

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5094 HSTA HB 521 - HB 537

666

House Bill 3, which was introduced during the 13th Alaska Legislature, is identical to House Bill 521. As you can see, there was a great deal of support for HB 3 in the House in 1985.

\* CSHB 3(Jud)am

The question to be reconsidered: "Shall CSHB 3(Jud)am pass the House?" The roll was taken with the following result:

CSHB 3(JUD)AM RECON

Yeas: 34 Adams, Binkley, Boucher, Cato, Clocksin, Collins, Cotten, Duncan, Frank, Fuller, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Hurley, Jenkins, Koponen, Larson, Martin, Miller, M.M., Miller, M.W., Navarre, Pettyjohn, Phillips, Pignalberi, Pourchot, Rieger, Ringstad, Sund, Szymanski, Taylor, Thompson, Uehling

Nays: 4 Davis, Marrou, Pearce, Shultz

Excused: 1 Herrmann

Absent: 1 Wallis

And so, CSHB 3(Jud)am passed the House on reconsideration and was referred to the Chief Clerk for engrossment.

CSHB 17(Jud)

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 17 (Judiciary) (multiple convictions for motor vehicle theft and joyriding) which had been reported out of the Finance Committee and held in third reading under reconsideration (page 431) was again before the House in third reading.

The question to be reconsidered: "Shall CSHB 17(Jud) pass the House?" The roll was taken with the following result:

CSHB 17(JUD) RECONSIDERATION

Yeas: 34 Adams, Binkley, Boucher, Cato, Collins, Cotten, Duncan, Frank, Fuller, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Jenkins, Larson, Marrou, Martin, Miller, M.M., Miller, M.W., Navarre, Pearce, Pettyjohn, Phillips, Pignalberi, Pourchot, Rieger, Ringstad, Shultz, Sund, Szymanski, Taylor, Thompson, Uehling

Nays: 3 Clocksin, Davis, Koponen

Excused: 1 Herrmann

Absent: 2 Hurley, Wallis



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
**BILL ANALYSIS**

DEPARTMENT Public Safety	DIVISION Alaska State Troopers	BILL NUMBER HB 521	SPONSOR Rep. Frank
SHORT TITLE OF BILL Open containers of alcoholic beverages			
DEPARTMENT POSITION Support			
PREPARED BY Col. Robert E. Jent	DATE 2/29/88	COMMISSIONER'S SIGNATURE <i>Arthur Frank</i>	DATE

**SUMMARY**

OTHER AGENCIES AFFECTED BY BILL Department of law All law enforcement agencies	CONSTITUENT GROUP(S) AFFECTED BY BILL All licensed drivers
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT:       NONE       FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

This bill makes it an infraction for a person to drive a motor vehicle while there is an open container of alcoholic beverages in the passenger compartment. The basic purpose of the legislation is to discourage drinking while driving.

ANALYSIS OF BILL/PROGRAM EFFECTS

Nationally, the majority of serious and fatal accidents are connected with alcohol use by the driver. This measure will provide law enforcement officers with an additional deterrent to address this problem, although effective enforcement on a constant basis may prove difficult.

AMENDMENTS PROPOSED

This bill provides that a person is deemed to have consented to a preliminary breath test (PBT) if he drives with an open container in the vehicle. In Leslie v. State, 711 P. 2d 575 (Ct. App. 1986) the court of appeals held that a PBT result could not be used to help an officer decide whether to arrest a subject; the officer already has to have probable cause to arrest before he can require the driver to take a preliminary breath test. The bill, as presently drafted, does not address this issue.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

BILL NO: HB 521

DATE: 2/29/88

TITLE: "An Act relating to open containers of alcoholic beverages in motor vehicles."

CONTACT: Col. Robert E. Jent  
269-5641

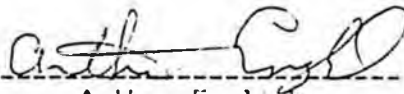
DEPARTMENT OF PUBLIC SAFETY

This bill makes it an infraction for a person to drive a motor vehicle while there is an open container of alcoholic beverages in the passenger compartment. The basic purpose of the legislation is to discourage drinking while driving.

Nationally, the majority of serious and fatal accidents are connected with alcohol use by the driver. This measure will provide law enforcement officers with an additional deterrent to address this problem, although effective enforcement on a constant basis may prove difficult.

This bill provides that a person is deemed to have consented to a preliminary breath test (PBT) if he drives with an open container in the vehicle. In Leslie v. State, 711 N. 2d 575 (Ct. App. 1986) the court of appeals held that a PBT result could not be used to help an officer decide whether to arrest a subject; the officer already has to have probable cause to arrest before he can require the driver to take a preliminary breath test. The bill, as presently drafted, does not address this issue.

The Department of Public Safety supports this legislation.



Arthur English  
Commissioner

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
 Title: "An Act relating to open containers  
of alcoholic beverages in vehicles." BRU: Alaska State Troopers  
 Sponsor: Rep. Frank Components: Detachments  
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

Prepared by: Francis C. Allan *F.C.A.*  
 Division: Alaska State Troopers

Phone: 269-5691  
 Date: 2/23/88

Approved by Commissioner: \_\_\_\_\_  
 Agency: Public Safety

Date: \_\_\_\_\_

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

H B

5 2 3

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: LABOR AND COMMERCE

BILL: HB 523

CURRENT VERSION: CS HB 523 (SA)

SCHEDULED: MARCH 2, 1988

SPONSOR: FRANK

PHONE NO: 3709

CONTACT FILE: \_\_\_\_\_

BILL SUBJECT: AN ACT RELATING TO PROCUREMENT PREFERENCES FOR CERTAIN PRODUCTS

SPONSOR BACKUP: IN PACKET

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
ADMIN	PUSHPENDER/2200	NOTIFIED 2/24/88
DCED	LINDA WILD	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
ADMIN	2/25/88	2/29/88	-0-	-0-
COMMERCE & ECONOMIC DEVELOPMENT		3/1/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
3/2/88	CS HB 523 (SA) PASSED FROM COMMITTEE

# HOUSE COMMITTEE REPORT

(7)

Date referred: 2/15/88

FURTHER REFERRALS: Labor & Commerce  
Finance

DATE: 3-2-88

The State Affairs Committee has considered HB 523

"An Act relating to procurement preferences for certain products."

**RECOMMENDS:**

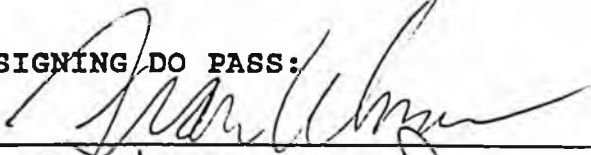
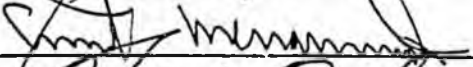
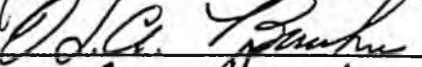

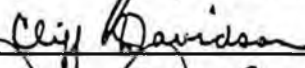
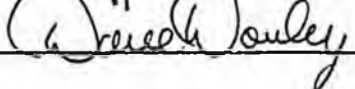
- replace with CS HB 523  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

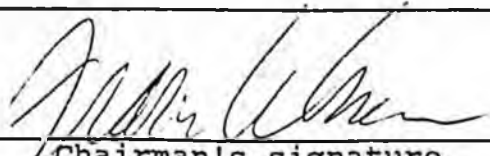
- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- 2  zero with analysis

**SIGNING/DO PASS:**

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

  
 \_\_\_\_\_  
 Chairman's signature

Original sponsors: Frank and Menard

IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 523 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to procurement preferences for certain products."

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

\* Section 1. AS 36.30.324 is amended to read:

Sec. 36.30.324. USE OF ALASKA PRODUCTS. Alaska products shall be used whenever practicable in procurements for an agency. Alaska recycled products shall be used whenever appropriate for the intended use and when of comparable quality.

\* Sec. 2. AS 36.30.332(a) is amended to read:

(a) The commissioner of commerce and economic development shall adopt regulations establishing the value added in the state for materials and supplies produced or manufactured in the state that are used in a state procurement and establishing whether a product qualifies as a recycled Alaska product. The commissioner [AND] shall publish a list of the products annually. A supplier may request inclusion of its product on the appropriate list.

\* Sec. 3. AS 36.30.338 is amended by adding a new paragraph to read:

(4) "recycled Alaska product" means an Alaska product of which not less than 50 percent of the value of the product consists of a product that was previously used in another product, if the recycling process is done in the state.

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
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POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affrs:*

*March 2 - 1988*

1 IN THE HOUSE

BY FRANK

2

HOUSE BILL NO. 523

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to procurement preferences for  
7 certain products."

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

9 \* Section 1. AS 36.30.328 is amended to read:

10 Sec. 36.30.328. GRANT OF PREFERENCE. In the evaluation of a bid  
11 or proposal for a procurement for an agency, a bid or offer that  
12 designates the use of Alaska products identified in the contract  
13 specifications and designated as Class I, Class II, or Class III state  
14 products under AS 36.30.332 is decreased by

15 (1) the percentage of the value of the designated Alaska  
16 products under AS 36.30.332; and

17 (2) an additional five percent, if the product also quali-  
18 fies as a recycled Alaska product.

19 \* Sec. 2. AS 36.30.330(b) is amended to read:

20 (b) A person is not a responsible bidder or offeror if, in the  
21 preceding three years, the person has twice designated the use of an  
22 Alaska product or a recycled Alaska product in a bid or proposal for a  
23 procurement for an agency and has each time failed to use the desig-  
24 nated [ALASKA] product for reasons within the control of the bidder or  
25 offeror.

26 \* Sec. 3. AS 36.30.330(c) is amended to read:

27 (c) The procurement officer shall report to the commissioner of  
28 commerce and economic development each contractor penalized under (a)  
29 or (d) of this section. The commissioner of commerce and economic

1 development shall maintain a list of contractors determined not to be  
2 responsible bidders under (b) of this section.

3 \* Sec. 4. AS 36.30.330 is amended by adding new subsections to read:

4 (d) If a successful bidder or offeror who designates the use of  
5 a recycled Alaska product in a bid or proposal for a procurement for  
6 an agency fails to use the designated product for a reason within the  
7 control of the successful bidder or offeror, each payment under the  
8 contract shall be reduced by five percent.

9 (e) If a successful bidder or offeror receives a percentage  
10 reduction under both (a) and (d) of this section, the percentage of  
11 the reduction shall equal the sum of both reductions.

12 \* Sec. 5. AS 36.30.332(a) is amended to read:

13 (a) The commissioner of commerce and economic development shall  
14 adopt regulations establishing the value added in the state for mate-  
15 rials and supplies produced or manufactured in the state that are used  
16 in a state procurement and establishing whether a product qualifies as  
17 a recycled Alaska product. The commissioner [AND] shall publish a  
18 list of the products annually. A supplier may request inclusion of  
19 its product on the appropriate list.

20 \* Sec. 6. AS 36.30.338 is amended to read:

21 Sec. 36.30.338. DEFINITIONS. In AS 36.30.322 - 36.30.338

22 (1) "Alaska product" means a product of which not less than  
23 25 percent of the value, as determined in accordance with regulations  
24 adopted under AS 36.30.332(a), has been added by manufacturing or  
25 production in the state;

26 (2) "manufactured lumber products" does not include recycled  
27 Alaska products;

28 (3) "produced or manufactured" means processing, develop-  
29 ing, or making an item into a new item with a distinct character and

1 use through the application within the state of materials, labor,  
2 skill, or other services;

3 (4) [(3)] "product" means materials or supplies but does  
4 not include gravel and asphalt;

5 (5) "recycled Alaska product" means an Alaska product of  
6 which not less than 50 percent of the value of the product consists of  
7 a product that was previously used in another product.

8

Recognize

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AAC is amended by adding a new chapter to read:

CHAPTER 92. ALASKA PRODUCT PREFERENCE.

Section

10. Alaska product preference list
20. Certification of eligibility for product preference
30. Product classification
40. Inspection of manufacturing facilities
50. Records provided by the contractor
60. Disputes regarding classification
70. Preference determination for printing and duplication
80. Forest products
90. Eligibility for preference on a bid
900. Definitions

3 AAC 92.010. ALASKA PRODUCT PREFERENCE LIST (a) The department will publish a semiannual final "Alaska product preference list" required by AS 36.30.332 on the first working day of April and on the first working day of October. Copies of the current list are available from any office of the department.

(b) Only products included in the most recently published final list may be given a preference under AS 36.30.328 and AS 36.30.332.

(c) A product will be included in the next list published at least 60 days after the product is certified by the department under 3 AAC 92.020 as eligible for a Class I, Class II, or Class III preference.

(d) If the department inspects premises of a firm whose product has been included in the list under (c) of this section and determines that the product no longer qualifies for its

certified product preference, the department will make the appropriate change when it publishes the next list.

(e) Forty-five (45) days before the publication day for a semiannual final list under (a) of this section, a preliminary list will be published and distributed to those whose products are included and to other interested parties who have provided their addresses to the department. Objections to any aspect of a preliminary list must be made in writing to the commissioner no later than 30 days before the publication date for the final list. The commissioner will make a written ruling on an objection no later than 15 days before the publication of the final list. The final list may be appealed to the Superior Court under AS 22.10.020. (Eff. / / , Register )

Authority: AS 36.30.332(a)

3 AAC 92.020. CERTIFICATION OF ELIGIBILITY FOR PRODUCT PREFERENCE. (a) A person or firm wishing to receive an Alaska product preference and be included on the list must

(1) apply for certification on a form provided by the department; and

(2) have its production or manufacturing facility inspected by, or receive a waiver of inspection from, the department under 3 AAC 92.040.

(b) A certification is valid for two years after publication of the first list on which the product is included. A person or firm wishing to renew a certification must apply for renewal to the department by completing a renewal form provided by the department.

(c) The certification of eligibility for an Alaska product preference will contain the date of the list on which product will first be included and the deadline for submission of an application for renewal of the certification.

(d) To qualify for certification of eligibility for an Alaska product preference, a product must be produced or manufactured at a facility that is separate from the job site where the product is installed or delivered. (Eff. / / , Register )

Authority: AS 36.30.332(a)

3 AAC 92.030. PRODUCT CLASSIFICATION. (a) The commissioner will only classify a product that is verified by the applicant under the penalties for unsworn falsification, on the form required by 3 AAC 92.020(a)(1), to be an "Alaska product" as defined in AS 36.30.338(1).

(b) The commissioner will classify an Alaska product as a Class III product if

(1) it is produced or manufactured, as defined in AS 36.30.338(2), in Alaska;

(2) responsibility for the final outcome of the production or manufacturing process is controlled by an Alaskan producer or manufacturer; and

(3) either

(A) no manufacturing step is performed outside Alaska; or

(B) a manufacturing step or section, the absence of which would not alter the distinctiveness of the character of the product, is sub-contracted out of state.

(c) The commissioner will classify an Alaska product as a Class II product if

(1) it is primarily produced or manufactured, as defined in AS 36.30.338(2), in Alaska; and

(2) responsibility for the final outcome of the production or manufacturing process is controlled by an Alaskan producer or manufacturer but a significant step or section is sub-contracted out of state.

(d) The commissioner will classify an Alaskan product as a Class I product if

(1) it is produced or manufactured, as defined in AS 36.30.338(2), in Alaska;

(2) responsibility for the final outcome of the production or manufacturing process is controlled by an Alaskan producer or manufacturer; and

(3) the product either

(A) involves the custom assembly in Alaska of prefabricated parts that are primarily manufactured outside Alaska such that the finished product is still defined by the same generic name as the prefabricated parts; or

(B) a majority of the total steps of the manufacturing process are subcontracted outside Alaska, but a significant portion of the steps, or the final assembly or finishing, which determine the distinct character of the product are performed in Alaska. (Eff. / / , Register )

Authority: AS 36.30.332(a)

3 AAC 92.040. INSPECTION OF MANUFACTURING FACILITIES. (a) A person or firm must be inspected by, or receive a waiver of inspection from, the department before their product can receive a certification of eligibility for the Alaska product preference list described in 3 AAC 92.010. The department will grant a waiver of inspection if, in its discretion, it determines that an inspection would not be necessary or feasible.

(b) When a manufacturing facility is being inspected, the manufacturer must provide access as required by 2 AAC 12.510.

(c) A product that has been certified as eligible for an Alaska product preference must be manufactured at the location that was inspected by the department as the production or manufacturing site for that product.

(d) If the facility at which a product certified as eligible for an Alaska product preference is produced or manufactured is relocated after certification, the producer or manufacturer must request an inspection of the relocated facility at least 15 days before either

(1) the publication of the invitation to bid or request for proposals for which the producer or manufacturer is seeking a product preference; or

(2) the production or manufacture of the product if contract has already been let at the time of the relocation.

(e) After a relocated production or manufacturing facility has been inspected under (d) of this section or the department has waived the inspection under (a) of this section, the department will issue a revised product certification. A copy of the revised certification must be included in the contract documentation by a contractor who has received an Alaska product preference for an Alaska product produced or manufactured at the facility, if the relocation occurred during performance of the contract. (Eff. / / , Register )

Authority: AS 36.30.332

3 AAC 92.050. RECORDS PROVIDED BY THE CONTRACTOR. (a) A firm or person that received an Alaska product preference in a bid or offer shall keep records documenting the use of the Alaska product. These records must be provided to the procurement officer of the department awarding the contract

- (1) on the written request of the procurement officer;
- (2) on the anniversary date of the contract award if the contract performance has been completed; and
- (3) on final completion of contract performance.

(b) A contractor who, under AS 36.30.322(a), has supplied Alaska timber, lumber, or manufactured lumber products to a state agency or for a state project that involves Alaska forest products, shall provide the records required by AS 36.30.322(c) to the appropriate procurement officer as required by (a) of this section and at least every six months. (Eff. / / , Register )

Authority: AS 36.30.322(c)

AS 36.30.332(a)

3 AAC 92.060. DISPUTES REGARDING CLASSIFICATION. (a) If a dispute arises about the classification under 3 AAC 92.030 of a type of product, the classification determination made by the

department shall be the classification in effect until the department adopts more detailed regulations for classification for that particular product type. Any interested person or firm may petition the commissioner under AS 44.62.220 to adopt such regulations.

(b) A dispute regarding classification of, or certification of, an Alaska product or regarding any other aspect of the Alaska product preference list must be resolved under 3 AAC 92.010(e) and is not grounds for a protest to a procurement officer under AS 36.30.560 -- 36.30.699 of a contract award, proposed award, or solicitation by an agency. (Eff. / / , Register )

Authority: AS 36.30.332(a)

3 AAC 92.070. CLASSIFICATION DETERMINATION FOR PRINTING AND DUPLICATION. (a) If a section of a larger publication or document is printed outside Alaska but all other steps are performed in Alaska, the product will be classified as a Class II Alaska product.

(b) If printing of a publication or document is performed in Alaska but a finish step including binding, finishing, and trimming is performed outside Alaska, the product will be classified as a Class II Alaska product.

(c) If printing of a publication or document is performed in Alaska but steps executed by a color trade house including

preparation and proofing of plate ready film occur outside Alaska, the product will be classified as a Class II Alaska product. (Eff. / / , Register )

Authority: AS 36.30.332(a)

3 AAC 92.080. FOREST PRODUCTS. (a) A manufacturer or supplier of timber, lumber, and manufactured lumber products originating from Alaska forests shall file with the commissioner by March 1 of each year an annual statement of willingness to manufacture or supply Alaska forest products to state agencies or for state projects. The commissioner will include those who file such a statement in a separate section of the April final Alaska product preference list. Procurement officers of state agencies may use that section of the list to give the notice of forest products needs required by AS 36.30.322(a).

(b) Procurement preference for timber and lumber harvested in Alaska, and for products manufactured in Alaska from timber and lumber that has been harvested in Alaska, is governed by AS 36.15.050, not by this chapter or by AS 36.30.326 - 36.30.332. (Eff. / / , Register )

Authority: AS 36.15.050  
AS 36.30.332(c)  
AS 36.30.332(a)  
AS 36.30.336

3 AAC 92.090. ELIGIBILITY FOR PREFERENCE ON A BID. (a) The final Alaska product preference list that was published at least 30 days before an invitation to bid or request for proposal is issued will be the basis for establishing the percentage of Alaska product preference for the products to be included in responses to the invitation or request.

(b) The Alaska products preference percentages set out in AS 36.30.332 will be applied to the unit cost of the Alaska product or products designated for use by the contractor in his or her bid or proposal and not to the contractor's total bid or proposal. (Eff. / / , Register )

Authority: AS 36.30.332

3 AAC 92.900. DEFINITIONS. In this chapter

(1) "commissioner" means the commissioner of commerce and economic development;

(2) "department" means the Department of Commerce and Economic Development.

(b) In AS 36.30.332(b), "value added" does not include the cost of transportation.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: An Act relating to procurement preferences for certain products BRU: General Services & Supply  
 Sponsor: Frank Components: Purchasing  
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note addresses the administrative cost of the bill on the bidding process.

Prepared By: Robert J. Link *Robert J. Link* Phone: 465-2250  
 Division: General Services & Supply Date: 02/25/88

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 2/29/88  
 Agency: Department of Administration

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

POSITION PAPER  
HB 523

This bill attempts to encourage the manufacture of recycled products within Alaska by providing a 5% preference above existing preferences. A bidder offering Alaskan products made of recycled products could qualify for a total of 17% in preferences. The impact of the cost of administering the bid process would be minimal.

We have a neutral position on this bill because we have no way to assess the positive impact of encouraging the use of recycled products versus the potential increase in purchase price and having a preference which favors one Alaskan bidder over another.

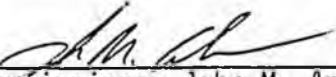
We would recommend amending the bill as follows:

Section 6, Section 36.30.338(5) "recycled Alaska product" means an Alaskan product of which not less than 50% of the value of the product consists of a product that was previously used in another product and the recycling process was performed in Alaska.

This would avoid the situation in which one Alaskan vendor received a 5% greater preference for using a product which was recycled someplace other than Alaska.

  
\_\_\_\_\_  
Robert J. Link, Director  
Division of General Services & Supply

2/25/88  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Commissioner John M. Andrews  
Department of Administration

2/29/88  
\_\_\_\_\_  
Date

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: "An Act relating to procurement preference for certain products" BRU: Division of Business Development  
Sponsor: Representative Frank Components: \_\_\_\_\_  
Requester: State Affairs Committee

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL		-0-	-0-	-0-	-0-	-0-
---------	--	-----	-----	-----	-----	-----

REVENUE		-0-	-0-	-0-	-0-	-0-
---------	--	-----	-----	-----	-----	-----

FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

HB 523 states that, in the evaluation of a bid or proposal for procurement for an agency, the offeror or bidder receive additional five percent preference for products that qualify as recycled Alaskan products. The implementation of this legislation can be handled within the division budget at this time.

Prepared by: Larry Mercurieff, Director Phone: 465-2017  
Division: Business Development Date: March 1, 1988

Approved by Commissioner: J. Anthony Smith Date: March 1, 1988  
Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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



# MAKE IT ALASKAN, INC.

3202 Spenard Road, Suite 200  
P.O. Box 93001  
Anchorage, Alaska 99509-3001  
(907) 258-2878

FEB 19 1988

February 17, 1988

## EXECUTIVE COMMITTEE

### President

P. David Choquette

### Vice-President

Scott Hawkins

### Treasurer

Denise Knapp

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Jerry Weaver

Doug Wise

Connie Yoshimura

## EX-OFFICIO

Charity Kallow

Caren Mathis

James Wiedeman

Rep. Drue Pearce  
Post Office Box V  
Juneau, Alaska 99811

Dear Rep. Pearce:

Make It Alaskan, Inc., supports and encourages the passage into legislation of House Bill 450, an act relating to out-of-state solicitation for state contracts and state employees.

Considering Alaska's current economic condition and the high rate of unemployment, it is now more important than ever to take positive steps to ensure that, whenever possible, Alaskans and Alaskan firms are given the maximum opportunity to participate in the economic recovery and development of the state. The vitality generated by employed and contributing citizens and businesses in the state of Alaska will provide an energy and source of pride in state and community that promises to surpass even the financial benefit.

House Bill 450 gives Alaskan residents and Alaskan businesses the advantage of being asked first. Make It Alaskan, Inc., firmly believes that the state SHOULD ask Alaskans first; now, in these difficult times, and always.

Please consider this a statement of support and we will help in any way possible to assure passage in the Legislature this year. Let me know what we can do.

Kindest personal regards,

P. David Choquette  
President  
Make It Alaskan, Inc.

PDC/tal

POSITION PAPER  
HB 523

This bill attempts to encourage the manufacture of recycled products within Alaska by providing a 5% preference above existing preferences. A bidder offering Alaskan products made of recycled products could qualify for a total of 17% in preferences. The impact of the cost of administering the bid process would be minimal.

We have a neutral position on this bill because we have no way to assess the positive impact of encouraging the use of recycled products versus the potential increase in purchase price and having a preference which favors one Alaskan bidder over another.

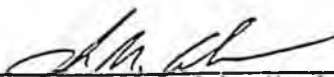
We would recommend amending the bill as follows:

Section 6, Section 36.30.338(5) "recycled Alaska product" means an Alaskan product of which not less than 50% of the value of the product consists of a product that was previously used in another product and the recycling process was performed in Alaska.

This would avoid the situation in which one Alaskan vendor received a 5% greater preference for using a product which was recycled someplace other than Alaska.

  
\_\_\_\_\_  
Robert J. Link, Director  
Division of General Services & Supply

2/25/88  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Commissioner John M. Andrews  
Department of Administration

2/29/88  
\_\_\_\_\_  
Date

H B

5 2 8

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: FINANCE

BILL: HB 528

CURRENT VERSION:

SCHEDULED: MARCH 9, 1988

SPONSOR: DAVIDSON

PHONE NO: 2487

CONTACT FILE: \_\_\_\_\_

BILL SUBJECT: AN ACT RELATING TO THE COMPOSITION OF THE ALASKA NAVAL MILITIA

SPONSOR BACKUP: POSITION PAPER, ETC.

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
DVMA	MORRISON/4600	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
DVMA	3/4/88	3/2/88	-0-	-0-

ACT N

<u>DATE</u>	<u>COMMENT</u>
3/9/88	PASSED FROM HOUSE STATE AFFAIRS

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affrs.*

*March 9, 1988*

# HOUSE COMMITTEE REPORT

(7)

Date referred: 2/17/88

FURTHER REFERRALS: Finance

DATE: 3-9-88

The State Affairs Committee has considered HB 528

"An Act relating to the composition of the Alaska Naval Militia."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(s):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO/PASS:**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
Chairman's signature



# CONSIDERATIONS

## MEMBERSHIP

allowing membership pool to expand -  
position paper indicator that there  
be a memo of agreement FOU CG  
to become part of reality -

problem starting but now is  
limited review -

the process of taking mission definition  
need clear def of mission, st

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

POSITION PAPER  
HB528

An Act relating to the composition of the Alaska Naval Militia

Summary of Bill: This bill adds members of the United States Coast Guard Reserve (USCGR) to the Alaska Naval Militia. The Alaska Naval Militia currently consists of members of the U.S. Naval Reserve and the U.S. Marine Corps Reserve, and former members of the U.S. Armed Forces who have chosen to enlist (A.S.26.05.030(b,c)).

Effect of Bill on the Department of Military and Veterans Affairs (DMVA): This bill, if passed, would essentially act as enabling legislation and direction to allow USCGR members to join the Alaska Naval Militia. Before any USCGR member could actually join, DMVA would need to obtain a written Memorandum of Agreement, or similar document, approved by the Commandant of the United States Coast Guard. At the current time, DMVA is in the process of refining the mission statement and clarifying the command and control structure of the Alaska Naval Militia. The resources available to accomplish this task are limited to the current membership of the Alaska Naval Militia, serving on a very limited basis. Completion of this task is believed to be very desirable prior to initiating discussions with the Commandant of the U.S. Coast Guard concerning the needed Memorandum of Agreement to implement the proposed legislation. We expect that this task will be accomplished by October 1, and that we would be able to initiate discussions with the Commandant of the USCG after that date.

Position: The Department of Military and Veterans Affairs philosophically supports HB528. However, for the reasons discussed above, we would prefer that action be withheld on this legislation until the next legislative session. We will keep in contact with the sponsor of the legislation to advise him on progress of the tasks necessary to implement the intent of HB528.

Agency Contact: Jeff Morrison, Legislative Liaison, Director of Administrative and Support Services Division; 465-4600

for J Morrison  
MG John W. Schaeffer  
The Adjutant General  
Department of Military  
and Veterans Affairs

March 2, 1988  
Date

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to the composition  
of the Alaska Naval Militia  
Sponsor: Davidson  
Requestor: Davidson

Agency Affected: Military & Veterans Affairs  
BRU: Alaska National Guard  
Components: Office of the Adjutant General

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Passage of this legislation will have no direct fiscal impact on the Department of Military and Veterans Affairs.

Prepared by: Jeff Morrison  
Division: Administrative & Support Services, DMVA  
Approved by: Commissioner MG John W. Schaeffer  
Agency: Department of Military & Veterans Affairs

Phone: 465-4600  
Date: March 2, 1988  
Date: March 2, 1988

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

1 1  
page of

D E P A R T M E N T   O F   T H E   N A V Y  
 Navy Liaison Officer Alaska  
 Naval Reserve Military Plans 1622  
 Department of Military and Veterans Affairs  
 Suite 620 Frontier Building  
 3601 C Street  
 Anchorage, Ak 99503-5989

1000  
 7 Feb 88

Mr. Jeffery J. Morrison  
 DMVA Legislative Liaison  
 PO Box L  
 Juneau, AK 99811

Dear Jeff:

Attached are (1) distribution of home towns of members of the Alaska Naval Militia and (2) individual unit mission statements and manning. These items are provided as we discussed at the DMVA Trade Fair. The Alaska Naval Militia is at your service

Respectfully,



T. W. STRAUGH  
 Chief of Staff

Attachments (2)

ASSD DIR	ASSD ANCH	SUP ANCH	FMO	KJLIS	TAG
SEC	Department of Military and Veterans Affairs				DEI
ACCT	FEB 10 1988				ADES
PERS					VETS
Administrative & Support Services Division (ASSD)					
NOTE:					

Number of Naval Militia by  
Home Town

<u>Town</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>
Anchorage	18	45	63
North Pole	1	2	2
Kodiak	1		1
Dillingham	1		1
Delta Junction	1		1
Kenai	1	1	2
Eagle River		3	3
Adak	1		1
Wasilla		9	9
Fairbanks		8	8
Palmer		4	4
Sand Point		1	1
Bethel		1	1
Gakona		1	1
Fort Richardson		1	1
Total	24	76	100

---

ALASKA NAVAL MILITIA

1000  
SER 001  
05 OCT 87

FROM: COMMANDING OFFICER, ALASKA NAVAL MILITIA  
TO: ADJUTANT GENERAL OF THE STATE OF ALASKA

SUBJECT: ALASKA NAVAL MILITIA UNIT MISSION AND MANNING

ATTACHMENT: (1) UNIT MISSION AND MANNING REPORTS  
(2) AKNM MANNING 1 DEC 84 THRU 30 SEP 87

Attachments (1) and (2) are provided to update your information regarding the Alaska Naval Militia unit missions and manning.

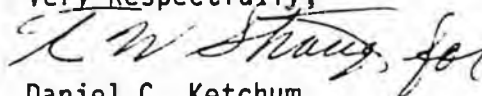
Combined manning levels are as follows:

	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
1 DEC 84	22	45	67	-
30 SEP 85	22	51	73	+6
30 SEP 86	20	62	82	+9
30 SEP 87	19	67	86	+4

The manning has increased from recommissioning 1 December 84 to date by a total of 17 members as of 30 September 87. Assertive recruiting resulted in additional members.

The Alaska Naval Militia is a positive aid to recruiting, retention and morale. Parity with the sister reserve components attained through your leadership is appreciated.

Very Respectfully,



Daniel C. Ketchum  
CAPT USNR-R

COPY TO: Unit COs  
Petty Officer in Charge  
Chief of Staff

Attachment (2)

ALASKA NAVAL MILITIA

MEDICAL UNIT

MISSION: To train medical support personnel for rapid mobilization during natural disaster or civil emergency within the state of Alaska; and, to provide medical/surgical care as needed within the capabilities of unit medical personnel.

PETTY OFFICER IN CHARGE: HM1 Linda Gardman, USNR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
0	5	5	+1

ALASKA NAVAL MILITIA

LSD UNIT

MISSION: To provide trained manpower support to the state of Alaska in support of maritime public safety operations during times of natural disaster or civil emergency.

COMMANDING OFFICER: LCDR Ron Kahlenbeck, USNR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
2	8	10	-2

ALASKA NAVAL MILITIA

WEAPONS STATION UNIT

MISSION: To provide trained personnel to assist the state of Alaska in loading and moving cargo of any type (including explosives by rail, truck, or sea in the event of natural disaster or civil emergency within the state of Alaska.

COMMANDING OFFICER: CW04 David Owens, USNR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
1	18	19	-1

ALASKA NAVAL MILITIA

NAVAL CONSTRUCTION UNIT

MISSION: To provide civil emergency and disaster recovery construction support to the state of Alaska in coordination with other state organizations and within the capabilities of the unit.

COMMANDING OFFICER: LT Will Painter, USNR  
ENS Brian Carey, USNR (1 OCT 87)

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
2	10	12	+2

ALASKA NAVAL MILITIA

ARCTIC OPERATIONS UNIT

MISSION: To provide planning for conduct of cold weather operations, providing cold weather advisors, conducting engineer route reconnaissance, providing command duty and staff watch standers, giving light combat engineering support and establishing a point of contact for coordination with other US Marine Corps units and activities.

COMMANDING OFFICER: LTC Roger Saft, USMCR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
1	3	4	+1

ALASKA NAVAL MILITIA

RECONNAISSANCE UNIT

MISSION: To provide engineering route reconnaissance services to the commanding officers/petty officer in charge of Alaska Naval Militia units and other units under the cognizance of the Adjutant General within the capabilities of the unit.

COMMANDING OFFICER: CW03 Frank Pauli, USMCR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
1	7	8	-1

ALASKA NAVAL MILITIA

NAVAL CONTROL OF SHIPPING UNIT

MISSION: To provide support to the state of Alaska in the event of maritime disasters or related emergencies. Support includes expertise in cargo vessel routing and reporting; liaison with port and shipping authorities; and, auxiliary support in general administration and management

COMMANDING OFFICER: CDR John Alexander, USNR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
8	12	20	+3

ALASKA NAVAL MILITIA

INTELLIGENCE UNIT

MISSION: To provide support to the state of Alaska in the form of intelligence information and briefings as requested within the capabilities of the unit.

COMMANDING OFFICER: CDR William Knauer, USNR

MANNING (30 SEP 87)

<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAIN/LOSS</u>
2	3	5	+1

ALASKA NAVAL MILITIA

SKILLS SUMMARY

<u>SKILLS</u>	<u>NUMBER</u>
coxswain (boat operators)	7
diver	4
port/shipping control	14
medical support	9
computer applications	15
clerical support	16
electricians	11
plumbers	4
carpenters	13
heavy equipment operators	13
hvac (heating,vent., air cond.)	0
welders	4
diesel mechanics	7
power plant operators	10
food service	3
fire fighter	29
law enforcement	23
communications (radio operators)	17
cargo handling	29
cargo movement	29
blasting	4
explosive ordinance disposal	4
back country skier	8
mountain climber	2
public relations	5
legal support	0
instructor	24
damage assessment	11
administrative support	18

These data are effective 30 Sep 87.

ALASKA NAVAL MILITIA  
UNIT BY YEAR MANNING 1 DEC 84 THROUGH 30 SEP 87

	<u>OFFICER</u>	<u>ENLISTED</u>	<u>TOTAL</u>	<u>GAINS/LOSS</u>
1 DEC 84				
WPNSTA	2	18	20	-
NCSO	7	8	15	-
INTEL	2	1	3	-
MED	2	4	6	-
NAV CONST	1	13	14	-
LSD	-	-	-	-
RECON	-	-	-	-
ARCTIC OPS	5	1	6	-
STAFF	3	0	3	-
TOTAL	22	45	67	-
30 SEP 85				
WPNSTA	2	11	13	-7
NCSO	5	9	14	-1
INTEL	3	1	4	+1
MED	2	4	6	0
NAV CONST	1	12	13	-1
LSD	2	12	14	-
RECON	-	-	-	-
ARCTIC OPS	4	2	6	0
STAFF	3	0	3	-
TOTAL	22	51	73	+6
30 SEP 86				
WPNSTA	2	18	20	+7
NCSO	7	10	17	+3
INTEL	3	1	4	0
MED	0	4	4	-2
NAV CONST	1	9	10	-3
LSD	2	10	12	-2
RECON	0	9	9	+9
ARCTIC OPS	2	1	3	-3
STAFF	3	0	3	0
TOTAL	20	62	82	+9
30 SEP 87				
WPNSTA	1	18	19	-1
NCSO	8	12	20	+3
INTEL	2	3	5	+1
MED	0	5	5	+1
NAV CONST	2	10	12	+2
LSD	2	8	10	-2
RECON	1	7	8	-1
ARCTIC OPS	1	3	4	+1
STAFF	2	0	2	-1
TOTAL	20	62	82	+9

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# STATE OF ALASKA THE LEGISLATURE

FOUCHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affrs:*

*April 12 ~ 1988*

*April 18 ~ 1988*

# HOUSE COMMITTEE REPORT

4/19  
Finance

(7)

Date referred: 4/15/88

FURTHER REFERRALS:

DATE: 4-18-88

The State Affairs Committee has considered HB 529

"An Act relating to workers' compensation benefits for members of the state's organized militia; and providing for an effective date."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact
- zero fiscal note
- zero with analysis
- same as previous <sup>2</sup> fiscal note<sup>s</sup> published 2/17/88
- same as previous zero fiscal note published 2/17

**SIGNING DO PASS:**

*[Signature]*  
 \_\_\_\_\_  
*[Signature]*  
 \_\_\_\_\_  
 Cliff Davidson  
 \_\_\_\_\_  
*[Signature]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*[Signature]*  
 \_\_\_\_\_  
 Chairman's signature

TALKING PAPER HB 529

MILITIA COMPOSITION

ALASKA MILITIA COMPOSED OF TWO ELEMENTS

1. ORGANIZED MILITIA (AS 26.05.010 (b) (1)) CONSISTING OF:
  - A. ALASKA NATIONAL GUARD MADE UP OF:
    1. ALASKA AIR NATIONAL GUARD
    2. ALASKA ARMY NATIONAL GUARD
  - B. ALASKA NAVAL MILITIA
  - C. ALASKA STATE MILITIA
2. UNORGANIZED MILITIA (AS 26.05.010 (b) (2))

TALKING PAPER HB529

MILITIA DUTY STATUSES

STATE ACTIVE DUTY (AS 26.05.070)

APPLICABLE TO ALL ELEMENTS OF THE ORGANIZED MILITIA

NATIONAL GUARD

NAVAL MILITIA

STATE MILITIA

CALLED TO DUTY BY THE GOVERNOR

DUTY IN "STATE STATUS" (32 USC 502, 503, 504)

APPLICABLE TO THE NATIONAL GUARD ONLY

EQUIPMENT PROVIDED BY THE FEDERAL GOVERNMENT (DOD)

WAGES/SALARIES PAID BY FEDERAL GOVERNMENT (DOD)

OFFICERS APPOINTED BY STATE AUTHORITIES

GOVERNOR IS COMMANDER IN CHIEF

ADJUTANT GENERAL EXERCISES GOVERNOR'S AUTHORITY AS COMMANDER

CONFORMS TO CONSTITUTIONAL PROVISIONS THAT STATES SHALL APPOINT OFFICERS AND TRAIN THE MILITIA ACCORDING TO THE DISCIPLINE PRESCRIBED BY CONGRESS.

CONGRESS/DOD EXERCISE DISCRETIONARY AUTHORITY TO DETERMINE SCOPE OF TRAINING.

STATES EXERCISE OPERATIONAL AUTHORITY OVER NATIONAL GUARD TRAINING.

FEDERAL DUTY (10 USC)

BY NATIONAL GUARD WHEN

MOBILIZED BY PRESIDENTIAL ORDER

PERFORMING TRAINING OUTSIDE TERRITORIAL LIMITS OF US

BY NAVAL MILITIA MEMBERS WHEN

PERFORMING USNR TRAINING

TALKING PAPER HB529

SUMMARY OF FEDERAL MILITARY BENEFITS FOR INJURED MEMBERS OF THE GUARD

- I. IF ORDERED TO DUTY FOR 30 DAY OR MORE
  - A. FULL MILITARY MEDICAL CARE
  - B. CONTINUATION OF MILITARY PAY DURING PERIOD OF TREATMENT
  - C. MEDICAL EVALUATION BOARD 6 MONTHS AFTER INJURY/DISEASE TO DETERMINE IF MEMBER CAN RETURN TO DUTY
    1. IF EVALUATION IS POSITIVE, PAY AND TREATMENT CONTINUE UNTIL MEMBER IS RETURNED TO DUTY.
    2. IF EVALUATION IS NEGATIVE, PAY AND TREATMENT CONTINUE UNTIL PHYSICAL EVALUATION BOARD (PEB) CONVENES.
  - D. PEB DETERMINES EXTENT OF DISABILITY
    1. IF 30% OR GREATER, MEMBER RETIRED IN GRADE WITH 1/2 PAY, ALL MILITARY BENEFITS AND CONTINUED MILITARY MEDICAL CARE.
    2. IF LESS THAN 30%, MEMBER GIVEN SERVICE CONNECTED DISABILITY WHICH PERMITS VA DISABILITY COMPENSATION AND VA MEDICAL CARE.
- II. IF ORDERED TO DUTY FOR 30 DAYS OR LESS, BENEFITS THE SAME EXCEPT  
NO PAY OR ALLOWANCES ACCRUE TO INJURED GUARD MEMBERS.  
  
WAGE CONTINUATION (UP TO A MAXIMUM OF THE MILITARY PAY GRADE)  
PREDICATED UPON DEMONSTRABLE LOSS OF NON MILITARY INCOME.

TALKING PAPER HB529

NEED FOR HB529

BRING ASM WITHIN COVERAGE OF AS26.05.260

LIMIT STATE EXPOSURE TO WORKERS COMP REMEDY

LIMIT REMEDY OF INJURED MILITIA MEMBERS TO THOSE OF OTHER STATE EMPLOYEES

INSURE ADEQUATE REMEDY/TREATMENT FOR INJURED MILITIA MEMBERS

REQUIRE ADEQUATE BUDGET/PLANNING FOR "PREMIUM" COSTS ASSOCIATED WITH RISK.

PROVIDE "SAFETY NET" FOR NATIONAL GUARD MEMBERS OF THE ORGANIZED MILITIA

ACKNOWLEDGES DUAL EMPLOYER NATURE OF NATIONAL GUARD (FEDERAL WAGES FOR TRAINING CONDUCTED BY STATE OFFICERS/AUTHORITIES)

REQUIRES EXHAUSTION OF FEDERAL BENEFITS

WORKERS COMP REMEDY IS SECONDARY NOT PRIMARY

PROVIDES TREATMENT/REMEDY WHEN FEDERAL REMEDY UNAVAILABLE OR INADEQUATE.

REQUIRE ADEQUATE BUDGET/PLANNING FOR "PREMIUM" COSTS ASSOCIATED WITH RISK ASSOCIATED WITH OPERATIONAL SUPERVISION OF NATIONAL GUARD TRAINING.

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 17, 1988

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to workers' compensation benefits for members of the Alaska State Militia, Alaska National Guard, and Alaska Naval Militia.

Under AS 26.05.020, the organized militia is composed of the Alaska State Militia (also known as the Alaska State Guard), the Alaska National Guard (composed of the Alaska Army National Guard and the Alaska Air National Guard), and the Alaska Naval Militia.

The National Guard is concurrently a reserve component of the armed forces of the United States. The National Guard drills one weekend each month and two weeks annually. For this duty, members of the National Guard are paid by the federal government from money appropriated to the Department of Defense. Members of the Naval Militia are concurrently members of the U.S. Naval Reserve. When performing drill for the U.S. Navy, naval reservists may be paid from money appropriated to the Navy Department.

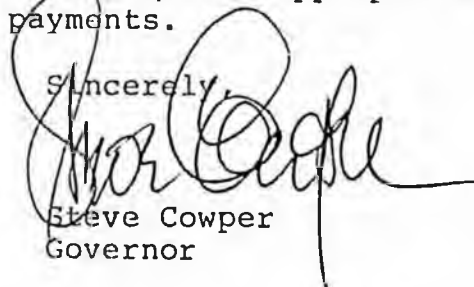
The Alaska State Militia (ASM) has no status as a reserve of the armed forces of the United States and its members receive no compensation from the federal government. The governor has authority to call the organized militia into active state service or training duty under AS 26.05.070. As currently written, AS 26.05.260 expressly provides that members of the National Guard and Naval Militia who are injured or killed while performing duties under AS 26.05.070 are entitled to workers' compensation. The statute is silent regarding compensation of members of the ASM who are injured or killed while performing duties under AS 26.05.070. No state workers' compensation coverage is presently provided for members of the National Guard who are injured or killed in the line of duty in the reserve component of the armed forces of the United States.

This bill expressly extends workers' compensation coverage to members of the ASM. Sections 1, 2, and 3 of the bill. This insures that injured militia members receive adequate compensation for injuries incurred incident to state service, and the bill limits the state's liability for injuries to the remedy provided for in AS 23.30. The bill also expressly extends workers' compensation coverage to members of the organized militia who are injured or killed in the line of duty under certain federal statutes, including federal details, drills, exercises, and training. However, members injured or killed in the line of federal duty are not covered while in transit to and from duty, and workers' compensation benefits are subject to a setoff described below. Section 4 of the bill, in proposed AS 26.05.260(i) and (j).

For purposes of computing workers' compensation benefits for a member of the organized militia, the bill provides that a member's earnings are presumed to be no less than the pay and allowances authorized for a member of the armed forces in the same grade and rank as the member at the time of the injury or death. Section 4 of the bill, in proposed AS 26.05.260(l). The bill also provides that members, or survivors of members, of the Alaska National Guard must apply for available benefits payable by the federal government for the injury or death of the member, and that workers' compensation payments will be reduced by the amount payable by the federal government for the disability or death. Section 4 of the bill, in proposed AS 26.05.260(k). The provisions on the federal setoff apply only to the National Guard because, of the three components of the organized militia, only that one is entitled to federal compensation under federal law. Notwithstanding the federal benefits, there will be some occasions when individuals will have recourse to the Alaska workers' compensation system. Therefore, some additional appropriation to cover the premium for this responsibility is anticipated.

This bill, then, provides for equity among the three components of Alaska's organized militia, and appropriately provides for setoff of federal payments.

Sincerely,



Steve Cowper  
Governor

# HOUSE COMMITTEE REPORT

4/15

(7)

Date referred: 2/17/88

FURTHER REFERRALS:

State Affairs  
Finance

DATE: 4/12/88

The Labor & Commerce Committee has considered HB 529

"An Act relating to workers' compensation benefits for members of the state's organized militia; and providing for an effective date."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published 2/17/88
- zero with analysis

**SIGNING DO PASS:**

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
*Clyde Dain*  
 \_\_\_\_\_  
*W. G. Brubaker*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
*Sam Anderson NIRA*  
*W. G. Brubaker (NO REC)*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
*W. G. Brubaker*  
 \_\_\_\_\_  
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An act relating to workers' comp. benefits for member of the ANG, ANM & ASM BRU: Risk Management  
 Sponsor: Rules Committee Components: \_\_\_\_\_  
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0.0	88.0	114.0	148.0	193.0	250.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	88.0	114.0	148.0	193.0	250.0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	88.0	114.0	148.0	193.0	250.0
TOTAL	0	88.0	114.0	148.0	193.0	250.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is extremely difficult to project---see Fiscal Note Analysis on page 2.

Prepared By: Donald J. Hitchcock, Director Phone: 465-2180  
 Division: Risk Management Date: February 10, 1988

Approved by Commissioner: John M. Andrews Date: 2/11/88  
 Agency: Department of Administration

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

## CONTINUATION OF FISCAL NOTE ANALYSIS

This fiscal note is based on present estimated costs of the State self-insured Workers' Compensation program prorated to the number of days of probable National Guard or Militia exposure.

It is further estimated that the Federal Government would pay 75% of loss and the State of Alaska would pay any additional in order to provide the injured person with Alaska Workers' Compensation benefits. If no Federal coverage was available, then the State may become obligated to the entire amount of loss.

There are approximately 5,000 people in these affected military units of which approximately 600 are full time.

It is very difficult to estimate total additional exposure to the State with no loss history available.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Military & Veterans Affairs  
 Title: An act relating to workers comp  
benefits for members of the org. militia BRU: Alaska National Guard  
 Sponsor: Rules Committee Components: Office of the Adjutant General  
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		88.0	114.0	148.0	193.0	250.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		88.0	114.0	148.0	193.0	250.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		88.0	114.0	148.0	193.0	250.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Amounts budgeted by this fiscal note will be transferred by RSA to Risk Management, Department of Administration, to pay for additional insurance coverage created by this bill. See attached analysis.

Prepared by: Jeff Morrison *Jeff Morrison* Phone: 465-4600  
 Division: Administrative & Support Services, DMVA Date: February 11, 1988  
 Approved by *Commissioner for* MG John W. Schaeffer Date: February 11, 1988  
 Agency: Department of Military & Veterans Affairs

Distribution (by preparer):

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

Attachment to fiscal note for: "An Act relating to workers compensation benefits for members of the organized militia."

Overview: This act makes two changes to existing statutes: 1) to expand workers compensation coverage to members of the Alaska State Militia; and 2) to provide a safety net of state workers compensation coverage to members of the Alaska National Guard on training status.

1. Alaska State Militia (ASM) workers compensation coverage: Premiums for workers compensation coverage are calculated by multiplying the total payroll covered by the specific rate for the type of work being performed. Members of the ASM serve without pay for their training, which consists of two days per month, for a total of 24 days per year. Under the bill, the earnings of a member of the ASM are presumed to be the same as they would be if the ASM member held the same grade or rank as a member of the U.S. Armed Forces. Under this assumption, the total covered payroll of the ASM amounts to about \$10,000 per day. For the 24 days of drill per year, the total payroll covered is about \$240,000. During drills, members of the ASM train in an office setting. The rate for workers compensation for office workers is approximately 1% of the total payroll. At an assumed total payroll of \$240,000, and a premium rate of 1%, the total annual premium due to the Division of Risk Management is \$2,400.
2. Safety net coverage for Alaska National Guard members: Alaska National Guard members are already covered under state workers compensation while on state active duty. The proposed legislation would extend that coverage to include the times that a guardsman is on federal duty under 32 U.S.C. Since guardsmen are also covered under federal workers compensation while on federal duty, the state would only be paying for the coverage which exceeds the federal workers compensation coverage. The legislation also provides that any state workers compensation payable under the proposed new language of the law would be reduced and offset by the amount payable under the federal coverage. The Division of Risk Management has estimated that the additional workers compensation exposure created by this bill will cost the state an additional \$ 85,600 in the first year.
3. FY90 and beyond: Recent workers compensation loss history documented by the Division of Risk Management shows a growth rate in risk management costs of about 30% per year. This growth rate is applied to the total first year expense of \$88,000, to project the likely cost of this legislation for the years following FY89.

Prepared by: Jeff Morrison, Director  
Administrative and Support Services Division  
Department of Military and Veterans Affairs  
465-4600  
February 11, 1988

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act relating to workers' Compensation benefits..."  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Labor  
BRU: Workers' Compensation  
Components: Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jacque McClintock Phone: 465-2790  
Division: Workers' Compensation Date: 12/16/87  
Approved by Commissioner: Jim Sampson Date: 12/16/87  
Agency: Labor

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



Official Business

**COMMITTEE:**  
HOUSE LABOR & COMMERCE

**DATE:** April 12, 1988

# SIGN-IN

## Subject of meeting:

- HJR 72 "Relating to the residential real estate market."
- HJR 73 "Urging the Federal Home Loan Bank Board to consider extension of assistance to Alaska financial institutions similar to the board's 'Southwest Plan.'"
- HB 549 "An Act relating to notice requirements on the use of a deed of trust; and providing for an effective date."
- HB 529 "An Act relating to workers' compensation benefits for members of the state's militia, and providing for an effective date."

PLEASE PRINT  
**NAME & TITLE**

**REPRESENTING**

**ADDRESS & ZIP**

**PHONE**

**DO YOU WANT TO TESTIFY?**  
**SUBJECT: BILL #**

NAME & TITLE	REPRESENTING	ADDRESS & ZIP	PHONE	DO YOU WANT TO TESTIFY?	SUBJECT: BILL #
Jeff Morrison Director Admin Svcs	DMVA	P.O. Box L Juneau AK 99811	H 780-5883 W 465-4600	Yes	HB 529
GARY W. BOWEN STAFF JUDGE ADVOCATE	DMUT	3001 C ST, STE 626 ANCHORAGE, 99503-5989	H 845-3609 W 249-1179	IF NEEDED	HB 529
ED VAN PATTEN	Alaska Federal SEL	2044 Jordan Ave	H 781-4844 W	If needed	HB 549
CRIC DALL	AK Gunners Assoc President	P.O. Box 1367 Juneau AK 99802	H 780-4961 W 591-4220	Yes	HB 549
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			W		
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			W		
			H		
			W		

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HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: HESS

BILL: HB 537

CURRENT VERSION:

SCHEDULED: MARCH 29, 1988

SPONSOR: HESS

PHONE NO: 4992

CONTACT FILE: \_\_\_\_\_

BILL SUBJECT: EXEMPTING CERTAIN PURCHASES FROM THE STATE PROCUREMENT CODE

SPONSOR BACKUP: IN FILES

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
ADMIN	PUSHPENDER/2200	
DOT/PF	SUSAN FLEISCHHAUER/3900	
EDUCATION	STEVE HOLE/2800	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
ADMIN		3/14/88	-0-	-0-
DOT/PF		3/22/88	-0-	-0-
EDUCATION		3/14/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
3/25/88	HEARD AND HELD FOR CS
3/28/88	CS ADOPTED AND PASSED FROM STATE AFFAIRS

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affs:*

*March 25, 1988*

*March 28, 1988*

# HOUSE COMMITTEE REPORT

(7)

Date referred: 3/4/88

FURTHER REFERRALS: HESS

DATE: 3/28/88

The State Affairs Committee has considered HR 537

"An Act exempting certain purchases from the State Procurement Code."

**RECOMMENDS:**

- replace with CS HB 537(SA)  the same title
- attached amendment(s)  a new title

- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

\_\_\_\_\_  
*[Handwritten signatures]*  
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**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
*[Handwritten signatures]*  
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*[Handwritten signature]*  
 \_\_\_\_\_  
 Chairman's signature

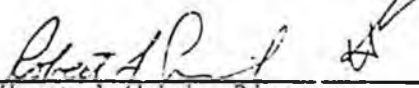
POSITION PAPER

HB 537

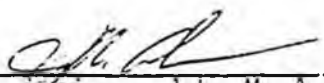
This bill would exempt the acquisition of certain primarily education related materials from the requirements of the procurement code. As we have not issued bids for these items before, we do not know if acquiring these items according to the requirements of AS 36.30 would benefit the state or simply contribute to a bureaucratic process. We have a neutral position on the bill and will defer to Department of Education's view of potential benefits.

We would recommend the following amendment as we have bid and contracted successfully for unrecorded materials.

Page 2, line 20 (B) "Audio visual materials" means nonbook prerecorded materials.

  
\_\_\_\_\_  
Robert J. Link, Director  
Division of General Services & Supply

3/12/88  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Commissioner John M. Andrews  
Department of Administration

3/14/88  
\_\_\_\_\_  
Date

MEMORANDUM

State of Alaska  
Department of Education

TO: Lisa McLaren, Committee Staff  
House HESS  
Alaska State Legislature

DATE: March 15, 1988

FILE NO:

THRU: Steve Hole  
Deputy Commissioner

TELEPHONE NO: 465-2800

FROM: George V. Smith, Deputy Director  
Division of State Libraries

SUBJECT: Fiscal Note and Position  
on HB 537

There is a zero fiscal note for this bill. While it is anticipated that the bill will provide a savings in both staff time and materials costs, that amount cannot be accurately estimated at this time.

HB 537 would amend AS 36.30.800 (b) by adding section (14); that amendment is crucial for the State Library. While the intent of the statute, as I understand it, was to ensure lower costs for the state, it actually will result in higher costs and reduced quality of service for the library in the areas of materials (books, newspapers, periodicals and audio-visual) and services (book binding, network information access, and approval plans--an arrangement between a book jobber and a library in which the book jobber sends books on approval that meet a special profile developed between the jobber and the library).

Passage of HB 537 would benefit the State Library in several ways. First, it will prevent higher costs in terms of actual dollars and personnel time. The vendors of library materials and services operate within a highly competitive market. For similar products, costs are virtually the same among vendors. Differences do exist in how the products are provided, such as how materials are processed and cataloged or how reporting systems mesh with the acquisition's file of the State Library. While there is seldom any difference in actual costs from one vendor to another in the purchase of books and periodicals, to change from one to another would cost in terms of the staff time required to change filing systems. For instance, to change periodical vendors would require at least 100 hours of professional staff time to set up records and ordering procedures and would take at least two years to straighten out expiration dates and claiming procedures (a procedure for obtaining issues missed during the change over between vendors) for the library's 600 periodicals. In other areas, particularly in the selection of a network information vendor for cataloging, the cost of changing would be tens of thousands of dollars in up-front money. This is due to the fact that bibliographic records would need to be pulled off one computer system, programs written, and then entered into another computer.

Second, disruptions due to periodic switching of vendors would seriously affect the provision of services to state agencies, the legislature, and other patrons. The quality of library services is very dependent on the timeliness of the information provided. Switching from one bibliographic vendor to another could set the cataloging process back a number of months. Changing periodical vendors would result in sporadic loss of journal titles over a period of time.

STEVE COWPER, GOVERNOR

**DEPARTMENT OF EDUCATION**

OFFICE OF THE COMMISSIONER

GOLDBELT PLACE  
801 WEST 10th STREET  
POUCH F  
JUNEAU, ALASKA 99811

March 14, 1988

The Honorable Niilo Koponen  
Alaska State Legislature  
P.O. Box V, Mail Stop 3100  
Juneau, Alaska 99811

Dear Representative Koponen:

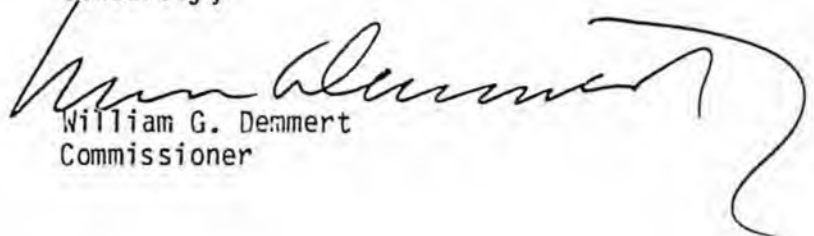
I have discussed House Bill 537, related to the State Procurement Code, with Tom Lonner, Director of the Division of State Museums. We concur that most of the exemptions listed under subsection (b)(14), beginning on page 2, line 14, are appropriate and necessary for the orderly conduct of museum affairs.

As with libraries, museums are heavily involved in research, in the currency of information, and in modern practice. The array of principal tools serving this involvement is detailed well in subsection (b)14, books, periodicals, audio-visual materials, information networks, professional memberships, archival materials, and objects.

Current procurement policy and practice have not disabled the State Museums' ability to purchase these necessary assets, but often the associated cumulative administrative costs appear higher than they could or should be, given the specificity of the needs and the spareness of the administrative staff. The proposed legislation should reduce these costs.

If you require additional information, please do not hesitate to contact me at 465-2800.

Sincerely,



William G. Demmert  
Commissioner

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

MEMORANDUM

State of Alaska  
Department of Education

TO: Lisa McLaren, Committee Staff  
House HESS  
Alaska State Legislature

DATE: March 15, 1988

FILE NO:

THRU: ~~Steve Hagle~~  
Deputy Commissioner

TELEPHONE NO: 465-2800

FROM: George V. Smith, Deputy Director  
Division of State Libraries

SUBJECT: Fiscal Note and Position  
on HB 537

There is a zero fiscal note for this bill. While it is anticipated that the bill will provide a savings in both staff time and materials costs, that amount cannot be accurately estimated at this time.

HB 537 would amend AS 36.30.850 (b) by adding section (14); that amendment is crucial for the State Library. While the intent of the statute, as I understand it, was to ensure lower costs for the state, it actually will result in higher costs and reduced quality of service for the library in the areas of materials (books, newspapers, periodicals and audio-visual) and services (book binding, network information access, and approval plans--an arrangement between a book jobber and a library in which the book jobber sends books on approval that meet a special profile developed between the jobber and the library).

Passage of HB 537 would benefit the State Library in several ways. First, it will prevent higher costs in terms of actual dollars and personnel time. The vendors of library materials and services operate within a highly competitive market. For similar products, costs are virtually the same among vendors. Differences do exist in how the products are provided, such as how materials are processed and cataloged or how reporting systems mesh with the acquisition's file of the State Library. While there is seldom any difference in actual costs from one vendor to another in the purchase of books and periodicals, to change from one to another would cost in terms of the staff time required to change filing systems. For instance, to change periodical vendors would require at least 100 hours of professional staff time to set up records and ordering procedures and would take at least two years to straighten out expiration dates and claiming procedures (a procedure for obtaining issues missed during the change over between vendors) for the library's 600 periodicals. In other areas, particularly in the selection of a network information vendor for cataloging, the cost of changing would be tens of thousands of dollars in up-front money. This is due to the fact that bibliographic records would need to be pulled off one computer system, programs written, and then entered into another computer.

Second, disruptions due to periodic switching of vendors would seriously affect the provision of services to state agencies, the legislature, and other patrons. The quality of library services is very dependent on the timeliness of the information provided. Switching from one bibliographic vendor to another could set the cataloging process back a number of months. Changing periodical vendors would result in sporadic loss of journal titles over a period of time.

The State Library has changed vendors, but only after carefully weighing the advantages and disadvantages of cost, quality and nature of related services and impact on the user. Failure to pass HB 537 would seriously compromise our ability to provide service in a timely manner and would, in many cases, cause higher costs, especially in personnel time and conversion of records.

Passage of HB 537 will not result in a loss of business within the state. Most of the vendors able to supply library materials are major national and international firms.

STEVE COWPER, GOVERNOR

**DEPARTMENT OF EDUCATION**

OFFICE OF THE COMMISSIONER

GOLDBELT PLACE  
801 WEST 10th STREET  
POUCH F  
JUNEAU, ALASKA 99811

March 14, 1988

The Honorable Niilo Koponen  
Alaska State Legislature  
P.O. Box V, Mail Stop 3100  
Juneau, Alaska 99811

Dear Representative Koponen:

I have discussed House Bill 537, related to the State Procurement Code, with Tom Lonner, Director of the Division of State Museums. We concur that most of the exemptions listed under subsection (b)(14), beginning on page 2, line 14, are appropriate and necessary for the orderly conduct of museum affairs.

As with libraries, museums are heavily involved in research, in the currency of information, and in modern practice. The array of principal tools serving this involvement is detailed well in subsection (b)14, books, periodicals, audio-visual materials, information networks, professional memberships, archival materials, and objects.

Current procurement policy and practice have not disabled the State Museums' ability to purchase these necessary assets, but often the associated cumulative administrative costs appear higher than they could or should be, given the specificity of the needs and the spareness of the administrative staff. The proposed legislation should reduce these costs.

If you require additional information, please do not hesitate to contact me at 465-2800.

Sincerely,



William G. Demmert  
Commissioner

THE  
UNIVERSITY  
OF ALASKA,  
JUNEAU

11120 GLACIER HIGHWAY  
JUNEAU, ALASKA 99801  
907-789-2101

907-789-4467  
Library

March 11, 1988

Representative Fran Ulmer  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811


Dear Representative Ulmer:

Representative Koponen recently introduced HB 537 "An Act exempting certain purchases from the State Procurement Code" (copy attached). I urge your support for HB 537.

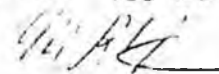
He has put this Bill forward at the urging of state supported libraries because the application of the Procurement Code to the types of purchases listed in his bill will have a crippling effect on our ability to serve our users in a timely and cost effective manner. I also wish to assure you that the exemptions we are requesting will have no negative impact on Alaskan businesses.

I recognize that many agencies are putting forward the same arguments and stating that "they are different." However, I believe that our problems are unique and I would be happy to meet with you to discuss our particular concerns in more detail, or to supply you with additional supporting information.

Respectfully,

  
Michael R. Herbison  
Library Director

Attachment

*PC My thanks to you for letter*  




UNIVERSITY OF ALASKA, FAIRBANKS  
Fairbanks, Alaska 99701

March 14, 1988

Representative Fran Ulmer  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Ulmer,

Please acknowledge my support for:

HB537

"An Act exempting certain purchases from the State  
Procurement Code" submitted by Representative Niilo Koponen.

Without this legislation's enactment, the cost of transactions relating to library and media materials will become greatly reduced in cost effectiveness. Enactment of this legislation will provide reasonableness which is in total keeping with the procurement practices of library and media materials for instructional/educational purposes. Without this legislation being enacted the state of Alaska will become quite unique in its attempt to acquire these types of materials from the established businesses which distribute them.

If there is additional information which I may provide relating to this issue, please do not hesitate to contact me.

Thank you for your support of this legislation.

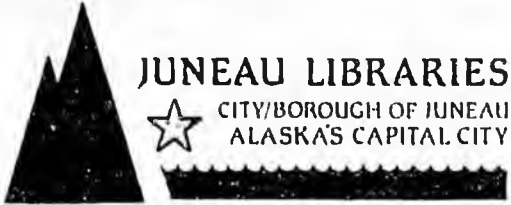
Sincerely,

*E.S. Cridge by B.F.S.*

E.S. Cridge, Ed.D.  
Department Head  
Instructional Media Production and  
Communication Technology (IMPACT)  
Rasmuson Library, Room 331  
University of Alaska  
Fairbanks, Alaska 99775-1120

ESC:lek

REF:C1:ULMER



Juneau Memorial Library  
(907) 586-5249  
Douglas Public Library  
(907) 364-2378  
Mendenhall Valley Public Library  
(907) 789-0125

March 11, 1988

The Hon. Niilo Koponen  
Representative, Alaska State Legislature  
Pouch V  
Juneau, Ak 99811

Dear Representative Koponen:

In response to your request for review of HB 537 "An Act exempting certain purchases from the State Procurement Code," I fully support the need to exempt library materials from the current regulations.

Our local library materials budget is similarly exempted from the City/Borough's usual bidding procedures. We purchase about 13,000 individually selected items every year (which is only a fraction of what is purchased by some larger libraries, the University of Alaska Fairbanks, for example). It is highly unlikely that any single vendor can supply the titles we select under our collection policy. Nor can we predict what will be published in any given year. We typically select the titles we wish to purchase, then find the vendors that can supply them. Often we must purchase directly from the publisher or from small distributors.

The unique nature of library acquisitions requires very labor intensive, precise selection procedures. It is entirely impractical to follow usual bidding practice. Thank you very much for your support of this bill, and for the opportunity to comment.

Sincerely,

Donna Pierce  
Director

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: exempting certain purchases  
from the state procurement code  
Sponsor: House HESS  
Requestor: House HESS

Agency Affected: Education  
BRU: State Library  
Components: Library Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800  
Division: Commissioner's Office Date: 3-14-88  
Approved by Commissioner: William G. Demmert Date: 3-14-88  
Agency: Department of Education

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

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An act exempting certain BRU: General Services & Supply  
purchases.  
 Sponsor: House HESS Components: Purchasing  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

There would be minimal effect on the procurement activities of Department of Administration.

Prepared By: Robert J. Link *[Signature]* Phone: 465-2250  
 Division: General Services and Supply *[Signature]* Date: March 9, 1988

Approved by Commissioner: John M. Andrews *[Signature]* Date: 3/14/88  
 Agency: Department of Administration

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

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HB 537  
PUBLISH DATE: 3/4/88

REQUEST: FISCAL NOTE

Revision Date:  
Title: An Act Exempting Certain Purchases From The  
State Procurement Code  
Sponsor: Health, Education and Social Services Committee  
Requestor:

Agency Affected: DOT&PF  
BRU: Engineering & Operations Stds  
Design & Construction  
Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

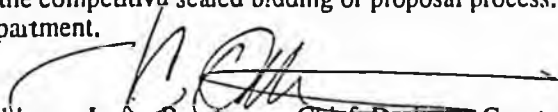
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:


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

ANALYSIS: (Attach a separate page if necessary)

In the past, the items to be exempted from the procurement code by the proposed legislation were not purchased by the competitive sealed bidding or proposal process. The proposed legislation will not financially impact the Department.

Prepared by:  Lofen Rasmussen, Chief, Design & Construction Stds  
Division: Engineering & Operations Standards

Phone: 65-2960  
Date: 3/21/88

Approved by Commissioner: Mark S. Hickey   
Agency: Department of Transportation and Public Facilities

Date: 3/22/88

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

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 537 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from the State Procurement Code the  
7 purchase of books, book binding services, newspapers,  
8 periodicals, certain audio-visual materials, network  
9 information services access, approval plans, profes-  
10 sional memberships, archival materials, objects of  
11 art, and items having cultural, historical, or  
12 archaeological significance."

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

14 \* Section 1. AS 36.30.850(b) is amended to read:

15 (b) This chapter applies to every expenditure of state funds,  
16 irrespective of their sources, including federal assistance except as  
17 otherwise specified in AS 36.30.890, by the state, acting through an  
18 agency, under a contract, except that this chapter does not apply to

19 (1) grants;

20 (2) contracts for professional witnesses to provide for  
21 professional services or testimony relating to existing or probable  
22 lawsuits in which the state is or may become a party;

23 (3) contracts of the University of Alaska where the work is  
24 to be performed substantially by students enrolled in the university;

25 (4) contracts for medical doctors and dentists;

26 (5) acquisitions or disposals of real property or interest  
27 in real property, except as provided in AS 36.30.080;

28 (6) disposals under AS 38.05;

29 (7) contracts for the preparation of ballots under

1 AS 15.15.030;

2 (8) acquisitions or disposals of property and other con-  
3 tracts relating to airports under AS 02.15.070, 02.15.090, and 02.15.-  
4 091;

5 (9) disposals of obsolete property under AS 19.05.060;

6 (10) disposals of obsolete material or equipment under  
7 AS 35.20.060;

8 (11) agreements with providers of services under AS 47.07;  
9 AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, and 47.25.310;

10 (12) contracts of the Department of Fish and Game for  
11 flights that involve specialized flying and piloting skills and are  
12 not point-to-point;

13 (13) purchases of income-producing assets for the state  
14 treasury or a public corporation of the state;

15 (14) the purchase of books, book binding services, news-  
16 papers, periodicals, audio-visual materials, network information  
17 services access, approval plans, professional memberships, archival  
18 materials, objects of art, and items having cultural, historical, or  
19 archaeological significance; in this paragraph

20 (A) "approval plans" means book selection services in  
21 which current book titles meeting an agency's customized speci-  
22 fications are provided to the agency subject to the right of the  
23 agency to return those books that do not meet with the agency's  
24 approval;

25 (B) "audio-visual materials" means nonbook prerecorded  
26 materials, including records, tapes, slides, transparencies,  
27 films, filmstrips, cassettes, videos, compact discs, laser discs,  
28 and items that require the use of equipment to render them us-  
29 able;

1                   (C) "archival materials" means the noncurrent records  
2 of an agency that are preserved after appraisal because of their  
3 value;

4                   (D) "network information services" means a group of  
5 resources from which cataloging information, holdings records,  
6 inter-library loans, acquisitions information, and other refer-  
7 ence resources can be obtained.

Handwritten note on the left margin: "An Act exempting the purchase of library materials, and related materials. From the state Proc Code -"

Handwritten notes: "CS" in a box, "G. S. Souter" circled, and "LINK" written above.

Handwritten note in a box: "EXEMPTING LIBRARY MATERIALS"

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

HOUSE BILL NO. 537

IN THE LEGISLATURE OF THE STATE OF ALASKA  
FIFTEENTH LEGISLATURE - SECOND SESSION

6 For an Act entitled: "An Act exempting certain purchases from the State  
7 Procurement Code."

Handwritten note: "HOUSE BILL NO. 537 LIBRARY MATERIALS FROM STATE PROC CODE"

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

9 \* Section 1. AS 36.30.850(b) is amended to read:

10 (b) This chapter applies to every expenditure of state funds,  
11 irrespective of their sources, including federal assistance except as  
12 otherwise specified in AS 36.30.890, by the state, acting through an  
13 agency, under a contract, except that this chapter does not apply to

- 14 (1) grants;
- 15 (2) contracts for professional witnesses to provide for  
16 professional services or testimony relating to existing or probable  
17 lawsuits in which the state is or may become a party;
- 18 (3) contracts of the University of Alaska where the work is  
19 to be performed substantially by students enrolled in the university;
- 20 (4) contracts for medical doctors and dentists;
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22 in real property, except as provided in AS 36.30.080;
- 23 (6) disposals under AS 38.05;
- 24 (7) contracts for the preparation of ballots under AS 15.-  
25 15.030;
- 26 (8) acquisitions or disposals of property and other con-  
27 tracts relating to airports under AS 02.15.070, 02.15.090, and 02.15.-  
28 091;
- 29 (9) disposals of obsolete property under AS 19.05.060;

Handwritten notes at the bottom: "want safe good, isolation" and "use Procurement Code, Alaska Proc Code"