern.

Mayor Ulmer noted that there were numerous precedents for the state leasing property, and that most state offices at present are leased.

Another assemblyman asked whether Holman had looked at the lease arrangement for the new state office building planned for Anchorage. Holman said yes, but noted that the arrangement was different as private capital was being used to develop it.

In answering another question from Assembly members, Holman stated that the bonds to be sold would have to disclose the political situation. He, also, noted that they would need the lease signed before they could market the bonds. He said the best time for this is immediately after receiving bids for construction.

One public (?) person (unknown) testified urging that two underwriters be used instead of one, with one specializing in retail bonds, and one in institutional bonds. He stated that bond sales were now about 70 percent retail and 30 percent institutional, where a few years ago, it was 60/40 institutional/public.

Assembly unanimously passed resolutions to press ahead with obtaining an underwriter; voted \$10,000 for "out of pocket" incidental expenses.

9545

Position Paper
HB 494

This bill impacts the operations of the Department of Administration in that elections would be required prior to leasing space for the Governor's office. The Governor's office presently has ten leases in various locations in the state. There would have to be an election prior to renewing or replacing these leases.

The department is opposed to this bill as it would unnecessarily cause restrictions and delays in day-to-day operations and would make space management excessively complex.

Robert J. Link A
Robert J. Link
Director
Division of General Services & Supply
Department of Administration

1/26/84
Date

Lisa Rudd
Commissioner Lisa Rudd
Department of Administration

1/26/84
Date

16/1103/0124-03

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____, 1984
Page 1 of 2

REQUEST

Bill/Resolution No.: HB 494
Title: Lease or construction of State facilities.
Sponsor: Liska
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Leasing and and Facilities - General Services & Supply
BRU, Program or Subprogram(s) Affected: Leasing and Facilities

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Robert Link
Division: General Services & Supply

Phone: 465-2250
Date: 2/1/84

Approved by Commissioner: Lisa Rudd
Agency: DEPARTMENT OF ADMINISTRATION

Date: 2/3/84

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Fiscal Note Analysis

Prepared by Division of General Services & SupplyDepartment of AdministrationDate: February 1, 1984

This bill would require an election prior to leasing or constructing offices for the Governor or the Governor's immediate staff. This fiscal note reflects only the impact on Department of Administration. It does not address the impact on the Division of Elections.

7/11FL/0201-03-2

Alaska State Legislature

COMMITTEES

Vice Chairman — Judiciary

Vice Chairman — Legislative
Regulations Review

Resources

Finance Sub Committee on Labor



While in Session

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3733

Home - District 15
Star Route Box 421
Eagle River, Alaska 99577
(907) 688-2526

House of Representatives

John J. Liska

MEMORANDUM

February 3, 1984

FROM: Representative John J. Liska

REF: HB 494, "An Act relating to lease or construction of the state office facilities used for a state capital; and providing for an effective date.

1. The purpose of this act is to require any major changes in the housing of the State Capital, to go before the Voters of the State of Alaska.
2. The following is submitted for your consideration:
 - a. Representative's Speech.
 - b. Copy of HB 494.
 - c. Copy of City of Juneau Resolution to build a new capital.
 - d. State of Alaska Dept. of Transportation invitation to negotiate a professional services for the design of the Alaska Legislative Hall.
 - e. Partial Report of studies of the New Capital site planning commission - State of Alaska.
 - f. News clippings.

JJL/tm

FEBRUARY 2, 1984

THE PURPOSE OF THIS ACT IS TO REQUIRE ANY MAJOR CHANGES IN THE HOUSING OF THE STATE CAPITAL, TO GO BEFORE THE VOTERS OF THE STATE OF ALASKA.

I AM GENUINELY CONCERNED ABOUT A NEW CAPITOL BEING BUILT - WHETHER IN JUNEAU OR ANYWHERE ELSE IN THE STATE - WITHOUT THE VOTERS APPROVAL.

I HAVE HERE A COPY OF THE VOTERS PAMPHLET.

IN NOVEMBER 1982 WE DIDN'T VOTE ON WHETHER OR NOT TO BUILD A NEW CAPITOL - WE VOTED SPECIFICALLY ON WHETHER IF WE SHOULD SPEND \$2,843,147,000 ON A NEW STATE CAPITOL AT WILLOW, ALASKA.

WHO HAS ASKED FOR A NEW CAPITOL?

I HAVE NOT SEEN ONE PETITION OR ONE LETTER FROM A CONSTITUENT TELLING US WE NEEDED TO BUILD A NEW CAPITOL.

WHO SAYS WE ARE BUILDING A NEW STATE CAPITOL?

THERE IS NO DOUBT IN MY MIND THERE ARE PLANS AFOOT TO BUILD A NEW CAPITOL.

IN AN INTERVIEW BETWEEN MARY LOU SPARTZ AND GOV. SHEFFIELD THE NEW LEGISLATIVE HALL IS REFERRED TO AS A NEW CAPITOL AND I CAN QUOTE FROM THAT INTERVIEW "GETTING THE LEGISLATIVE HALL BUILT, A NEW CAPITOL, WILL BE UP TO THE MUNICIPALITY OF JUNEAU TO GET IT FINANCED. SHEFFIELD

PAGE 2

IS GOING FORWARD WITH THE IDEA OF LEASING THE FACILITY FROM THE MUNICIPALITY ON A LONG TERM BASIS.

SHEFFIELD SAID, "WE HAVE ENOUGH MONEY FROM LAST YEAR TO SECURE THE LAND ON THE HILLSIDE FOR THE BUILDING - AS WE SEE IT NOW THE CITY AND BOROUGH OF JUNEAU WILL FINANCE THE BUILDING - AND SO WE DON'T NEED ANY MORE MONEY - THEY WILL FUND AND BUILD THE BUILDING AND THE STATE WILL LEASE THE BUILDING ON A LONG TERM LEASE WITH OPTION TO PURCHASE.

SURE SOUNDS LIKE A NEW CAPITAL TO ME - HERE IS THE TAPE IF YOU ARE INTERESTED IN PLAYING IT.

I HAVE IN FRONT OF ME A COPY OF RESOLUTION # 972 FROM THE CITY AND BOROUGH OF JUNEAU INTRODUCED 8/18/83.

THE FIRST LINE STATES, "IN 1982 THE PEOPLE OF ALASKA AFFIRMED THAT JUNEAU IS THEIR CAPITAL CITY".

I MUST REPEAT, I DON'T FEEL THAT IS WHAT WAS VOTED ON IN 1982.

THE SECOND LINE SAYS, "THE FORMER FEDERAL AND TERRITORIAL BUILDING NOW SERVING AS ALASKA'S CAPITOL IS NO LONGER ADEQUATE TO SERVE OR REPRESENT THE LEGISLATURE AND PEOPLE OF ALASKA".

I MUST ASK WHO MADE THESE DETERMINATIONS? SURELY NOT MY CONSTITUENTS!

PAGE 3

PARAGRAPH NO 4 RELATES TO A VOTE TAKEN ON MAY, 1960 - THAT IS 24 YEARS AGO! HOW MANY OF THE CURRENT RESIDENTS HAVE LIVED IN JUNEAU FOR 24 YEARS?

THEY DON'T EVEN SEEM TO WANT THE JUNEAU FOLKS TO VOTE ON WHETHER THEY WANT THE CAPITOL ON TELEPHONE HILL OF IF THEY WANT SOMETHING ELSE IN THAT LOCATION. THIS ENTIRE RESOLUTION REPEATEDLY REFERS TO "A NEW CAPITOL"

IS THERE ANY DOUBT AS TO WHAT IS BEING BUILT?

AND LASTLY, THE PROJECT IS REPEATEDLY REFERRED TO AS A "NEW CAPITOL" IN THIS RESOLUTION.

IN A RECENT JUNEAU NEWS ARTICLE, SENATOR RAY REFERRED TO THE "MORE RABID CAPITOL MOVERS". I DON'T KNOW WHO THIS IS REFERRING TO BUT I, FOR ONE, DO NOT AGREE AS HE DOES THAT "IT'S AN ISSUE THE PEOPLE VOTED TO PUT TO REST".

CLEARLY IF THERE ARE ANY DESIGNS ON BUILDING A NEW CAPITOL, SENATOR RAY AND THE CITY AND BOROUGH OF JUNEAU HAVE BEEN CAUGHT WITH THEIR HANDS, ELBOW DEEP IN THE PORK BARREL, WHICH ELECTED OFFICIALS ARE IN THERE HELPING THEM!

I WOULD LIKE TO HEAR HOW THE VOTERS FEEL -

1. DO YOU WANT A NEW CAPITOL?

2. WHERE DO YOU WANT A NEW CAPITOL?

3. HOW MUCH MONEY SHOULD BE SPENT ON A NEW CAPITOL?

I DO FEEL IF THE NEW CAPITOL IS BUILT IN JUNEAU THE REMAINDER OF THE STATE WILL GO ON RECEIVING THE "RAY AND KERTTULA STYLE OF POLITICS", WHICH GAVE US ONE SENATOR CONVICTED OF BRIBERY AND ANOTHER SENATOR WHO IS CURRENTLY UNDER CONSIDERATION FOR PROSECUTION OF MISUSE OF HIS LEGISLATIVE INFLUENCE.

IS THIS WHAT THE STATE REALLY WANTS - A GOVERNMENT NOT ACCESSIBLE TO THE PEOPLE AND QUITE OFTEN NOT REPRESENTATIVE OF THE VOTERS OF THE STATE?

MY SECOND AREA OF CONCERN IS ONE I SHARE WITH MANY OTHERS HERE IN THE HOUSE AND OVER IN THE SENATE.

THE ADMINISTRATION IS APPARENTLY ABLE TO ENTER INTO LONG TERM LEASE AGREEMENT - WITHOUT LEGISLATIVE APPROVAL.

THE RESULT BECOMES A BY PASS OF THE LEGISLATIVE PROCESS.

BY ELIMINATING THE PROCESS OF GOING TO THE LEGISLATURE FOR APPROPRIATIONS FOR MAJOR PROJECTS - PUBLIC INPUT IS ELIMINATED AND THE

PAGE 5

STATE CAN BE COMMITTED TO PAY EXPENSIVE LEASE AGREEMENTS FOR SEVERAL YEARS.

MANY OF US IN THE HOUSE WOULD LIKE TO SEE THE ISSUE DISCUSSED - BECAUSE WE FEEL THE PUBLIC WANTS SOME ACCOUNTABILITY ABOUT HOW PUBLIC FUNDS ARE SPENT IN THIS AREA.

IT APPEARS A SIGNIFICANT AMOUNT OF MONEY IS BEING COMMITTED BY ADMINISTRATIONS LEASING PRACTICES AND WE FEEL THIS DESERVES PUBLIC DEBATE.

THIS BILL IS A STEP IN MAKING THE STATE ACCOUNTABLE TO THE PUBLIC ON HOW A LARGE AMOUNT OF MONEY WILL BE SPENT.

BALLOT MEASURE NO. 8 (cont.)

LEGISLATIVE AFFAIRS AGENCY SUMMARY

(As required by law)

The FRANK Initiative was amended by the Legislature in 1981 to permit the expenditure of state money for the relocation of the state capital from its present location to the new capital site at Willow only if a majority of those voting at the 1982 General Election on a proposition relating to the relocation of the state capital approve a ballot proposition that includes the total cost to the State of providing for the relocation of a functional state capital at the new capital site at Willow.

The 1981 law further provides that if the ballot proposition is adopted by a majority of those voting on the proposition, then the State shall relocate the capital and to achieve that goal may expend an amount equal to the estimate of the total costs of relocating the Capital as determined by the New Capital Site Planning Commission. If the ballot proposition is rejected by a majority of those voting on the proposition, then the Capital remains in Juneau and the following laws are repealed: the Capital Relocation Initiative; the "FRANK Initiative" as amended; the laws establishing the New Capital Site Planning Commission; and the Relocation Indemnification Act.

The law provides that the New Capital Site Planning Commission will prepare a report on a number of issues specified in the law. The issues and the results of the study on these issues by the Commission are:

- (1) the estimated total cost to the State through 1994 of providing for the relocation of a functional state capital at the new capital site at Willow: **\$2,843,147,000;**
- (2) the amount of the total cost that the Commission estimates may be defrayed from the net proceeds from disposal of land in the new capital site at Willow: **\$384,122,000;**
- (3) the estimated cost, through the relocation completion date, of providing for new or expanded facilities in Juneau and Anchorage to accommodate estimated growth in state government if the Capital is not relocated: **\$341,741,000;**
- (4) an estimate of the number of central state employees who are reasonably expected to be relocated from existing locations to the new capital site at Willow by the relocation completion date:

from Anchorage	1,092 employees
from Fairbanks	6 employees
from Juneau	2,832 employees
- (5) an estimate of the population reasonably expected to reside at the new capital site at Willow on the relocation completion date of 1994: **15,000 persons**
- (6) the estimated total cost to the State of providing for the relocation of the Capital at the new capital site at Willow through the completion date of 1994 includes the following components:
 - (A) the cost to the State of capital improvements in the new capital site at Willow: **\$1,286,327,000;**
 - (B) the cost to the State of relocation of employees, dependents, and households to the new capital site at Willow: **\$ 44,875,000;**
 - (C) the cost to the State of relocation of equipment and office contents to the new capital site at Willow: **\$ 1,894,000;**
 - (D) the cost to the State of indemnification of Juneau residents under the Relocation Indemnification Act: **\$ 589,323,000;**
 - (E) other costs to the State, including financing costs, subsidies, and payments deferred beyond the relocation completion date of 1994: **\$ 920,728,000**

On the ballot, a vote "YES" adopts the proposition and a vote "NO" rejects the proposition.

Presented by: The Manager
Introduced: 08/18/83
Drafted by: J.R.C.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 972

A RESOLUTION IDENTIFYING TELEPHONE HILL AS AN
AREA SUITABLE FOR THE PROPOSED LEGISLATIVE HALL.

WHEREAS, in 1982 the people of Alaska affirmed that Juneau is their capital city, and

WHEREAS, the former Federal and Territorial Building, now serving as Alaska's capitol, is no longer adequate to serve or represent the legislature and people of Alaska, and

WHEREAS, the Telephone Hill area, generally bounded by Main Street, Egan Drive and Willoughby Avenue is adjacent to existing government buildings, dominates the geography of downtown Juneau, and features a noble view of Gastineau Channel and Admiralty Island, and

WHEREAS, on May 10, 1960 pursuant to City of Juneau Resolution No. 49, the people of Juneau voted at a ratio of 7 to 1 in favor of acquiring Telephone Hill for the purpose of constructing a capitol which, in the words of the ballot proposition, would be "convenient in location, adequate in size, and practical in operating economy", and

WHEREAS, Telephone Hill presents the best available balance between benefits to the public and the inevitable damages to individuals caused by construction of a capitol center at any useful location in Juneau, and

WHEREAS, the current and proposed comprehensive plans of the City and Borough of Juneau designate Telephone Hill as the site for a new capitol center;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the area known as Telephone Hill is identified as the best site for construction of a new capitol and related state offices.

2. That the governor and legislature of the State of Alaska are urged to proceed with all deliberate speed in the acquisition and development of said area.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Division of Design & Construction, Buildings Section
Southeast Region

INVITATION FOR STATEMENT OF INTEREST FOR
PROFESSIONAL PLANNING SERVICES

ALASKA LEGISLATIVE HALL

The State of Alaska, Department of Transportation and Public Facilities, Division of Design & Construction, Buildings Section, Southeast Region, intends to negotiate a Professional Services Agreement for the purpose of performing a site analysis to determine an optimum site, developing detailed architectural and engineering programs and establishing a design determinants statement for the Alaska Legislative Hall.

It is anticipated that the building will be in excess of 100,000 square feet and will house the Legislature, the Governor's Office, and other related functions.

Work elements which may be required are:

1. DETERMINATION OF THE OPTIMUM LEGISLATIVE HALL SITE

- A. The optimum site analysis shall take into consideration the site configuration, topography, view potential, solar exposure, wind exposure, public access, access to services, facilities access, National Historic Register properties, community enhancement and assimilation, and site preparation costs. A minimum of three sites have been identified. Additional sites may be identified by the State or the Consultant.
- B. The Consultants findings shall be summarized in a "Site Selection Report". The Report shall include but not limited to the following information: Number of sites investigated; an analytical and written description of each site; a summary lending to the selection of the optimum site; maps; and photos.

2. DEVELOPMENT OF DETAILED ARCHITECTURAL AND ENGINEERING PROGRAMS

- A. Discussion of design standards and guidelines applicable to the project;
- B. Recommendations for design of specialized component spaces;
- C. Detailed listing of all spatial requirements and recommendations, including exterior spaces and grounds, and their relationships to one another (by bubble and adjacency diagrams);
- D. Detailed requirements and recommendations for all environmental systems (including HVAC systems and their controls), electrical



STATE OF ALASKA
 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
 EXPRESSION OF INTEREST
 QUESTIONNAIRE
 (PART A)

PROJECT NUMBER: R-10181 PROJECT TITLE: Alaska Legislative Hall Facility Design

CONTRACTING AGENCY: Department of Transportation and Public Facilities, Division of Design and Construction, S. E. Region, Buildings Section

EVALUATION COMMITTEE CHAIRPERSON AND PHONE NO: Neil L. Atkinson (907) 364-4314

THE PURPOSE OF THIS QUESTIONNAIRE IS TO ENABLE THE CONTRACTING AGENCY TO MAKE A FAIR EVALUATION OF CAPABILITIES FOR PROVIDING SPECIFIC PROFESSIONAL OR SPECIALITY SERVICES RESULTING IN A SHORT LIST OF FIRMS TO BE CONSIDERED FOR CONTRACT NEGOTIATIONS IN THE ORDER LISTED AND/OR FROM WHICH TECHNICAL AND/OR PRICED PROPOSALS MAY BE SOLICITED.

STANDARD INFORMATION AND INSTRUCTIONS ARE CONTAINED IN PART A AND CONTRACT SPECIFIC QUESTIONS IN PART B.

SUMMARY OF PROJECT AND TYPES OF SERVICES REQUIRED: The State of Alaska intends to negotiate a Professional Services Agreement for the purpose of obtaining the full range of Architectural and Engineering Services for the design of the Alaska Legislative Hall. Current program documents have identified space requirements of 200,000 to 250,000 square feet.

ANTICIPATED PERIOD OF CONTRACT PERFORMANCE: December 15, 1983 thru December 31, 1987

FUNDING (ONE SIGNIFICANT FIGURE): \$ 2,500,000.00

FUNDING SOURCE: 24-88-3-685

SUBMITTAL DEADLINE (MONTH, DAY, YEAR, PREVAILING TIME): September 30, 1983, 5:00PM

SUBMIT TO (ADDRESS): Neil L. Atkinson, Design Manager
 Division of Design & Construction, Buildings Section
 P. O. Box 1467
 Juneau, Alaska 99802

NUMBER OF COPIES REQUIRED: 6 SUBMITTALS WILL NOT BE RETURNED TO CONTRACTORS.

APPROXIMATE DATE SHORT LIST WILL BE MAILED TO ALL RESPONDENTS: October 15, 1983

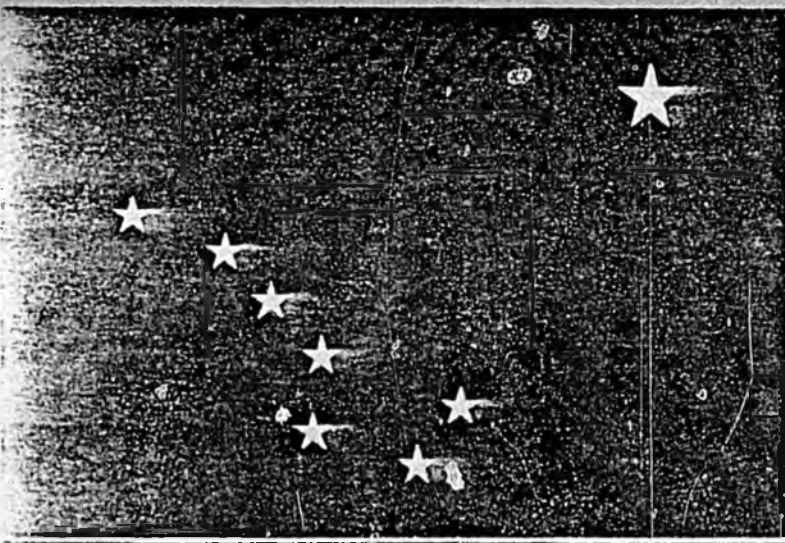
TECHNICAL PROPOSALS WILL WILL NOT BE SOLICITED. PRICED PROPOSALS WILL WILL NOT BE SOLICITED.

AFFIRMATIVE ACTION REQUIREMENTS ARE ARE NOT ATTACHED, FOR: EQUAL EMPLOYMENT OPPORTUNITY,
 FEMALE BUSINESS ENTERPRISES,
 MINORITY BUSINESS ENTERPRISES.

AS 36.10.010 DOES DOES NOT APPLY TO THIS CONTRACT. IF APPLICABLE, NINETY PERCENT ALASKA RESIDENTS SHALL BE EMPLOYED UNDER THE CONTRACT WHERE THEY ARE AVAILABLE AND QUALIFIED (NINETY-FIVE PERCENT IF MORE THAN TEN PERSONS EMPLOYED). FIRMS WHICH CANNOT COMPLY MUST BE DISQUALIFIED.

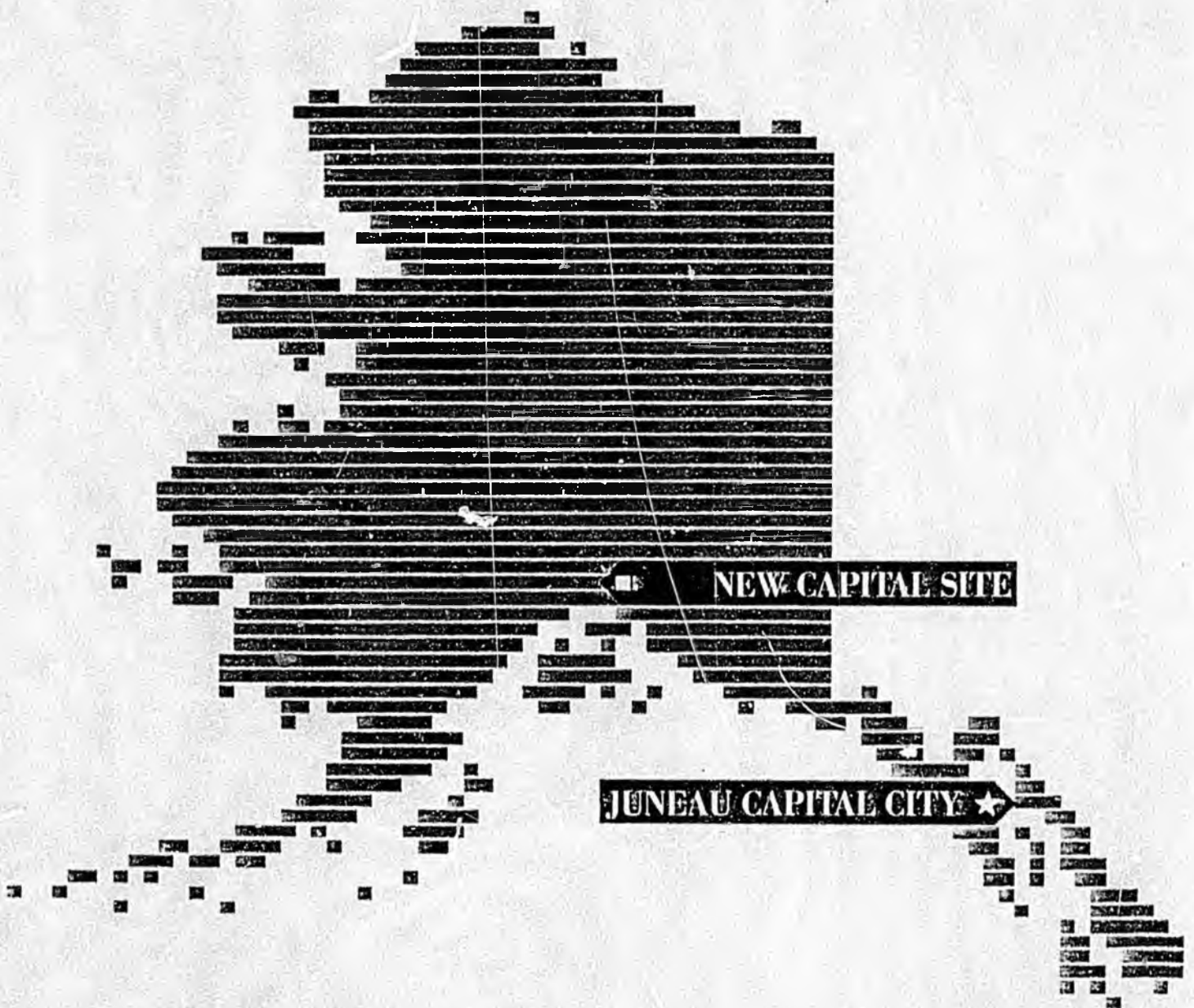
PROFESSIONAL LIABILITY INSURANCE WILL BE REQUIRED IN THE AMOUNT OF \$

FAILURE TO HAVE OR OBTAIN SUCH INSURANCE AT NO DIRECT EXPENSE TO THE CONTRACTING AGENCY SHALL PRECLUDE EXECUTION OF A CONTRACT.



PLANS, COSTS AND IMPACTS

Relating to Relocation of
The State Capital



The No-Move Case

The Commission also prepared a "plan" or set of development assumptions for expansion in government in Juneau and Anchorage through the relocation completion date, if the capital is not moved. This is referred to as the "No-Move" case or study, and is documented in Technical Report No. 7. The cost figure identified as the "No-Move cost" in Chapter 3 is based upon the assumptions on pages 28 and 29. The Commission did not, however, estimate the total costs to the state if the capital remains in Juneau. Additional improvements and repairs to existing buildings--also discussed in Technical Report No. 7--would probably be necessary; but the 1981 legislation does not call for these costs to be included on the ballot proposition.

The No-Move case summarized below addresses government expansion in both Juneau and Anchorage. It uses the same assumptions for government growth and for employee space requirements which are used for the Move case. It also identifies other public facilities necessary to serve an expanded population created by government growth. Schools, libraries, roads, airport and utility improvements are examples of public facilities for which some state funding is expected.

Also summarized are the improvements to existing buildings which would probably be necessary if the capital remains in Juneau.

Anchorage facility im-
provements

New elementary school
Junior high school expan-
sion
High school expansion
Parks additions
Library expansion

Housing to receive AHFC
mortgage financing

Juneau	878 units
Anchorage	510 units
TOTAL	<u>1388</u> units

Additional Improvements in Juneau if Capital is Not Moved
(NOT included in No-Move cost estimates)
(For detail, see Technical Report No. 7)

Possible additional im-
provements not related to
expansion--not included in
No-Move costs:

Current space shortage	23,000 square feet*
New office space to replace some state and leased buildings	191,000 square feet
New special facilities	<u>119,000</u> square feet
Total net space to construct	<u>333,000</u> square feet
Space to remodel	196,000 square feet

*All square footage requirements rounded

The Commission estimates that completion of relocation of a functional state capital at the Willow capital site will total 2.84 billion dollars in escalated state costs by 1994. About \$384 million of this cost may be defrayed by sale of land by 1994.

The estimated state cost of the No-Move case totals about \$342 million (escalated) during the same period (this figure does not include additional costs which would be likely for improvements to existing space in Juneau).

Figure 13 Total State Cost Estimates
(In Thousands of Escalated Dollars)

COST COMPONENT	NEW CAPITAL CITY	"NO-MOVE"		
		Juneau	Anchorage	Total
Construction Cost				
Basic Construction	\$1,220,889			
Construction Administration	63,192			
Planning, Permits, etc.	2,246			
Sub-total	<u>\$1,286,327</u>	<u>43,903</u>	<u>37,478</u>	<u>81,381</u>
Financing				
Interest	\$ 440,484	31,564	26,945	58,509
Bond Costs	18,380	1,317	1,124	2,441
Municipal Surplus	(13,549)			
Enterprise Surplus	(29,280)			
Leases and Sale of Assets	(69,074)	91,756		91,756
Sub-total	<u>\$ 346,961</u>	<u>124,637</u>	<u>28,069</u>	<u>152,706</u>
Other State Programs				
Municipal Grants		16,053	11,719	27,772
AHFC Subsidies	\$ 198,875	25,381	13,924	39,305
ASHA Assistance	5,631			
School Construction	369,261	10,914	29,663	40,577
Sub-total	<u>\$ 573,767</u>	<u>52,348</u>	<u>55,306</u>	<u>107,654</u>
Indemnification/Relocation				
Indemnification	\$ 589,323			
Relocation	46,769			
Sub-total	<u>\$ 636,092</u>			
Opportunity Cost				
	0			
TOTAL COST	\$2,843,147	\$220,888	\$120,853	\$341,741
Net Land Sale Proceeds				
Sales Revenues	\$ 402,371			
Less Sales Cost	(18,249)			
Sub-total	<u>\$ 384,122</u>			
Less Current Value	0			
Total	<u>\$ 384,122</u>			

Legislative move bill criticized

Feb 1st, 1984
Juneau Emp.

By DEBBIE REINWAND ROSE

The Juneau Empire

House and Senate lawmakers, anxious to restore harmony and "their tarnished image" among the public, will deal themselves a negative blow by promoting a measure to move the Legislature to Anchorage, Sen. Bill Ray, D-Juneau, said today.

"The majority of the people in this state voted against the capital move in 1982 and

realize full well this is a back-door attempt," said Ray. "They do not appreciate such shenanigans by their elected officials. It seems to me that those who are trying to restore their image will only succeed in blowing it apart."

The senator's remarks were in response to a Tuesday subcommittee meeting of the Anchorage caucus where House and Senate lawmakers met to discuss their position on a bill to relocate the

Legislature to Anchorage.

"Some of the people in my district are tired of us getting pushed around by two or three Juneau legislators and they tell me to stand up for my district. They tell me Bill Ray isn't writing the capital budget or legislation for Anchorage," said bill sponsor Rep. Mike Szymanski, D-Anchorage.

During the 45-minute meeting, Ray's name was mentioned often as subcommit-

tee chairman Rep. Jerry Ward, R-Anchorage, threatened to block Juneau capital projects in order to force Senate agreement with the legislative move bills.

"Sen. Ray's gonna have to come over to the House for his projects — for the jetfoil ... I know how to play the game," said Ward.

Ray agreed a strong push by Anchorage legislators could hurt the Juneau capital

Continued on Page 12

Move...

Continued from Page 1

budget, but argued the members are taking the wrong approach by threatening Senate members who are against the move.

"Naturally with the sheer numbers of the Anchorage delegation, they could make it very uncomfortable for the smaller districts, but I feel sure that good sense will prevail in some of the more

rabid capital movers," said Ray.

"Their approach to this whole issue reminds me of the man and his wife who get in a fight, then one of them runs across the street and sets fire to the neighbor's house," said the senator. "This only promotes dissension in the Legislature and it's an issue the people voted to put to rest."

At the close of last session, Szymanski introduced a bill to make Anchorage the Legislature's home. That measure garnered little public support during the in-

terim when the House conducted hearings on the bill.

His most recent bill would house the Legislature in a new state office building planned for construction in Anchorage. That move would take place in 1987.

The House State Affairs Committee has planned teleconference hearings in Anchorage Saturday on the Szymanski legislation and, the Anchorage caucus' Move the Legislature subcommittee said it will wait until after those hearings to make recommendations on the bill.

Assembly considers financing new hall

Feb. 2, 1984
Juneau Empire

By DEBBIE REINWAND ROSE
The Juneau Empire

The Juneau City-Borough and its advisers have begun laying the groundwork for possible municipal funding for a new capitol on Telephone Hill, but it won't be easy, the assembly was told Wednesday night.

A representative of Seattle Northwest Securities Corp. outlined to assembly members the steps city-borough and state officials will have to take if the proposed hall is to become a reality.

"We're here to help the city avoid any legal problems and any political problems that might be associated with this," said Seattle Northwest Vice President Sam Granberg. The firm has been advising the city on financial matters since 1971.

The first step for the city will be hammering out a lease with the state and bringing on board a team of bond underwriters who will begin working on a bond proposal to secure financing for the hall, he said.

In order to market the bonds, city officials will need to have a lease in hand, but will "not necessarily" be required to have the hall's final design complete, except as a guide for the amount of money needed, said Granberg.

A design competition among five architectural firms will begin later this month, and a winner will be declared near the end of March, said Transportation Department Deputy Commissioner Jon

Scribner.

The firm selected for the project will then have a year to design the new capitol.

Construction will be in two phases, Scribner said, with site preparation taking place this fall and the construction contract slated to be awarded in the spring or summer of 1985.

Barring any unforeseen delays, the hall would be ready for its tenants — the Legislature and governor — sometime in 1987.

There are several potential legal problems that city officials could face, however, said Don Holman of the law firm Preston, Thorgrimson, Ellis and Holman. Among the problems is the question of "whether an underwriter would want to market bonds with the possibility of the state" changing its mind on leasing the structure due to a possible capital move threat, said Holman.

There is also the potential for legal challenge of the planned city-state lease, Holman told the assembly, as well as the possibility the Legislature would have to approve any lease over \$12,000 per year.

"However, it's our opinion that the executive branch has the authority to enter into the transaction," said Holman.

Currently, over half of all state office space in Anchorage, Fairbanks and Juneau is leased by the state, Mayor Fran Ulmer said.

"This is very similar to the construction

Continued on Page 14

Assembly

Continued from Page 1
and financing of the state office building in

Anchorage by the private sector," she said. "The difference is the city is financing this operation."

The city of Juneau will be acting as a

"conduit" for the financing, and under provisions proposed by legal advisers, would not be liable should the lease go into default, Holman said.

Albion Times

1-18-84

Juneau to pay for Capitol building

by Andy Ryan

Times Juneau Bureau

Juneau — Gov. Bill Sheffield said Tuesday his administration will not seek funds to build a new state Capitol building in Juneau.

There is plenty of money remaining in the state's 1984 construction budget, he said, to buy land for the building in downtown Juneau.

The state is in the process of acquiring about five acres for the building on Juneau's Telephone Hill, two blocks from the current Capitol.

Lawmakers appropriated \$4.5 million last year as start-up money for the planned \$60 million, 250,000-square-foot building.

As we see it now, the city and borough of

Juneau will finance the (construction of the) building, and we don't need any more (money)," Sheffield said at his weekly press conference.

He said plans call for the state to lease the new Capitol building from the city.

On another subject, Sheffield said the administration probably will not push the legislature to write a new longevity bonus program this session.

The governor said he has become increasingly confident that the state Supreme Court will overturn last month's ruling by a Superior Court judge, who said the program is unconstitutional and must be ended.

Judge Walter Carpenetti on Friday issued a permanent stay of his order canceling the

program. As a result, no action will be taken in the case until the administration's appeal has been decided by the Supreme Court.

Sheffield said Tuesday the appeal process could take as long as a year. He said he has become more and more confident the state will win the appeal.

"I don't think the jury's in on that yet," Sheffield said when asked if he would push the legislature to adopt a backup longevity program this session.

If the Supreme Court upholds Carpenetti's ruling, he said, he would consider calling a special session of the legislature to deal with that subject alone, or waiting for the next regularly-scheduled session of the lawmakers next January.

Editorial

Wayward senators

NOW IT COMES to light that the controversial effort to build a legislative hall at Juneau would not be going forward if two senators from Anchorage and one from Palmer had voted against it last June. They voted for it.

Sens. Vic Fischer and Joe Josephson of Anchorage and Jay Kertulla of Palmer voted against an amendment proposed by Sen. Rick Halford that would have killed the \$4.5 million appropriation.

The three separated themselves from the rest of the Southcentral delegation. The other eight senators voted to kill the appropriation. They were: Jan Faiks, Paul Fischer, Ron Gilman, Halford, Tim Kelly, Fritz Pettyjohn, Pat Rodey and Arliss Sturgulowski.

Sen. Halford's amendment was defeated 8 to 12. If the three wayward senators had voted with the others, the amendment would have carried 11 to 9.

DURING DEBATE on Mr. Halford's amendment, Sen. Bill Ray was on his feet in opposition every time he had a chance. He had the temerity to tell the Senate that he was "not aware of any plan for a new legislative hall." And he vowed that he knew of all the plans there were.

It has become obvious since then that the project was one of Juneau's best-kept secrets. Twenty days after the legislature adjourned the state called for bids and set up a program

that called for three reports to be completed within 124 days. The whole project was to be in the hands of the Department of Transportation.

Obviously, the 1984 legislature will be asked for more money because the building will cost almost \$43 million.

Southcentral's 11 senators, whose constituencies have voted strongly in favor of relocating the state capital, should be expected to stand against the appropriation, but that requires a change in attitude of the three who were backsliders in 1983.

APPARENTLY Sen. Ray — who has been criticized in the past in these columns as having a view of Alaska extending only as far as he can see from the Juneau-Douglas bridge — is putting all his men and all his horses to work.

Even the attorney general is helping. He issued an opinion that applies innovative and amusing rationalization as a basis for declaring it legal for the state to build the legislative hall without further legislative action, despite the fact that the law says otherwise.

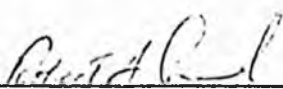
The opinion is so far out that the attorney general felt obligated to tack on an extraordinary paragraph at the end to caution state officials that the courts might overturn it.

That's the way saying, "Go your own way, but don't break the law. Let's warn you."

Position Paper
HB 494

This bill impacts the operations of the Department of Administration in that elections would be required prior to leasing space for the Governor's office. The Governor's office presently has ten leases in various locations in the state. There would have to be an election prior to renewing or replacing these leases.

The department is opposed to this bill as it would unnecessarily cause restrictions and delays in day-to-day operations and would make space management excessively complex.

 A

Robert J. Link
Director
Division of General Services & Supply
Department of Administration

Date 1/26/84



Commissioner Lisa Rudd
Department of Administration

Date 1/26/84

16/11D3/0124-03

H B

498

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ (Page 1 of 2)

REQUEST Bill/Resolution No.: HB 498 FISCAL DETAIL Agency Affected: Dept. of Military Affairs
 Title: An act relating to Military Benefits Program Category Affected: NGRS
 Sponsor: Fuller and Martin BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts		79.3	79.3	79.3	79.3	79.3
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	79.3	79.3	79.3	79.3	79.3
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

General Fund	-0-	79.3	79.3	79.3	79.3	79.3
Federal Funds						
Other						
Total						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J. K. Humphreys Phone: 465-4460
 Division: Retirement & Benefits Date: 1-16-84

Approved by Commissioner: Lisa Rudd Date: 1/16/84
 Agency: Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Fiscal Note / Admin 1/16/84

(Page 2 of 2)

House Bill 498
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

January 16, 1984

IV Analysis: The passage of this bill will provide for a lump-sum death benefit in the Alaska National Guard and Alaska Naval Militia for those members having five or more years of service. The passage of this bill will increase the cost of the National Guard Retirement System by \$79,309.00 each year over the next 25 years. The present value of the unfunded liability is \$441,396.00.

Position Paper

HB 498

The passage of this bill would provide for a lump-sum death benefit in the Alaska National Guard and Alaska Naval Militia Retirement System (NGRS) for those members having five or more years of service. The Department of Administration, like the Department of Military Affairs, supports this bill. This bill would help to alleviate an inequity in the system without a substantial fiscal impact.

J. K. Humphreys

J.K. Humphreys, Director, Division of Retirement & Benefits

1/23/84

Date

Lisa Rudd

Lisa Rudd, Commissioner, Department of Administration

1/24/84

Date

Position Paper / Admin 1/24/84

INTRODUCTION OF BILLS (House)

HB 496, (cont'd)

Does not provide for an effective date (becomes law 90 days following Governor's signature).

Introduced January 9 and referred to Health, Education & Social Services, Judiciary.

School Boards
(labor negotiations)

HOUSE BILL NO. 497, by Rep. Flood. Amends current law relating to labor negotiations by school boards with certificated employees (AS 14.20.550) to read: "Each city, borough and regional school board, shall negotiate with its certificated employees in good faith on matters pertaining to their employment and the fulfillment of their professional duties including class size, teacher load, and pupil-teacher ratio." (underlined language added by Flood's bill). Does not provide for an effective date (becomes effective 90 days following Governor's signature).

Introduced January 9 and referred to Labor & Commerce, Finance.

Military Retirement
(benefits)

HOUSE BILL NO. 498, by Reps. Fuller and Martin. Amends section of the Military Code of Alaska relating to retirement benefits. Provides an active member of the Alaska National Guard, or a former member who was active on or after 1/1/69, or a member of the Alaska Naval Militia on or after July 1, 1980 is eligible for a retirement pension ". . . (2) upon involuntary separation [retirement] because of federal standards imposed on the Alaska National Guard or Alaska Naval Militia, regardless of length of service, unless the separation occurs as a result of the member's own misconduct, misrepresentation, or unwillingness to satisfy established standards for continued participation." (underlined language added, bracketed language deleted).

Also adds a new section relating to retirement benefits stating: "(e) Upon the death of an active member of the Alaska National Guard or Alaska Naval Militia, that member's designated beneficiary is entitled to a lump sum payment in accordance with (b) and (d) of this section if the member has served at least five years in the Alaska National Guard or Alaska Naval Militia or in a combination of these two components, but has served fewer than 20 years in the armed forces of the United States."

Provides Act takes effect July 1, 1984.

Introduced January 9 and referred to State Affairs, Finance.

Nat. Guard Retirement Benefits
(amounts)

HOUSE BILL NO. 499, by Reps. Fuller and Martin. Would raise the retirement pension for Alaska National Guard and Naval Militia members to \$200 a month, payable for the same number of months that the member participated satisfactorily. Adds language stating that the pension for a member who was an officer in the U.S. armed forces with a grade of O7 or above as of July 1, 1983, or who had 20 years or more of active duty service with the armed forces of the U.S. before June 2, 1983, is \$100 a month, payable for the same number of months that the member participated satisfactorily in the Guard or Militia. Provides Act takes effect July 1, 1984.

DRAFT

PROPOSED CSHB 498

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 CS HOUSE BILL NO. 498

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to military retirement benefits."

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

8 * Section 1. AS 26.05.224(a)(2) is amended to read: *Same as Original Bill*

9 (2) upon involuntary separation [RETIREMENT] because of
10 federal standards imposed on the Alaska National Guard or Alaska Naval
11 Militia, regardless of length of service, unless the involuntary
12 separation is the direct result of the member's own misconduct, mis-
13 representation, or unwillingness to satisfy known standards for con-
14 tinued participation.

15 * Sec. 2. AS 26.05.224(d) is amended to read: *Same provisions as original bill, but put into existing section(d)*

16 (d) Upon the death of an active member who has at least five
17 years' service in the Alaska National Guard or Alaska Naval Militia or
18 a combination of these components, the member's designated beneficiary
19 is entitled to a lump sum benefit calculated in accordance with (b) of
20 this section. Upon the death of a former member who has at least 20
21 years' service, the former member's designated beneficiary is entitled
22 to a lump sum benefit calculated in accordance with (b) of this sec-
23 tion less any retirement benefits previously paid. [A RETIREMENT
24 BENEFIT PAYABLE TO A MEMBER AT THE TIME OF THE DEATH OF THE MEMBER
25 SHALL BE PAID IN A LUMP SUM TO THE DESIGNATED BENEFICIARY OF THE
26 MEMBER.] The member may change or revoke the designation of a benefi-
27 ciary without notice to the beneficiary at any time. If a member

1 beneficiary and a change or revocation of a beneficiary shall be made
2 on a form provided by the Department of Military Affairs and is not
3 effective until filed with the Department of Military Affairs. If a
4 member fails to designate a beneficiary or if no designated benefi-
5 ciary survives the member, the death benefit under this subsection
6 shall be paid to that person's [HIS] estate.
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H B

4999

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

1 of 2

REQUEST

Bill/Resolution No.: HB 499
Title: "An act relating to the Alaska National Guard"
Sponsor: Fuller
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Military Affairs
Program Category Affected: NGRS
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts	-0-	1,339.0	1,339.0	1,339.0	1,339.0	1,339.0
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	1,339.0	1,339.0	1,339.0	1,339.0	1,339.0

CAPITAL _____

REVENUE _____

FUNDING: (Thousands of Dollars)

General Fund	-0-	1,339.0	1,339.0	1,339.0	1,339.0	1,339.0
Federal Funds						
Other						
Total						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys Phone: 465-4460
Division: Retirement & Benefits Date: 1-23-84

Approved by Commissioner: Lisa Rudd Date: 1/23/84
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

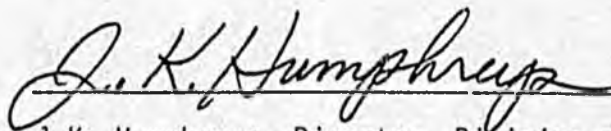
House Bill 499
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

IV Analysis: The passage of this bill would double the benefits provided under the Alaska National Guard and Alaska Naval Militia Retirement Systems. Correspondingly, this bill would double the current costs of the system by \$1,339,963.00 per year for the next 25 years. The present value of the unfunded liability is \$10,833,243.00.

Position Paper

HB 499

The passage of this bill would double the benefits provided under the Alaska National Guard and Alaska Naval Militia Retirement System (NGRS) and would approximately double the necessary contributions by the Department of Military Affairs. The Department of Administration maintains a neutral position on this bill. It is questionable whether the public purpose served would justify the large increase in employer contributions.



J.K. Humphreys, Director, Division of Retirement & Benefits

1/23/84

Date



Lisa Rudd, Commissioner, Department of Administration

1/24/84

Date

HB

503

Original sponsors: Uehling, Furnace,
Ringstad, et al

DRAFT

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 503 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Pioneers' Home."

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

8 * Section 1. AS 47.25.020(b) is amended to read:

9 (b) Every person admitted to the Pioneers' Home, except a person
10 admitted under AS 47.25.030, who receives income from any source in
11 excess of \$100 per [\$35 A] month may be required by the Department of
12 Administration to pay the excess to the Department of Administration
13 immediately upon receipt of the money in payment, or part payment, of
14 the cost of the person's [HIS] maintenance.

15 * Sec. 2. AS 47.25.020(c) is amended to read:

16 (c) At the end of each month the payments made under (b) of this
17 section shall be transmitted to the commissioner of revenue together
18 with the names of the persons making them and the amount paid by each.
19 The Department of Administration may pay [THE SUM OF \$35 A MONTH] to a
20 resident without funds the sum of \$100 per month.

21 * Sec. 3. AS 47.25.030 is amended by adding new subsections to read:

22 (b) The Department of Administration shall adopt regulations
23 establishing a daily or monthly rate for the compensation a resident
24 is to be charged under (a) of this section. The commissioner of
25 administration shall review the rate each year.

26 (c) The Department of Administration shall provide to all resi-
27 dents of the Pioneers' Home written notice of any proposed increase in
28 the rate charged for care and support of persons at the home. Notice
29 under this section shall be given not less than 60 days before an

1 before an increase is adopted. The notice shall include the time,
2 date, and place of a hearing to be held by the Department of Adminis-
3 tration under (d) of this section.

4 (d) Not less than 30 days before a proposed rate increase is
5 adopted, the Department of Administration shall conduct a hearing at
6 which interested persons shall be given the opportunity to submit
7 written or oral testimony, statements, arguments or contentions relat-
8 ing to the proposed rate increase. The department shall consider all
9 relevant matter presented to it before adopting a rate increase.

10 * Sec. 4. AS 47.25.070 is repealed and reenacted to read:

11 Sec. 47.25.070. INDEBTEDNESS OF PIONEERS' HOME RESIDENT TO
12 STATE. (a) The following expenses incurred for a pioneers' home
13 resident under AS 47.25.010 - 47.25.110 are a debt to the state and
14 may be recovered during the life of the resident:

15 (1) costs of standard or nursing care provided in the
16 Pioneers' Home each month to the resident not exceeding the rate
17 established by the Department of Administration under AS 47.25.030,
18 with credit given for any amounts paid by or collected from the resi-
19 dent;

20 (2) allowances paid under AS 47.25.020(c);

21 (3) cost of hospitalization and medical treatment provided
22 outside the Pioneers' Home; *HEBS MEDICARE recovery,*

23 (4) *performed* arrearages in fees for ~~television~~ and ~~telephone~~ ser-
24 vices provided in the Pioneers' Home;

25 (5) prescription medicine; and

26 (6) burial and related expenses.

27 (b) The debt is a first, prior and preferred claim against the
28 estate of the Pioneers' Home resident after the resident's death, and
29 after all claims for food, clothing, fuel, shelter, medical aid, or

1 burial expenses are paid. Heirlooms without regard to value are
2 exempt from a claim by the state under this section.

3 (c) Money left in charge of the Department of Administration by
4 a deceased resident of the Pioneers' Home may be used for the burial
5 and funeral expenses of the resident and for the improvement of the
6 burial plot of the Pioneers' Home.

7 (d) The clothing and other personal effects left by a deceased
8 Pioneers' Home resident may be used for the benefit of other resi-
9 dents, or may be given to relatives or to persons designated by the
10 resident, or sold and the proceeds applied in the manner provided for
11 money left by a deceased resident.

12 (e) In this section, "heirloom" means personal property of
13 sentimental value to a Pioneers' Home resident that has been in the
14 possession of the resident's family for 10 years or more or was a gift
15 to the resident.

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17 110 - and not recoverable from a collateral
18 source or
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CHAIRMAN
HOUSE SPECIAL COMMITTEE
ON STATE LOANS

VICE-CHAIRMAN
HOUSE RESOURCES COMMITTEE
HOUSE LABOR AND COMMERCE COMMITTEE

MEMBER
JOINT OIL & GAS COMMITTEE
HOUSE FINANCE SUBCOMMITTEE ON
ADMINISTRATION, REVENUE
AND THE GOVERNOR'S OFFICE

Alaska State Legislature



House of Representatives

Representative
RICK UEHLING

ANCHORAGE
DISTRICT 12-SEAT A
1634 JUNEAU DRIVE
ANCHORAGE, ALASKA 99501
(907) 274-4256

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4821

Date: February 10, 1984

To: Rep. Mitch Abood
Chair, State Affairs Committee

From: Rep. Rick Uehling *R. Uehling*

Subject: CS HB503 (State Affairs)

The Committee Substitute addresses the two major concerns of the original bill:

1. Raising the monthly allowance from \$35.00 to \$100.00.
2. Allows personal property of the resident to be passed on to the family in the event the resident incurs a debt to the state. The Committee Substitute deletes the \$10,000 exemption and replaces it with an exemption for heirlooms without regard to value, and defines heirlooms as personal property of sentimental value to a Pioneer resident that has been in the family for ten years or more, or was a gift to the resident.

Additionally, the Committee Substitute addresses several concerns of the Pioneer Home residents and attempts to clarify in statute, procedures for establishing and raising of rates, and specifies which expenses the state is allowed to recover as debts to the state. Furthermore, the Committee Substitute makes technical changes to clarify whom the statute pertains to. The Committee Substitute also addresses a request by the residents to allow them to designate a person, other than a relative, to handle their clothing and other personal effects after they are deceased.

Introduced: 1/10/84
Referred: State Affairs and
Finance

*70 - medicade
rental agreement.*

BY UEHLING, FURNACE,
RINGSTAD AND BARNES

1 IN THE HOUSE

2

HOUSE BILL NO. 503

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to income, allowances and debts of
7 residents of the Alaska Pioneers' Home."

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

9 * Section 1. AS 47.25.020(b) is amended to read:

17 such Pioneer

10 (b) Every person admitted to the Pioneers' Home, except a person
11 admitted under AS 47.25.030, who receives income from any source in
12 excess of \$100 per [\$35 A] month may be required by the Department of
13 Administration to pay the excess to the Department of Administration
14 immediately upon receipt of the money in payment, or part payment, of
15 the cost of the person's [HIS] maintenance.

16 * Sec. 2. AS 47.25.020(c) is amended to read:

17 (c) At the end of each month the payments made under (b) of this
18 section shall be transmitted to the commissioner of revenue together
19 with the names of the persons making them and the amount paid by each.
20 The Department of Administration may pay the sum of \$100 per [\$35 A]
21 month to a resident without funds.

SUFFICIENT (PLANNED)

22 * Sec. 3. AS 47.25.070(a) is amended to read:

23 (a) An expense incurred for a person under AS 47.25.010 - 47.25.
24 [WITH INTEREST AT A RATE OF SIX PERCENT A YEAR FROM DATE OF
25 PAYMENT,] is a debt to the state and may be recovered during the life
26 of the beneficiary. The debt is a first, prior and preferred claim
27 against the estate of the beneficiary after the beneficiary's [HIS]
28 death, and after all claims for food, clothing, fuel, shelter, medical
29 aid or burial expenses are paid. Personal property of the beneficiary

*Certain types of Prop
not monetary*

1 having a total fair market value of not more than \$10,000 is exempt
2 from a claim by the state under this section.

Alaska State Legislature

CHAIRMAN

HOUSE SPECIAL COMMITTEE
ON STATE LOANS

VICE-CHAIRMAN

HOUSE RESOURCES COMMITTEE
HOUSE LABOR AND COMMERCE COMMITTEE

MEMBER

JOINT OIL & GAS COMMITTEE
HOUSE FINANCE SUBCOMMITTEE ON
ADMINISTRATION, REVENUE
AND THE GOVERNOR'S OFFICE

House of Representatives

Representative
RICK UEHLING

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Date: January 17, 1984

To: Representative Mitch Abood
Chairman, State Affairs Committee

From: Representative Rick Uehling *R. Uehling*

Subject: HB503 - An Act relating to income, allowances
and debts of residents of the Alaska
Pioneers' Home.

FILE COPY

The purposes of HB503 are twofold:

During the last session the Legislature, in a letter of intent to last years' budget, required that the Department of Administration raise the fees charged to the residents of the Pioneer Home.

These rent increases were from \$225.00 to \$425.00 for regular residents and from \$275.00 to \$525.00 for residents who receive skilled nursing care.

At the time of the rent increase the residents met with members of the Legislature and representatives of the Department of Administration to request, first, that the increase be delayed, and secondly, that the amount of the monthly stipend (discretionary income) allowed residents be increased from \$35.00 to \$100.00.

Needless to say the rent increase was not delayed. However, the increase in rent, from \$225.00 to \$425.00, took up what additional money many of the residents had left each month leaving them to receive only the \$35.00 monthly allowance.

There had not been an increase in the stipend in thirteen years. I do not believe that \$35.00 a month is sufficient for the residents of the Pioneer Home to purchase necessities such as prescription drugs, clothing, and personal items like shampoo, and toothpaste as well as an occasional splurge for a trip to the barber or beauty shop. Therefore, this legislation increases the allowance amount from \$35.00 to \$100.00 a month.

Memo of 1-17-84 (Continued)

Page 2

The second portion of the bill addresses a large concern of many of the elderly at the Pioneer Home.

When a person cannot afford to pay the full amount of their rent to the Pioneer Home and also receives a stipend, they incur a debt to the State, which accrues six percent interest. This debt is then recovered by the State from the estate of the individual.

The residents of the Pioneer Home worry that they will be unable to pass on to their children personal possessions, such as wedding rings, coin collections, and other heirlooms which might have special meaning to the family.

In reality, this clause is seldom if ever used, because when a resident dies and owes a debt to the State, he rarely has an estate from which the debt may be recovered.

However, with the large increase in rents, many residents are concerned that they will in the future incur a debt to the State and therefore be unable to pass to their families personal possessions.

This legislation deletes the interest charge from the debt owed to the State, and allows for up to \$10,000 worth of personal possessions to be passed on to the family.

It is important to remember that this section is currently almost never used, and that the changes are primarily for the peace of mind of the residents of the Pioneer Home.

INTRODUCTION OF BILLS (House)

HB 502, (cont'd)

14.20.584. Provides for the confirmation by the Court of the arbitrator's award, and provides for Court vacation of an award in certain circumstances similar to those applicable under the Alaska Arbitration Act.

14.20.585. Provides for modification or correction of an award, under circumstances similar to those applicable in the Alaska Arbitration Act where modification or correction is provided for.

14.20.590. Requires grievance procedures and a definition of "grievances" in all agreements. Requires each agreement to provide a method for the selection of an arbitrator to resolve grievances.

14.20.600. Requires the educational employees labor relations agency to set forth procedures to safeguard the rights of "nonassociation" of employees having "bona fide religious convictions".

14.20.605. Establishes the educational employees labor relations agency, as explained above. Members of the agency receive no compensation, but are entitled to per diem and travel expenses. The agency may employ staff to implement the provisions of the chapter.

14.20.606. Functions set out in AS 23.40.120 - 23.40.180 are to be performed by the educational employees labor relations agency, as well as specific functions set out in this chapter.

The school board and the employee organization alike are prohibited from "unfair labor practices", as described in AS 23.40.110.

14.20.610. Reiterates the power of school boards to "make final decisions on educational policies".

Sec. 13. (Temporary Provision). School Boards must make their initial local option decision between last best offer mediated arbitration and the right-to-strike within 90 days after enactment of the chapter.

Sec. 14. (Temporary Provision). "Grandfather" clause for existing negotiating units and negotiating agreements.

Sec. 15. (Temporary Provision). The effective date is to be immediate.

Pioneers' Home
Residents
(income &
debts)

HOUSE BILL NO. 503, by Reps. Uehling, Furnace, Ringstad, Barnes and Goll. Would raise the amount a resident of the Alaska Pioneers' Home is allowed to keep to \$100 (currently \$35). A resident without funds would be paid \$100 a month by the Dept. of Administration (currently \$35).

Amends AS 47.25.070(a) (Indebtedness of Beneficiary to State) by deleting reference to six percent interest on expenses incurred for a resident of the Pioneers' Home: "An expense incurred for a person under AS 47.25.010 - 47.25.110 [with interest at a rate of six percent a year from date of payment,] is a debt to the state and may be recovered during the life of the beneficiary. . . .". Adds language stating that personal property of the beneficiary having a total fair market value of not more than \$10,000 is exempt from a claim by the state.

Does not provide for an effective date (becomes effective 90 days following Governor's signature).

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This handbook is designed to answer many questions about eligibility, application procedures, finances and life in the Pioneers' Homes. Additional information and applications may be secured at the addresses on the last page of this booklet.

Applicable laws governing the Pioneers' Homes in the State of Alaska are included for your information.

State of Alaska
Bill Sheffield, Governor

Lisa Rudd, Commissioner
Department of Administration

E. Louis Keller, Director
Division of Pioneers' Benefits

December 1983

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H B

506

ANALYSIS OF HB 506

"An Act relating to payment for purchase by the State; and providing for an effective date".

Section 1 (a) Requires the agency to pay on a required payment date as defined under terms of a contract or 30 days after receipt of proper invoice.

Subsection (b) Provides for the State to take advantage of any discounts offered by a vendor and if invoice is paid on time, the State agency will deduct the amount of the discount offered from the total amount of the invoice.

Subsection (c) Establishes the rate of interest at 1.5% per month that must be paid by the State for past due balance -- also provides for the exclusion of interest in the event the seller and the State have mutual agreement.

Subsection (d) 1. Exempts purchases of more than \$500,000 from the provisions of the bill.

Subsection (d) 2. Provides for an exemption in the event the State notifies the vendor or seller of a dispute in the invoice.

Subsection (e) Provides that any interest incurred by lack of prompt payment will be charged to the budget of the department involved.

Subsection (f) 1. Defines dispute as non-compliance, in performance or price, with the terms of the contract, as determined by administering State Officer.

Subsection (f) 2. Defines when payment is made.

Subsection (f) 3. Defines a state agency

Section 2. Exempts and contracts entered into before the effective date from this Act's provisions.

Section 3. Provides an effective date of July 31, 1983.

BACKGROUND ON HB 506

This bill has been supported by 92% of the 3600 Alaskan members of the National Federation of Independent Business. The State of Alaska is notorious for late payment of its invoices and statements. This neglect by State agencies has caused many small business' to borrow money to supplement their normal cash flow. Since the products or merchandise were purchased on a bid basis the profit margin was probably wiped out by the high interest rate charged by the loan institution.

Mr. Leonard Lemon, Comptroller of the U.S. Army at Fort Greely advised that their paying of invoices has become more routine and simplified since their compliance with the Prompt Payment Act--Public Law 97-177. This public law is now incorporated in Army regulations. The Prompt Payment Act carried 133 sponsors when it was introduced in Congress.

An argument put forth by the Administration is that only a small percentage of vendors are victims of this inattention but regardless of whether the bill is \$1000 or \$10000--if it is past due 60,90 or 120 days the financial position of that business caused by this lack of good faith can be devastating. The State has put a high annual fiscal cost to this bill-- this is just a good indication of what the vendors are carrying in past due accounts. There are many Alaskan business' that will not give our State agencies credit because of its poor paying habits.

This bill is needed in Alaska and it is supported by a large majority of Alaskan and other businesspersons.

Background/ HB 506

NFIB® / ALASKA

STATE REPORT

The National Federation of Independent Business prepared this report on the activities of its State Governmental Relations Department as a special service for its members.

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NFIB STATE OFFICE:
P.O. BOX 194, ALUKE BAY, AK 99821

GOVERNOR VETOES KEY SMALL BUSINESS LEGISLATION

Without any advanced indication of his intent, Governor Sheffield vetoed the most important small business legislation to come out of the 1983 Legislative Session. HB 210, originally drafted and actively supported as NFIB/Alaska's key legislation, would have required the state of Alaska to pay interest on invoices not paid within 30 days of receipt.

On the 1982 NFIB/Alaska State Ballot an overwhelming 92% of the Alaska voting membership gave support to the

issue of requiring the state to pay interest on their overdue accounts. HB 210 was written primarily for small businesses who contract with the state since it specifically excludes any purchase orders or contracts in excess of \$500,000. The bill had provided that state agencies initiating an order or contract be required to pay interest of 1½¢ per month if a proper invoice were not paid within 30 days of receipt of invoice. If the invoice is not paid within the 30-day period, interest would be charged from the date of

receipt by the agency until the date of payment.

The only exclusion from the requirement to pay interest would be on specific items in dispute, i.e., an item sent was not the exact item ordered. The state agency would be required to notify the vendor within 30 days regarding those items in dispute and would be required to pay for the undisputed items of that same period to avoid paying interest on the undisputed items. Once the problems are resolved on the items in dispute, those items would also be subject to payment of interest if not paid for within 30 days of the resolution of the problems.

This bill would not have passed the Legislature without the strong support of Rep. Richard Schultz of Delta Junction and the assistance of Rep. Jim Duncan of Juneau. Rep. Schultz also had this bill designated as one of the House priority bills which helped to assure its passage.

All is not lost, however, from the Governor's veto; it is merely delayed. It is probable that the Legislature will override the veto. This is not a sure thing even though the bill passed both the House and Senate by nearly unanimous votes. It is suggested that particularly those members who do business or even contemplate doing business with the state should contact both their state senator and state representative to request their support of an override of the Governor's veto. Interest penalties will encourage prompt payment of the state's purchasing obligations, which in turn can help the involved small businesses conserve working capital and improve profit margins.



Gary Jenkins (right), director of Governmental Relations/Alaska and Rep. Richard Schultz (Delta Junction) are shown during one of their many discussions regarding key NFIB/Alaska legislation on payment of interest by state agencies on past due accounts.

OVERVIEW

The pace of the snail best characterizes the 1983 Legislative Session (particularly significant since the leadership in both the Senate and House was basically the same in the previous session.) This should have resulted in a more efficient and relatively shorter session. Instead it was the longest session in Alaska's history with the Senate finally adjourning on June 27th.

The length of the session was also difficult to understand since there were no major critical issues to delay the session. With revenues declining, the most critical issue appeared to be how much money there would be to fund the operating budget, and more importantly to many, the two capital projects budgets. The intent is not to belittle the money issue; however, it did occupy an inordinate amount of the legislature's time. This issue will become more critical in subsequent years as state oil revenues continue to decline.

In an effort to encourage the development of other oil, gas or mineral resources in the state, the Legislature passed a bill authorizing a special investment tax credit. HB 258 provides for a credit which may be taken on the Alaska corporate income tax return for investments in either a gas processing project or for exploration, drilling of wells, development, or mining of natural resources in Alaska. The credit allowed is the full amount of the federal investment credit computed on the first \$250,000 of qualified investment during each tax year. If this measure is successful in stimulating development in Alaska, it may prompt other legislation designed to stimulate additional economic development in the state.

The Legislature also dealt with such diverse issues as requiring all motor vehicles to have liability insurance before being licensed to operate on Alaska highways, returning the drinking age to 21 years, and allowing voters to determine whether the Legislature should have authority to annul regulations issued by various state agencies.

The bill requiring vehicle liability insurance passed both the House and Senate; however, each chamber passed a slightly different version of the bill. This required the appointment of a

conference committee to resolve the differences. The bill, still in the conference committee when the Legislature adjourned, is expected to pass early next session.

The bills to change the drinking age and to give the Legislature authority to annul regulations are issues which have had considerable attention in recent years. The legal drinking age was lowered several years ago, due to reducing the "Age of Majority" to 19 years and in support of the argument that if someone was old enough to serve in the armed forces they should be old enough to drink. Records show however that an inordinately high percentage of fatal automobile accidents involve the 19 - 21 age group. There has also been a significant increase in the amount of liquor available to individuals 18 years and under, primarily purchased by 19 - 21 year olds.

The Legislature's authority to annul regulations has also been an on-going issue the past several years. Until seven years ago, the Legislature had taken the position that they could annul regulations by means of a concurrent resolution. However, when the Hammond Administration challenged this in court, the court ruled that the Legislature had no such authority. A resolution was then passed proposing a change in the Alaska State Constitution, which put the issue on the statewide ballot; but voters turned it down. As the result of a similar resolution this year, the issue will again be on the general election ballot in 1984.

It is generally contended that all too frequently administrative regulations go far beyond legislative intent, placing undue burden on either the business sector or the general public. Governors usually oppose legislatures gaining this authority on the basis that it breaches the separation of powers. By a vote of 54% favoring, 25% opposing and 21% with no opinion, the voting NFIB/AK members in 1981 supported a constitutional amendment to allow the Legislature to annul administrative regulations by concurrent resolution.

SMALL BUSINESS ISSUES

Various issues which could affect small business were also introduced this ses-

sion. Most of those receiving favorable action were issues supported by NFIB/Alaska.

Exemption of Business Inventories from Local Property Taxes - SB 53: Permits local cities and boroughs to exempt business inventories from local property taxation. The Legislature would not consider a complete exemption, which NFIB/Alaska strongly supported. On the 1983 Alaska State Ballot, 88% of the voting members supported the exemption of business inventories from property taxes. Most local governments, when contacted by NFIB/Alaska, stated that they would exempt business inventories. It is suggested that concerned NFIB members contact their local governing body immediately and push for them to act now to exempt the taxation of business inventories in future years.

Limitation of Length of Legislative Session - HJR 2: Provides that the Legislature shall meet for a regular session of not more than 120 days. The session may be extended for up to ten calendar days by a vote of two-thirds of the membership of each house. Because this will require a change in the Alaska constitution, it must be voted on in the 1984 General Election. This issue has been a key concern to NFIB/Alaska members for several years. On the 1983 NFIB State Ballot, 86% of voting Alaska members favored a limit on legislative sessions (58% favored a 90-day session). While this legislation does not place as short a limit as many members desired, it should definitely prevent marathon sessions such as this year's which lasted in excess of 160 days.

Wage Base Changed for Computing Workers Compensation Benefits - HB 311: Provides for workers compensation benefit payments to be based on an employee's spendable weekly wage, which is computed by subtracting payroll taxes from the gross weekly earnings. Gross weekly earnings are computed by dividing by 100 the worker's earnings for the past two years.

This provision should reduce workers compensation insurance premiums over the next few years. This bill also provides for an increase in benefits for a permanent partial disability. However, the effect of this increase should not totally offset the benefits derived

from the change in the computation of the wage base.

While NFIB/Alaska expressed serious concern about the effect of the increase in benefits on premiums, we strongly supported the change in the computation of the wage base. Since the bill originated from an independent committee representing business and organized labor, the Legislature would not consider passing one part of the bill without the other. On the current Alaska State Ballot 72% of the voting NFIB members favored the change to spendable weekly wage in the determination of workers compensation benefits.

Small Business Development Loan Program - HB 208: Establishes a small business development loan program in which loans of up to \$100,000 would be available to qualified borrowers at an interest rate equal to the federal discount rate plus 3%. At present, with the federal discount rate at 8½%, the interest rate for the program, if enacted, would be 11½%.

NFIB/Alaska has been unsuccessful to date in gaining serious consideration of this measure by the Legislature because of the confusion regarding numerous other existing loan programs, though none of them adequately address the needs of small businesses requiring long-term loans of \$100,000 or less. To get this bill moving, NFIB/Alaska needs your assistance in providing specific examples of business expansions that would take place if funding was available at reasonable interest rates. It would also be helpful to know if such expansion would create any additional jobs. On the current Alaska State Ballot, 67% of the voting members favored the concept of this legislation.

Alaska Administrative Journal - SB 132: Provides for the state to publish, on a bi-weekly basis, a journal which will include such items as notification of the publication of regulations; notices of state agency meetings, invitations to bid, state agency requests for proposals; and, the text or summary of the text of regulations which a state agency has adopted. The journal will not be published in written form and will only be available through the legislative data processing system. Access to this information will be through one of the legislative information offices. Since the legislation was just

signed, it will be some time before the system is operational. It is understood that the system will be designed so that a printout can be obtained of any desired information.

Toxic and Hazardous Substances - SB 79: Provides that if an employee works with a substance which OSHA has classified as toxic or hazardous, the employer will be required to make the employee aware of the substance and provide the employee, on request, with a copy of the information published by OSHA which explains the hazards of the substance.

THE CHALLENGE AHEAD

The long-range outlook regarding the financing of state operations is not good. Already the prospects of funding future state government operations and education in Alaska look bleak. Unless additional sources of revenue are found within the next three to four years, we will probably face significant increases in taxes to make up for declining oil-related revenues. NFIB/Alaska will be watching this closely and will keep you informed.

Many bills, introduced this year and carried into the 1984 session, would have either a positive or negative impact on the small business community. For example, HB 208, the small business loan program, is one of major interest to many NFIB/Alaska members. Additionally, the vote to override the Governor's veto of HB 210, requiring interest payment by the state on overdue accounts, will be brought to a vote early in the session.

One bill, HB 246, would have an adverse impact on small business. This bill provides for repeal of all interest rate limitations, and applies to interest rates charged by banks on loans to either individuals or businesses and to interest rates on credit extended by businesses, credit card companies, small loan companies, and credit unions. Because of the potential effect on various small businesses, the repeal of interest rate ceilings will be one of the key issues on the 1983-84 Alaska State Ballot. HB 246 has already been passed by the House and is presently in the Senate Labor and Commerce Committee.

Legislation is also pending to modify the Alaska Bidder Preference Law by granting Alaska bidders on state contracts a 5% price advantage over non-resident bidders. HB 106 would further protect Alaskan bidders by requiring that if a bid is a joint venture, all parties must be qualified Alaska businesses. This bill has also been passed by the House and is awaiting action in the Senate.

The equal access to justice issue will be a prime target for next year. Passage of this legislation would require state agencies to reimburse reasonable attorney fees and court costs to small businesses who are successful in civil cases involving state agencies. Such reimbursement should be retrieved from an agency's regular administrative budget to encourage fair and more efficient regulation and to avoid additional expense for state government. Such legislation, through NFIB member support throughout the country, has been passed at the federal level and in certain states. Note: To substantiate the need for this legislation in Alaska, NFIB/Alaska would appreciate hearing from members of their experiences when an unwarranted state fine/citation has been paid to avoid the time and cost of litigation.

Your NFIB will also be following through on other issues that you have strongly endorsed through your votes and comments on previous Alaska State Ballots. Some of these issues include increasing the percentage of employment security tax paid by employees, reducing state competition with the private sector, increasing the dollar amount for jurisdiction in a small claims court, and regulatory flexibility legislation.

Your continued support and active involvement in voting the NFIB/Alaska State Ballot is appreciated, as are your comments on the ballots and your response to alerts during the session. There is no substitute for the individual opinions of persons who can speak from their own experience about the impact of proposed legislation on their business operations.

THE RECORD

So you may know how your state senator and representative voted on selected issues of interest to independent

business, the following recorded votes are provided. It is recognized that this is not a perfect method of rating legislators since it does not give all the elements considered by lawmakers before a vote is cast on an issue, nor does it reflect individual voting patterns as members of various committees. Nevertheless, the voting record shown does indicate the general attitude of each legislator in regard to small business issues.

THE ISSUES

1. Limitation Of Length Of Legislative Session (HJR 2) - This measure provides that the Legislature meet for a regular session of not more than 120 days. (The session may be extended for up to ten calendar days by a vote of two-thirds of the membership of each

house.) The recorded vote shown is on final passage in the Senate (18 Yes, 2 No) and the House concurrence (33 Yes, 6 No, 1 Absent) to the resolution as amended in the Senate. A "Yes" vote supports the position of NFIB/Alaska

2. Exemption Of Business Inventories From Local Property Taxes (SB 53) - This measure permits the local cities and boroughs to exempt business inventories from local property taxation. The recorded vote shown is on final passage in both the Senate and the House. Senate: 14 Yes, 6 Excused; House: 38 Yes, 2 No. A "Yes" vote supports the position of NFIB/Alaska.

3. State Payment of Interest On Overdue Bills (HB 210) - This measure requires state agencies to pay interest of

1½% per month on bills not paid in within 30 days of receipt of an invoice. The recorded vote shown is on final passage in the Senate (18 Yes, 2 No) and the House concurrence (38 Yes, 2 No) to the bill as amended in the Senate. A "Yes" vote supports the position of NFIB/Alaska.

4. Wage Base Changed For Computing Workmen's Compensation (HB 311) - This measure provides for payment to be based on a worker's spendable weekly wage and provides for an increase in the benefits for a permanent partial disability. The recorded vote shown is on final passage in the Senate (17 Yes, 2 No, 1 Excused) and the House concurrence (35 Yes, 3 No, 2 Absent) to the bill as amended in the Senate. A "Yes" vote supports the position of NFIB/Alaska.

KEY: Y = Yes
N = No
— = Absent or not voting

SENATE		1.	2.	3.	4.	HOUSE		1.	2.	3.	4.
Bennett, Don (Fairbanks)		Y	Y	Y	Y	Duncan, Jim (Juneau)		N	Y	Y	Y
Eliason, Richard (Sitka)		Y	Y	Y	Y	Flood, Joe (Anchorage)		Y	Y	Y	Y
Fahrenkamp, Bettye (Fairbanks)		Y	Y	Y	N	Fritz, Milo H. (Anchor Point)		Y	Y	Y	Y
Faiks, Jan (Anchorage)		Y	—	Y	Y	Fuller, Jack (Nome)		Y	Y	Y	Y
Ferguson, Frank (Kotzebue)		Y	Y	Y	Y	Furnace, Walt (Anchorage)		Y	Y	Y	Y
Fischer, Paul (Soldotna)		Y	Y	Y	Y	Goll, Peter (Haines)		—	Y	Y	—
Fischer, Vic (Anchorage)		Y	Y	Y	N	Grussendorf, Ben (Sitka)		Y	Y	Y	Y
Gilman, Don (Kenai)		Y	Y	Y	Y	Hayes, Joe L. (Anchorage)		Y	Y	Y	Y
Halford, Rick (Chugiak)		Y	—	Y	—	Herrmann, Adelheid (Naknek)		Y	Y	Y	Y
Josephson, Joe (Anchorage)		Y	Y	Y	Y	Hurlbert, Vern (Sleetmute)		Y	Y	Y	Y
Kelly, Tim (Anchorage)		Y	Y	Y	Y	Koponen, Niilo (Fairbanks)		N	N	Y	N
Kerttula, Jalmar (Palmer)		Y	Y	N	Y	Lacher, Barbara (Wasilla)		Y	Y	Y	Y
Moss, H. Pappy (Delta Junction)		Y	—	N	Y	Larson, Ronald L. (Palmer)		Y	Y	N	Y
Mulcahy, Bob (Kodiak)		N	Y	Y	Y	Lindauer, John (Anchorage)		Y	Y	Y	Y
Pettyjohn, Fritz (Anchorage)		Y	—	Y	Y	Liska, John J. (Eagle River)		Y	Y	Y	Y
Ray, Bill (Juneau)		Y	Y	Y	Y	Malone, Hugh (Kenai)		N	N	Y	N
Rodey, Pat (Anchorage)		Y	Y	Y	Y	Martin, Terry (Anchorage)		Y	Y	Y	Y
Sackett, John (Ruby)		Y	Y	Y	Y	McBride, Jack (Ketchikan)		N	Y	N	Y
Sturgulewski, Arliss (Anchorage)		Y	—	Y	Y	Miller, Mike M. (Juneau)		N	Y	Y	Y
Ziegler, Robert H. (Ketchikan)		N	—	Y	Y	Miller, Mike W. (North Pole)		Y	Y	Y	Y
						Pestinger, Sam (Anchorage)		Y	Y	Y	Y
						Phillips, Randy (Eagle River)		Y	Y	Y	Y
						Ringsstad, John (Fairbanks)		Y	Y	Y	Y
						Shultz, Richard (Delta Junction)		Y	Y	Y	Y
						Szymanski, Mike (Anchorage)		Y	Y	Y	Y
						Tischer, Mae (Anchorage)		Y	Y	Y	Y
						Uehling, Rick (Anchorage)		Y	Y	Y	Y
						Vaska, Tony (Bethel)		N	Y	Y	Y
						Ward, Jerry (Anchorage)		Y	Y	Y	Y
						Wendte, Ron (Ketchikan)		Y	Y	Y	—
						Zharoff, Fred (Kodiak)		Y	Y	Y	Y

TABULATED RESULTS — 1983 ALASKA STATE BALLOT

TAXES/FISCAL

1. QUESTION

Should the portion of the Alaska Employment Security Tax paid by the employee be increased?

Favor	Oppose	Undecided	
$\frac{82\%}{1}$	$\frac{14\%}{2}$	$\frac{4\%}{3}$	11

2. QUESTION

Should the state provide funding for a new program to provide small business loans at moderate (12%) interest rates to stimulate small business development throughout the state?

Favor	Oppose	Undecided	
$\frac{67\%}{1}$	$\frac{25\%}{2}$	$\frac{8\%}{3}$	12

3. QUESTION

Assuming a new, small business loan program is created, should the program be administered by local banks rather than a state agency such as the Division of Business Loans?

Favor	Oppose	Undecided	
$\frac{71\%}{1}$	$\frac{21\%}{2}$	$\frac{8\%}{3}$	13

4. QUESTION

Should business inventories be exempted from local property taxes?

Favor	Oppose	Undecided	
$\frac{88\%}{1}$	$\frac{9\%}{2}$	$\frac{3\%}{3}$	14

5. QUESTION

Should the funds appropriated for the Permanent Fund Dividend Program be used for new harbors, airports and roads throughout Alaska instead of the individual grants to residents?

Favor	Oppose	Undecided	
$\frac{61\%}{1}$	$\frac{31\%}{2}$	$\frac{8\%}{3}$	15

LABOR

6. QUESTION

Should all primary corporate officers be given the option of exemption from the Alaska Employment Security Act?

Favor	Oppose	Undecided	
$\frac{73\%}{1}$	$\frac{19\%}{2}$	$\frac{8\%}{3}$	16

7. QUESTION

Should the wage base for computing workmen's compensation benefits be changed from the current average weekly wage to the spendable weekly wage?

Favor	Oppose	Undecided	
$\frac{72\%}{1}$	$\frac{16\%}{2}$	$\frac{12\%}{3}$	17

8. QUESTION

Should the maximum benefit paid under workmen's compensation for a permanent partial disability be increased?

Favor	Oppose	Undecided	
$\frac{17\%}{1}$	$\frac{65\%}{2}$	$\frac{18\%}{3}$	18

8A. If you favor an increase, indicate what maximum percentage increase you prefer.

10%	20%	35%	Undecided	
$\frac{26\%}{1}$	$\frac{26\%}{2}$	$\frac{11\%}{3}$	$\frac{37\%}{4}$	19

CONSTITUTIONAL AMENDMENT

9. QUESTION

Should legislation sessions be limited to a specified number of days with a maximum of two 15-day extensions, provided that each extension is approved by two-thirds of both chambers?

Favor	Oppose	Undecided	
$\frac{86\%}{1}$	$\frac{11\%}{2}$	$\frac{3\%}{3}$	20

9A. If you favor a limitation, indicate the maximum number of days you believe the Legislature should be in session, excluding any permitted extensions. (If you prefer no limitation, then mark "Oppose.")

90 days	$\frac{58\%}{1}$
105 days	$\frac{21\%}{2}$
120 days	$\frac{16\%}{3}$
Oppose	$\frac{3\%}{4}$
Undecided	$\frac{2\%}{5}$

GOVERNMENT

10. QUESTION

Should the Legislature authorize an analysis to determine what present activities of state government could be more effectively, efficiently, and less expensively performed by private enterprise?

Favor	Oppose	Undecided	
$\frac{84\%}{1}$	$\frac{13\%}{2}$	$\frac{3\%}{3}$	22

ANALYSIS OF HB 506

"An Act relating to payment for purchase by the State; and providing an effective date".

Section 1 (a) Requires the agency to pay on a required payment date as defined under terms of a contract or 30 days after receipt of proper invoice.

Subsection (b) Provides for the State to take advantage of any discounts offered by a vendor and if invoice is paid on time, the State agency will deduct the amount of the discount offered from the total amount of the invoice.

Subsection (c) Establishes the rate of interest at 1.5% per month that must be paid by the State for past due balance -- also provides for the exclusion of interest in the event the seller and the State have mutual agreement.

Subsection (d) 1. Exempts purchases of more than \$500,000 from the provisions of the bill.

Subsection (d) 2. Provides for an exemption in the event the State notifies the vendor or seller of a dispute in the invoice.

Subsection (e) Provides that any interest incurred by lack of prompt payment will be charged to the budget of the department involved.

Subsection (f) 1. Defines dispute as non-compliance, in performance or price, with the terms of the contract, as determined by administering State Officer.

Subsection (f) 2. Defines when payment is made.

Subsection (f) 3. Defines a state agency

Section 2. Exempts and contracts entered into before the effective date from this Act's provisions.

Section 3. Provides an effective date of July 31, 1983.

BACKGROUND ON HB 506

This bill has been supported by 92% of the 3600 Alaskan members of the National Federation of Independent Business. The State of Alaska is notorious for late payment of its invoices and statements. This neglect by State agencies has caused many small business' to borrow money to supplement their normal cash flow. Since the products or merchandise were purchased on a bid basis the profit margin was probably wiped out by the high interest rate charged by the loan institution.

Mr. Leonard Lemon, Comptroller of the U.S. Army at Fort Greely advised that their paying of invoices has become more routine and simplified since their compliance with the Prompt Payment Act--Public Law 97-177. This public law is now incorporated in Army regulations. The Prompt Payment Act carried 133 sponsors when it was introduced in Congress.

An argument put forth by the Administration is that only a small percentage of vendors are victims of this inattention but regardless of whether the bill is \$1000 or \$10000--if it is past due 60,90 or 120 days the financial position of that business caused by this lack of good faith can be devastating. The State has put a high annual fiscal cost to this bill-- this is just a good indication of what the vendors are carrying in past due accounts. There are many Alaskan business' that will not give our State agencies credit because of its poor paying habits.

This bill is needed in Alaska and it is supported by a large majority of Alaskan and other businesspersons.

Background/H/R 506