

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6098 HOUSE STATE AFFAIRS

502

2. The Alaska Legislature should develop a standard form for capital projects which describes the purpose of and need for each project. A completed form should accompany each proposed capital project and be available for public inspection.

Discussion: In order to make well-informed decisions about capital projects, legislators need detailed information on the purpose of and need for each proposed project. Several legislators expressed frustration over the often inadequate documentation for proposed capital projects--especially local projects.

The standard form should include, at minimum, the following elements:

- Project title
- Project purpose
- Project justification (e.g., needed to protect health or welfare of citizens, to respond to court order, to encourage economic development, etc.)
- Alternative ways of dealing with the problem at hand
- Alternative funding sources if project is not funded
- Estimated capital expenditure requirements over the next five years, by year
- } • Estimated operating expenses which will be generated by this project, over the next five years, by year }

A compendium of the completed capital project forms should accompany the proposed ~~state~~ and local capital budgets when they are taken up for consideration ~~by the~~ finance committees.

3. Legislative Finance Division staff or consultants should be responsible for reviewing all capital project proposals to see if the fiscal notes included are reasonable.

Discussion: In recent years, millions of dollars have been reappropriated by the Alaska legislature from excess capital funds appropriated in earlier years. This suggests that initial capital appropriations were unnecessarily generous. With revenue projections no where near as rosy as



Alaska State Legislature

Representative Mike Davis

District 19

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TO: Rep. Red Boucher, Chairman
House State Affairs Committee

FROM: Rep. Mike Davis

DATE: February 27, 1989

SUBJECT: HB 79: relating to projected operating and
maintenance costs of capital improvements

I respectfully request that HB 9 be placed on the calendar and heard in the House State Affairs Committee.

The passage of HB 9 would provide legislators and the public with needed information about the operating and maintenance costs of proposed capital projects.

I would be happy to discuss this legislation with you at your convenience.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 463-3991

April 4, 1983

MEMORANDUM

TO: Representative Hugh Malone
FROM: Jack Kreinheder
Research Staff *JK*
RE: Effect of Capital Projects on Operating Budget
Research Request 83-59

Royce Weller of your staff requested that we provide the following information on the effect of capital projects on the State operating budget:

- a general discussion of the responsibility (local vs. State) and operating costs for different types of capital projects, such as schools, roads, and offices;
- an estimate of the increase in the operating budget over the last five years which was caused by new capital projects; and
- an index of operating costs for various types of capital projects on a unit basis, such as per square foot for buildings and per lane mile for roads.

It was not possible, within the research time available for this request, to determine the operating budget impact of all capital projects over the last five years. The section on this topic focuses on four of the State agencies most affected by the operating costs of capital projects, and on debt service for bonded projects. The budget information which was used for the analysis has several limitations which are discussed in that section. If you would like more comprehensive information on the operating costs of capital projects, we may be able to do additional research later this session or during the interim.

RESPONSIBILITY FOR OPERATING COSTS

A considerable portion of State capital spending over the last several years has been in the form of grants to municipalities. In nearly all cases, local governments are responsible for the operation and maintenance of capital projects built with State grants. Thus, from the

State's perspective, the impact of capital spending on the State's operating budget has been much smaller than would have been the case if most capital spending was for projects under State responsibility. Nearly all port and harbor facilities are also operated by municipalities, so that State spending on harbor improvements does not have a direct impact on the State operating budget.

For some types of capital projects, most notably school construction and projects in small communities, the responsibility for operating costs is not clear-cut. In the case of schools, operating and normal maintenance costs are paid, at least initially, by the local school districts and Rural Educational Attendance Areas (REAs). State education funding under the foundation program is based primarily on attendance (number of students), not on school operating costs. Therefore, when the State builds a school or provides a grant to a municipality to build a school, the district's or REA's funding is not directly increased to pay the cost of operating the school. In this sense, it is the school districts and REAs that are directly responsible for operating costs.

However, as you know, the State provides most of the operating funds for the school districts and REAs through the education foundation program. In FY 81, the State provided an average of 73 percent of total revenues for school districts and 87 percent of total revenues for REAs.¹ These figures make it evident that over the long run, the State indirectly pays most of the operating costs of new school facilities. State funding for school districts and REAs increased by 60 percent from \$319.2 million in FY 81 to \$509.1 million in FY 83. This increase in funding paid for growth in the number of students and teachers, new programs, and the effects of inflation, as well as the cost of operating new schools.

The situation with capital projects in small communities is similar. Although the communities may be responsible for operation and maintenance of facilities, roads, and other projects, most of their revenues are received from the State through revenue sharing, municipal assistance, and other programs. The impact of these local capital projects on the State's operating budget depends on one's perspective. Conceivably, if State revenues fell dramatically, the State could reduce assistance to municipalities and let them maintain their capital facilities as best they could. However, if these facilities are to be properly maintained, much of this money will have to come from the State.

¹ Source: Department of Education 1982 Annual Report.

TYPES OF CAPITAL PROJECTS

It is important to consider the effect of different types of capital projects on maintenance and operations (M&O) costs. A review of the capital budgets enacted by the legislature for the past several years indicated that a large percentage of capital appropriations were improvements or replacements for existing facilities, rather than new projects. Any type of repair or maintenance item of \$25,000 or more is usually budgeted as a capital project, rather than as an operating item. Capital improvement projects can increase operating costs if a building is enlarged or a road is widened from two lanes to four, but operating costs can also decline when inefficient, high maintenance buildings and deteriorated roads are replaced or improved.

Based on my review of the FY 83 capital budget, about 17 percent of the appropriations had a possible operating budget impact. This figure does not include municipal grants, except for school construction, which are included. For FY 82, about 38 percent of the appropriations had a potential operating budget impact, indicating a larger proportion of spending for "new" projects and State-owned projects in this year.

The variability of maintenance and operating appropriations also affects the relationship between capital and operating expenditures. The various maintenance units in the Department of Transportation and Public Facilities frequently stated in their budget requests that maintenance work had previously been budgeted at a very minimal level, with most major maintenance deferred indefinitely. This type of budget approach would reduce the operating impact of capital projects in the short run, but would also decrease the useful life of most facilities. In addition, if maintenance is deferred until it becomes a major renovation, the appropriation for this renovation would then show up in the capital budget rather than the operating budget.

OPERATING BUDGET INCREASES RESULTING FROM CAPITAL PROJECTS

Debt Service for Bonded Projects

Debt service on general obligation bonds issued by the State is not an operating cost in the normal sense of paying for the actual operation of a capital project. The basic difference between bonding for a capital project and appropriating cash is that bonding spreads the appropriation over a long period of time (which of course requires interest payments). However, debt service on the State's bonded indebtedness is appropriated in the operating budget; therefore, bonding capital projects increases the operating budget in subsequent years. In addition, the payment of debt service is similar to other M&O costs in that it is a long-term obligation which results from the construction of capital projects.

Historical and projected debt service payments from FY 74 to FY 84 are as follows (in millions of dollars):

FY 75	\$30.1	FY 80	\$75.1
FY 76	35.1	FY 81	97.6
FY 77	41.9	FY 82	102.4
FY 78	50.0	FY 83	141.7
FY 79	60.0	FY 84	178.7

Source: FY 84 Executive Capital Budget, p. 7

For the most recent five years from FY 79 to FY 83, debt service payments have increased by about \$82 million. During the same period, the general fund operating budget increased by \$1.04 billion, from \$888 million in FY 79 to \$1.93 billion in FY 83. The increase in debt service therefore accounts for about 8 percent of the growth in the operating budget for these fiscal years.

Debt service payments differ from other M&O costs because, in Alaska, the payments generally extend for only 10 to 15 years, rather than for the useful life of the capital project being bonded. In order to enhance and maintain the State's credit rating, the term of general obligation bonds has been tailored to the projected revenue decline beginning in the late 1980s. This shorter term means that the annual operating costs of bonded capital projects will decline in later years when the bonds are repaid and debt service payments end. However, this decline could be partially offset by increased maintenance costs for older facilities.

Agency Operating Costs for Capital Projects

The State agencies which have seen the largest increases in operating costs as a result of recent capital projects include:

- Department of Transportation and Public Facilities
- Division of Corrections (Department of Health and Social Services)
- Department of Fish and Game (hatchery program)
- University of Alaska

There are a number of other programs for which operating costs have increased as a result of capital projects, such as health clinics, pioneers' homes, recreational facilities, and water and sewer projects. However, compiling all the capital project operating costs for these and other programs would take considerably more research time than the eight staff days that were available for this request.

The primary method used to determine the additional operating costs for capital projects was a review of agency budget requests. When each State agency submits its budget request to the Governor's Office, it is required to justify any additions to its budget above the continuation level (which is basically the prior year's budget adjusted for inflation and other factors). In theory, any additional costs for operation, maintenance, or personnel from new capital projects should be found on these budget forms. The FY 84 budget forms now include a space for listing the specific capital project which required the additional costs; however, this information was rarely included in the budgets I reviewed.

It is important to note that this budget information includes only agency requests. Actual appropriations and expenditures may vary significantly. However, in terms of evaluating the full maintenance costs of capital projects, agency requests may be a better indicator, assuming that these requests are accurate. Lower appropriations would indicate a sub-standard level of maintenance, which for most facilities would result in either higher maintenance costs in later years or a shorter useful life.

Another consideration regarding the costs presented in this section is that they reflect only additional costs which could not be covered within the existing agency budgets. For some projects, funds in the existing operation and maintenance budget may have been "stretched" by reducing maintenance levels slightly on other facilities to cover the additional costs. Or, if M&O costs declined for any facilities, this savings may have been used to pay part of the M&O cost of new capital projects.

Department of Transportation and Public Facilities

DOT/PF requested a total of about \$8.5 million from FY 81 to FY 84 for the operation and maintenance of new capital projects. Table 1 on the following page lists these additional budget requests for each of the four fiscal years. To put this figure in perspective, DOT/PF's FY 83 budget for maintenance and operations is \$110.3 million.² This indicates that the DOT/PF M&O budget has increased by about 8 percent as a result of capital projects constructed during the last several years.

² This figure excludes M&O costs for the Anchorage and Fairbanks International Airports, which are not funded through the general fund.

Most of these requests for additional M&O funds were for either rural airport improvements or for new road mileage. For example, the FY 83 budget request for the Western region noted that lighting systems, runway extensions, or navigation and communications equipment had been installed at 33 community airports. The FY 82 Interior region budget request stated that 296 lane miles of roads and highways had been added to the regions system since 1979 with only small increases in maintenance funds. A smaller amount of additional funds was requested for building maintenance and operation and for expansion of the design and support staff for capital projects³

Division of Corrections

Table 2 contains the amounts requested by the Division of Corrections for new or expanded facilities. These figures include all direct costs of operating and maintaining the correctional facilities, including personnel, the purchase of food and other commodities, and contractual services. The largest budget requests were for the Cook Inlet pre-trial facility (\$2.3 million), the Palmer medium security prison (\$1.6 million), and the Hiland Mountain expansion (\$1.6 million). The Division's FY 83 operating budget is \$58.7 million, up from \$27 million in FY 80.

TABLE 2

Division of Corrections Additional Budget Requests for Operation and Maintenance of New or Expanded Facilities

FY 84	\$3,662,000
FY 83	7,667,000
FY 82	489,000
FY 81	<u>2,360,000</u>

TOTAL \$14,178,000

Department of Fish and Game

The Fisheries Rehabilitation, Enhancement and Development (FRED) Division operates 20 fish hatcheries, as well as engaging in stream restoration, lake fertilization and other activities. The operation of the

³ During this period, several million dollars (not included here) was requested for capital project design, support and administration as part of the legislative mandate to convert from capital funding for these positions to funding under the operating budget.

Representative Malone

April 4, 1983

Page 7

hatcheries requires about \$6.7 million out of the Division's total \$13.5 million FY 83 operating budget.⁴ Of the 20 hatcheries, about 11 have been built since 1978 through general obligation bonds. An approximate estimate of the cost of operating these newer hatcheries would be \$3.7 million. The average size of the newer hatcheries is larger than the older facilities, so that the actual operating cost of the newer hatcheries would be somewhat larger than \$3.7 million.

The cost of operating the hatcheries at full capacity would be larger than the figures cited above. However, because of budget constraints, the Division is operating several of the hatcheries at reduced levels. The Division has also restricted its other functions because funding for the hatcheries has not kept pace with cost increases.

University of Alaska

Time did not permit a complete review of the budget requests for the University of Alaska. However, it was evident from the two fiscal years which were examined that only a very small percentage of the University's budget requests were for the operation of new facilities. Nearly all of the requests were for new teaching positions or other program-oriented purposes. In addition, several of the requests for the operation and maintenance of new buildings were rejected by the Governor.

For example, \$772,000 was requested in the FY 84 budget for operating new buildings at the Anchorage and Juneau campuses, all of which was rejected. It is unlikely that the University would allow the buildings to stand empty, so that the cost of operating these buildings will probably be reallocated from other funds. In FY 82, \$517,000 was requested (and approved by the Governor) for new facilities, including the Anchorage Community College aviation complex, a Fairbanks power plant addition, and additions to several community colleges throughout the state.

⁴ Source: Stan Moberly, FRED Division Director, personal communication, 3/31/83.

For example, \$772,000 was requested in the FY 84 budget for operating new buildings at the Anchorage and Juneau campuses, all of which was rejected. It is unlikely that the University would allow the buildings to stand empty, so that the cost of operating these buildings will probably be reallocated from other funds. In FY 82, \$517,000 was requested (and approved by the Governor) for new facilities, including the Anchorage Community College aviation complex, a Fairbanks power plant addition, and additions to several community colleges throughout the state.

MAINTENANCE AND OPERATIONS COST INDEXES

The attached tables include representative maintenance and operations costs for roads and highways, airports, and public buildings. It must be emphasized that the M&O figures, which were provided by DOT/PF, are approximate and are averages. M&O costs for specific facilities can vary considerably depending on location, design, age, level of use, and level of maintenance. It should also be noted that the costs for roads and airports are from a 1981 DOT/PF study; current costs would be about 15 percent higher as a result of inflation.

These M&O figures do not include the non-maintenance personnel costs of operating facilities, for example, teachers' salaries in schools. The staffing levels of schools and other facilities vary considerably in relation to building size, making it inaccurate to use any kind of "positions per square foot" average in determining personnel costs.

Roads

Attachment 1 shows maintenance costs per lane mile per year for eight different types of roads, ranging from 4-lane paved highways to gravel roads less than 20 feet wide. The maintenance costs are also classified by region: Interior, Southcentral, Southeastern, Western and Central (a map of these regions is included on the following page). These costs were compiled by DOT/PF in a 1981 study. The table demonstrates the wide range in maintenance costs both for different types of roads and in different regions. For example, the cost of maintaining 2-lane paved rural primary routes (Type IV) in the Southcentral region is shown as \$8,739 per lane mile, compared to only \$2,346 per lane mile for gravel secondary roads (Type 6) in the same region. Most of this cost difference is a result of the higher traffic volumes on the primary routes and a higher maintenance level, such as more frequent snowplowing.

The wide spread in maintenance costs in different regions is indicated by the fact that in the Interior region, maintaining a 2-lane paved

rural primary route costs \$4,432 per lane mile -- about half the cost for the same road type in the Southcentral region -- while in the Western region the cost for this road type is over \$15,000 per lane mile.

Although the large variance in road maintenance costs makes it difficult and somewhat misleading to use a single average figure, a cost of \$5,200 per lane mile is often used in DOT/PF budget requests as an indicator of operating costs.

Airports

DOT/PF has also compiled data on the maintenance and operating costs of State-owned airports throughout the state. These costs are summarized in Attachment 2, and are classified for four types of airports and three areas of the state. The airport types, in order of declining size, are: regional center, regional, transport and community. Areas II and III are the same Interior and Western regions used for the information on road costs, while Area I combines the Central, Southcentral, and Southeastern regions. These airport maintenance costs are also for FY 81 and should be inflated by about 15 percent to reflect current costs.

As might be expected, the larger regional airports are considerably more expensive to maintain than the smaller community airports. The average maintenance cost for the regional center airports at the time of the study was about \$371,000 per year. Community airports averaged only \$14,360 in average maintenance costs. One cost difference which appears unusual at first glance is the much lower cost shown for maintenance of community airports in Area III (the Western region) compared to the rest of the state. One might expect the cost of maintenance to be higher in the Western region because of its remoteness and rugged climate. The most likely reasons for the lower cost shown for the Western region are simply that the airports in many of these communities are very basic, frequently without lighting or communications, and receive very limited maintenance.

It should be noted that an extensive rural airport improvement program has been undertaken over the past several years, and as a result, current maintenance costs are probably somewhat higher (even after adjusting for inflation) than those shown in Attachment 2. Although some airport improvements, such as runway resurfacing, can reduce maintenance costs, other improvements like runway lighting, communications and navigational aids require extensive maintenance to remain operative.

Public Buildings

According to Greg Brown, Acting Statewide Planning Manager for NNT/PF, the annual maintenance and operating cost of a new office building or school in Anchorage or Juneau would probably fall in the range of \$6.50-\$7.75 per square foot of building space. This cost figure is for an optimum level of maintenance and includes all annual costs such as utilities, insurance, and janitorial service, in addition to periodic repairs to the roof, heating system, and other components.

This cost range was obtained from historical NNT/PF and local government information. Mr. Brown noted that it is difficult to arrive at an average maintenance cost, even for similar buildings, because different agencies include different items as M&O costs, and because different levels of maintenance are used. He emphasized that this cost figure should be used only as a general indicator of potential maintenance and operating impacts, and should not be used for specific projects or in preparing agency budgets.

As noted earlier, M&O costs can vary considerably, even for the same location, depending on type of facility, design, and less-than-optimum maintenance levels. For example, a corrections facility would be much more expensive to maintain than an office facility, because of its full-time occupancy and security requirements. On the other hand, a maintenance shop or storage facility would have lower M&O costs. An older facility will usually have a higher M&O cost per square foot than a new building. Also, it is important to recognize the effect of inflation on future M&O costs. With 10 percent inflation, the total M&O costs over the 30 year life of a building can be over 12 times the original construction cost of the structure.

* * * * *

I hope that this information is useful, and regret that we were not able to provide a more comprehensive response under the time constraints of our current workload. Should you have any questions or need additional research, please do not hesitate to contact us.

JK/sj

Attachments

ATTACHMENT 1

Source: DOT/PF

SUMMARY OF AVERAGE TOTAL MAINTENANCE COST/LANE MILE/YEAR
Including Overhead Costs

Roadway Type	Typical Surface Width	INTERIOR			SOUTHCENTRAL			SOUTHEASTERN			WESTERN			CENTRAL		
		Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total
I	48	18,936	5,870	*24,806	0	0	0	7,760	2,406	10,166	0	0	0	2,928	908	3,836
II	48	4,775	1,480	6,255	0	0	0	4,663	1,446	6,109	0	0	0	2,752	853	3,605
III	24	9,381	2,908	12,289	0	0	0	5,978	1,853	7,831	0	0	0	4,771	1,479	6,250
IV	24	3,383	1,049	4,432	6,671	2,068	8,739	3,638	1,128	4,766	11,764	3,647	15,411	3,198	991	4,189
V	24	2,955	916	3,871	5,683	1,762	7,445	4,624	1,433	6,057	1,592	494	2,086	2,890	896	3,786
VI	32	2,233	692	2,925	1,791	555	2,346	4,344	1,347	5,691	2,074	643	2,717	2,887	895	3,782
VII	18	3,026	938	3,964	3,101	961	4,062	6,125	1,899	8,024	2,811	871	3,682	3,216	997	4,213
VIII	24	1,895	587	2,482	2,201	682	2,883	6,494	2,013	8,507	879	272	1,151	2,611	809	3,420

* It has been noted that the \$24,806 cost/lane mile shown for Type I roadways located in the Interior Maintenance Region, also described as Area II, can be attributed to the high maintenance costs associated with chain link fencing which existed as a traffic separator on portions of Route 170000 (Parks Highway), during the time period associated with costs shown in this report. The chain link fencing has been replaced with concrete traffic separators which should contribute to reduced future maintenance costs.

ATTACHMENT 2 -- AIRPORTS

TOTAL AVERAGE MAINTENANCE COSTS AND OVERHEAD COSTS

		AREA I ¹	AREA II ²	AREA III ³
Regional Center	Maintenance	\$301,608	\$276,795	\$313,092
	Overhead	<u>68,767</u>	<u>87,744</u>	<u>66,062</u>
	Total	\$370,375	\$364,539	\$379,154
Regional	Maintenance	203,384	110,646	153,012
	Overhead	<u>46,372</u>	<u>35,075</u>	<u>32,286</u>
	Total	\$249,756	\$145,721	\$185,298
Transport	Maintenance	60,364	--	22,293
	Overhead	<u>13,763</u>	<u>--</u>	<u>4,704</u>
	Total	\$ 74,127	-- -- --	\$ 26,997
Community	Maintenance	11,403	17,065	5,452
	Overhead	<u>2,600</u>	<u>5,410</u>	<u>1,150</u>
	Total	\$ 14,003	\$ 22,475	\$ 6,602

1. Overhead calculated at 22.8% of maintenance.
2. Overhead calculated at 31.7% of maintenance.
3. Overhead calculated at 21.1% of maintenance.

Source: DOT/PF

H B

83

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 83

Martin Luther King, Jr. Holiday

Received January 12, 1989
by the Rules Committee by Request of the Governor

Heard February 2, 1989
Heard February 14, 1989

Committee Substitute adopted February 14, 1989

Passed Out of Committee February 14, 1989
3 Do Pass
3 No Recommendation

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HB 83: Martin Luther King, Jr. Holiday

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January 31, 1989
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HOUSE COMMITTEE REPORT

(5)

Date Referred: January 12, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee recommends that:

HOUSE BILL NO. 83

[MARTIN LUTHER KING, JR., HOLIDAY]

"An Act establishing Martin Luther King, Jr., Day as a legal holiday."

be replaced with CS HB 83(SA) the same title
 a new title

have attached amendment(s)

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

APPROVES PREVIOUS:

fiscal note(s) published:

zero fiscal notes(s) published:

SIGNING DO PASS:

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Chairman's signature

Introduced: 1/12/89
Referred: State Affairs and
Finance

Item 1
go01009h

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 83

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act establishing Martin Luther King, Jr., Day as
a legal holiday."

7

8

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

9

* Section 1. AS 44.12.010 is amended to read:

10

Sec. 44.12.010. LEGAL HOLIDAYS. The following days are legal

11

holidays: (1) the first of January, known as New Year's Day; (2) the

12

third Monday of January, known as Martin Luther King, Jr.'s, Birthday;

13

(3) [(2)] the 12th of February, known as Lincoln's Birthday; (4) [(3)]

14

the third Monday in February, known as Washington's Birthday; (5)

15

[(4)] the last Monday of March, known as Seward's Day; (6) [(5)] the

16

last Monday in May, known as Memorial Day; (7) [(6)] the fourth of

17

July, known as Independence Day; (8) [(7)] the first Monday in Septem-

18

ber, known as Labor Day; (9) [(8)] the eighteenth of October, known as

19

Alaska Day; (10) [(9)] the 11th of November, known as Veterans' day;

20

(11) [(10)] the fourth Thursday in November, known as Thanksgiving

21

Day; (12) [(11)] the 25th of December, known as Christmas Day; (13)

22

[(12)] every Sunday; (14) [(13)] every day designated by public proc-

23

lamation by the President of the United States or the governor of the

24

state as a legal holiday.

25

* Sec. 2. AS 44.12.045 is repealed.

→ legal holiday
 └ private
 ↳

p.s.v. ?
private ?
local ?

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Item 2

cc

HB83

January 12, 1989

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

Dear Representative Cotten:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to establish Martin Luther King, Jr., Day as a legal holiday. Although, in 1982, AS 44.12.045 was enacted to establish Martin Luther King Day as a day of commemoration, I firmly believe that the immeasurable contributions of Dr. King to our society merit this additional recognition.

Acting on that conviction, I recently issued a proclamation under AS 44.12.010(13) designating January 16, 1989 a legal holiday. Selecting that day, the third Monday in January, conforms to federal legislation (5 U.S.C. 6103) that designates that day a national holiday each year. To honor Dr. King on a permanent basis in Alaska, I am introducing this bill which also conforms to the federal legislation.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Steve Cowper".

Steve Cowper
Governor

STATE OF ALASKA 1989 LEGISLATIVE SESSION
FISCAL NOTE

No. 1

Bill Version: HB 83
Publish Date: HOUSE 1/12/89

REQUEST _____

Revision Date: _____
Title: An Act establishing Martin Luther King, Jr., Day as a legal holiday
Sponsor: Rules
Requestor: Governor

Agency Affected: All agencies
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-0-	466.0	466.0	466.0	466.0	466.0
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-	466.0	466.0	466.0	466.0	466.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	330.9	330.9	330.9	330.9	330.9
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	135.1	135.1	135.1	135.1	135.1
TOTAL	-0-	466.0	466.0	466.0	466.0	466.0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary See attached.

Prepared By: Richard P. Cummings Phone: 465-4404
Division: Labor Relations Date: _____

Approved by Commissioner: John M. Andrews Date: Jan 11, 1989
Agency: Department of Administration

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

Martin Luther King Day Analysis

Assumptions:

1. Creation of one additional holiday will result in a productivity loss in Executive, Judicial and Legislative Branches (.38% of straight-time payroll) but will not require additional funding for the day of absence, per se. The value of this loss is approximately \$2.28 million.
2. \$466,000 in additional funds will be necessary for Executive Branch overtime/benefits, based on agency survey.
3. No payroll increases in ensuing fiscal years; no increase in overtime in ensuing fiscal years.
4. Funding distribution is General Fund at 71.0%. The balance includes federal funds and all others.
5. Does not include costs for University of Alaska or non-State employers.

Item 4



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0536

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

January 31, 1989

To: Rep. Red Boucher, Chair
Members; House State Affairs Committee

Re: House Bill No. 83; "An Act establishing Martin
Luther King, Jr., Day as a legal Holiday."

NEA-Alaska strongly supports and encourages your favorable
consideration of HB 83.

It is most appropriate that we acknowledge the birthday of
this truly outstanding Black American who was the leader of
the American civil rights movement.

Through his efforts, Dr. King not only exposed racial
injustice but raised our collective conscience to all
injustice and inequity in our social and economic programs.
His activities represent the highest degree of patriotism
and the very spirit of our democracy.

Dr. King's commitment to non-violent methods will continue
to serve as a model for all interests which find the need to
speak out on matters of concern.

His efforts have opened the doors of hope, aspiration, and
belief in self-worth for all groups which have been
disadvantaged by our social and economic systems.

It is time for the State of Alaska to acknowledge Dr. King's
effort by making his birthday a legal state holiday.

Thank you for your consideration of our position.

Respectfully submitted,

Bob Manners
Executive Secretary

cc: Governor Cowper

m31jan2

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Martin Luther King, Jr.
Holiday
Sponsor: State Affairs Committee
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Zero Fiscal Note predicated on collective bargaining agreements which would comply with the provisions of this legislation.

Prepared by: House State Affairs Committee
Division: _____
Approved by Commissioner: Rep. H.A. "Red" Eoucher
Agency: _____

Phone: 465-4931
Date: Feb 10, 1989
Date: Feb. 10, 1989

Distribution (by preparer):

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

Position Statement
H.B. 83

Item 7
Louie Overstreet
January 31, 1989

House State Affairs Committee

KING HOLIDAY AS AN OPTION

Rules Committee

While I support the State declaring Martin Luther King's birthday as a State holiday, I do not support giving State workers an additional day off.

I make this statement advisedly, since I'm currently employed in the public sector. Given the general level of salary compensation, number of vacation days awarded after one year of employment, paid holidays, some ability to cash in accrued leave, and health care benefits that we have, I think it would be ridiculous to give State workers another paid day off.

Assuming negotiated agreements could be reopened on this one issue, I would support several State holidays being optional. As an example, if a worker wanted to take King's birthday off, then that person would be required to work on Seward's Day.

Being candid, based on first hand knowledge, the total leave time available to a large percentage of State workers has a tremendous impact on productivity. This fact, in my opinion, is the primary reason public employees are often viewed in a negative light by the general public. A close second would be the exhibition of a "bad" attitude when interacting with the public.

Not only is another holiday non-productive, it is also very costly. In the proposed State operating budget for FY 89/90 there are 16,253 full time and 3,349 part time positions authorized. Assuming two part time positions are equivalent to one full time position, then there are 17,927 full time positions proposed for

RECEIVED

FEB 7 1989

Louie Overstreet
January 31, 1989

funding in the budget at a cost of 1.1 billion dollars. Assuming the average State worker puts in 249 days a year on the job, then by dividing the 1.1 billion dollars by the number of positions times the number of days, yields a per day cost of \$246 to keep one State worker on the job. Conversely, multiplying the number of full time positions by \$246/day presents a cost of 4.4 million dollars to celebrate another holiday.

Not even counting this as a yearly recurring cost, as a one time cost would represent the following: 4.4 million invested at 10 percent after one year would yield \$440,000 in perpetuity. This money could be used to fund nearly 100 full scholarships at UAA for deserving students who might choose to pursue majors in the sciences consistent with the dream Dr. King envisioned for America. Alternately, it could fund two community based educational enrichment programs in Fairbanks and Anchorage for \$220,000 each. It should be noted Governor Cowper cut such a program out of last year's budget. Now he's proposing another paid holiday for persons, many of whom, I would venture to guess, do not share King's dream for our nation.

Holiday yes, another day off for State workers, no.

Mailing Address:

Louie Overstreet
10900 Snowline
Anchorage, Alaska 99516

907/346-1161(h)
269-2320(w)

Cap. Rm 102



Alaska House of Representatives
RESEARCH AGENCY

TO: Marco Rignalheri DATE: 2/1/89

FROM: Sandi Depue

Attached are lists of
federal + Alaska State
legal holidays.

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
(907) 465-3991

FEDERAL LEGAL HOLIDAYS

January 1	-	New Years Day
3rd Monday in January	-	Martin Luther King Jr. Birthday
3rd Monday in February	-	Washington's Birthday
Last Monday in May	-	Memorial Day
July 4	-	Independence Day
1st Monday in September	-	Labor Day
2nd Monday in October	-	Columbus Day
November 11	-	Veterans' Day
4th Thursday in November	-	Thanksgiving Day
December 25	-	Chirstmas

Source: Office of Personnel Management, Washington, D.C.
U.S. Code, Section 6104

plus EGU - B'day

§ 44.09.080

ALASKA STATUTES

§ 44.12.010

Cross references. — For legislative intent, see § 1, ch. 98, SLA 1983, in the Temporary and Special Acts

Sec. 44.09.080. State fish. The king salmon (*Oncorhynchus tshawytscha*) is the official fish of the state. (§ 1 ch 20 SLA 1963)

Sec. 44.09.085. State sport. Dog mushing is the official sport of Alaska. (§ 1 ch 38 SLA 1972)

Sec. 44.09.090. State medal for heroism. (a) The governor is authorized to award a state medal for heroism directly or posthumously to any citizen of the state in recognition of a valorous and heroic deed performed in the saving of a life or for injury or death or threat of injury or on behalf of the health, welfare or safety of other persons. The medal shall be awarded by the governor with an appropriate ceremony.

(b) The governor shall make arrangements for the designing of the medal for heroism through a statewide design competition participated in by the school children of the state. (§ 1 ch 12 SLA 1965)

Sec. 44.09.100. State gem. Jade is the official state gem. (§ 1 ch 51 SLA 1968)

Sec. 44.09.110. State mineral. Gold is the official state mineral. (§ 1 ch 50 SLA 1968)

Chapter 12. Holidays.

Section

- 10 Legal holidays
- 20 Holiday falling on Sunday
- 25 Holiday falling on Saturday
- 30 Wickersham Day

Section

- 40 Anthony J. Dimond Day
- 45 Martin Luther King Day
- 50 Ernest Gruening Day
- 55 Bob Bartlett Day

Sec. 44.12.010. Legal holidays. The following days are legal holidays: (1) the first of January, known as New Year's Day; (2) the 12th of February, known as Lincoln's Birthday; (3) the third Monday in February, known as Washington's Birthday; (4) the last Monday of March, known as Seward's Day; (5) the last Monday in May, known as Memorial Day; (6) the fourth of July, known as Independence Day; (7) the first Monday in September, known as Labor Day; (8) the eighteenth of October, known as Alaska Day; (9) the 11th of November, known as Veterans' Day; (10) the fourth Thursday in November, known as Thanksgiving Day; (11) the 25th of December, known as Christmas Day; (12) every Sunday; (13) every day designated by public proclamation by the President of the United States or the governor of the state as a legal holiday. (§ 1-1-6 ACLA 1949; am § 1 ch 183 SLA 1959; am § 1 ch 37 SLA 1969; am § 1 ch 5 SLA 1973; am § 1 ch 38 SLA 1973)

§ 44.12.020

STATE GOVERNMENT

§ 44.12.050

Cross reference. — For Arbor Day, see AS 41 15.900

NOTES TO DECISIONS

Applied in *In re Dalton*, 8 Alaska 338 (1932). Cited in *Jefferson v. Moore*, Sup. Ct. Op. No. 9 (File No. 44, 354 P2d 373 (1960)).

Collateral references. — 73 Am. Jur. 2d, Sundays and Holidays, § 1 et seq. 40 C.J.S., Holidays, § 1 et seq.

Sec. 44.12.020. Holiday falling on Sunday. If a holiday listed in AS 44.12.010, except AS 44.12.010(12), falls on a Sunday, Sunday and the following Monday are both legal holidays. (§ 1-1-6 ACLA 1949; am § 1 ch 183 SLA 1959; am § 2 ch 37 SLA 1969)

Sec. 44.12.025. Holiday falling on Saturday. If a holiday listed in AS 44.12.010 falls on a Saturday, the Saturday and the preceding Friday are both legal holidays for officers and employees of the state. (§ 1 ch 40 SLA 1966)

Sec. 44.12.030. Wickersham Day. August 24 is designated Wickersham Day in honor of James Wickersham, and is the occasion for school assemblies with appropriate programs, and other suitable observances and exercises by civic groups and the public in general. (§ 2 ch 63 SLA 1949)

Sec. 44.12.040. Anthony J. Dimond Day. November 30 is designated Anthony J. Dimond Day in honor of "Tony" Dimond, and shall be observed by appropriate school assemblies and programs, and other suitable observances and exercises by civic groups and the public at large. (§ 2 ch 133 SLA 1955)

Sec. 44.12.045. Martin Luther King Day. January 15 is designated Martin Luther King Day to honor Dr. Martin Luther King, Jr., for tireless efforts and devotion in the advancement of justice, equality and human dignity of all people. Martin Luther King Day may be observed by suitable observances and exercises by civic groups and the public. (§ 1 ch 5 SLA 1982)

Sec. 44.12.050. Ernest Gruening Day. Ernest Gruening Day is established on February 6 of each year to honor Ernest Gruening, doctor, editor, and statesman, for a lifetime of service to the territory and state of Alaska and the nation. Ernest Gruening Day may be observed by suitable observances and exercises by civic groups and the public. (§ 1 ch 13 SLA 1984)

2/12 holiday taken as a floating holiday by some bargaining units as is an employee's birthday

Sec. 44.12.055. Bob Bartlett Day. Bob Bartlett Day is established on April 20 of each year to honor E.L. "Bab" Bartlett, the "architect of Alaska statehood," for a lifetime of public service to Alaska and the nation. Bob Bartlett Day may be observed by suitable observances and exercises by civic groups and the public. (§ 1 ch 12 SLA 1984)

Part 2. Executive Branch.

Chapter

- 17. Organization and Administration of Departments (§§ 44.17.005 — 44.17.080)
- 19. Office of the Governor (§§ 44.19.010 — 44.19.192)
- 21. Department of Administration (§§ 44.21.010 — 44.21.440)
- 23. Department of Law (§§ 44.23.010 — 44.23.060)
- 25. Department of Revenue (§§ 44.25.010 — 44.25.020)
- 27. Department of Education (§§ 44.27.010 — 44.27.076)
- 28. Department of Corrections (§§ 44.28.010 — 44.28.030)
- 29. Department of Health and Social Services (§§ 44.29.010 — 44.29.150)
- 31. Department of Labor (§§ 44.31.010 — 44.31.020)
- 33. Department of Commerce and Economic Development (§§ 44.33.010 — 44.33.630)
- 35. Department of Military and Veterans' Affairs (§§ 44.35.010 — 44.35.030)
- 37. Department of Natural Resources (§§ 44.37.010 — 44.37.040)
- 39. Department of Fish and Game (§§ 44.39.010 — 44.39.050)
- 41. Department of Public Safety (§§ 44.41.010 — 44.41.030)
- 42. Department of Transportation and Public Facilities (§§ 44.42.010 — 44.42.900)
- 46. Department of Environmental Conservation (§§ 44.46.010 — 44.46.050)
- 47. Department of Community and Regional Affairs (§§ 44.47.010 — 44.47.998)

Chapter 17. Organization and Administration of Departments.

Section

- 5. Offices and departments
- 10. Delegation of functions
- 20. Divisions
- 30. Regulations
- 40. Department staffs

Section

- 50. Continuation of functions
- 60. Unassigned functions
- 70. Reorganization by department heads
- 80. Appearance before the legislature

Sec. 44.17.005. Offices and departments. There are in the state government the following principal offices and departments:

- (1) Office of the Governor
- (2) Department of Administration
- (3) Department of Law
- (4) Department of Revenue
- (5) Department of Education
- (6) Department of Health and Social Services
- (7) Department of Labor
- (8) Department of Commerce and Economic Development
- (9) Department of Military and Veterans' Affairs
- (10) Department of Natural Resources
- (11) Department of Fish and Game
- (12) Department of Public Safety
- (13) [Repealed, E.O. No. 39, § 13 (1977)]
- (14) [Repealed, § 2 ch 207 SLA 1975]
- (15) Department of Transportation and Public Facilities
- (16) Department of Environmental Conservation
- (17) Department of Community and Regional Affairs;
- (18) Department of Corrections. (§ 2 ch 64 SLA 1959; am § 1 ch 49 SLA 1963; am § 1 ch 103 SLA 1966; am § 1 ch 104 SLA 1971; am § 1 ch 120 SLA 1971; am § 1 ch 200 SLA 1972; am § 2 ch 207 SLA 1975; am § 94 ch 218 SLA 1976; am E.O. No. 39, §§ 7, 13 (1977); am E.O. No. 55, § 37 (1984); am E.O. No. 58, § 19 (1984))

Revisor's notes. — Formerly AS 44.15.010. Renumbered in 1980. The second 1984 amendment inserted "and Veterans'" in paragraph (9).
Effect of amendments. — The first 1984 amendment added paragraph (18).

NOTES TO DECISIONS

The University of Alaska cannot be allocated among the principal departments now identified under this section. University of Alaska v. National Aircraft Leasing, Ltd., Sup Ct Op No. 1158 (File No. 2365, 536 P 2d 121 (1975)).
 The University of Alaska is an instrumentality of the sovereign which enjoys in some limited respects a status which is co-equal rather than subordinate to that of the executive or the legislative arms of government. Therefore, it is not necessarily subject to such allocation under this

section. University of Alaska v. National Aircraft Leasing, Ltd., Sup Ct Op No. 1158 (File No. 2365, 536 P 2d 121 (1975)).
 Former Alaska State-Operated School System not a separate principal department of government. — See Alaska State-Operated School Sys. v. Mueller, Sup Ct Op No. 1157 (File No. 2138, 536 P 2d 99 (1975)).
 Applied in Gramata v. Occhipinti, Sup Ct Op No. 1962 (File No. 3756, 102 P 2d 442 (1979)).

Collateral references. — 38 Am. Jur. 2d, Governor, § 1 to 15, 63 Am. Jur. 2d, Public Officers and Employees, § 1 of seq. 72 Am. Jur. 2d, States, Territories and Dependences, § 62 to 65. 81A C.J.S., States, § 79 to 103.

go1009hH
Cramer
2/7/89

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 83 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legal holidays; and establishing
7 Martin Luther King, Jr., Day as a legal holiday."

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

9 * Section 1. AS 44.12.010 is amended to read:

10 Sec. 44.12.010. LEGAL HOLIDAYS. The following days are legal
11 holidays:

12 (1) the first of January, known as New Year's Day;

13 (2) the third Monday of January, known as Martin Luther
14 King, Jr.'s, Birthday;

15 (3) [(2)] the 12th of February, known as Lincoln's Birthday;

16 (4) [(3)] the third Monday in February, known as Washing-
17 ton's Birthday;

18 [(4) THE LAST MONDAY OF MARCH, KNOWN AS SEWARD'S DAY;]

19 (5) the last Monday in May, known as Memorial Day;

20 (6) the fourth of July, known as Independence Day;

21 (7) the first Monday in September, known as Labor Day;

22 (8) [THE EIGHTEENTH OF OCTOBER, KNOWN AS ALASKA DAY;

23 (9)] the 11th of November, known as Veterans' day;

24 (9) [(10)] the fourth Thursday in November, known as Thanks-
25 giving Day;

26 (10) [(11)] the 25th of December, known as Christmas Day;

27 (11) [(12)] every Sunday;

28 (12) [(13)] every day designated by public proclamation by
29 the President of the United States or the governor of the state as a

1 legal holiday.

2 * Sec. 2. AS 44.12.010 is amended by adding a new subsection to read:

3 (b) Alaska Day is a legal holiday without a fixed date. On the
4 18th of October those employees entitled to receive leave for legal
5 holidays shall be credited with one day's leave.

6 * Sec. 3. AS 44.12.020 is amended to read:

7 Sec. 44.12.020. HOLIDAY FALLING ON SUNDAY. If a holiday listed
8 in AS 44.12.010, except Sunday under AS 44.12.010(a)(11) [AS 44.12.-
9 010(12)], falls on a Sunday, Sunday and the following Monday are both
10 legal holidays.

11 * Sec. 4. AS 44.12.045 is repealed.
12

*Effective Date subject to agreement of collective Bargaining
units and executive branch.*

24

25

26

27

28

29

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 56 SA
Publish Date: _____

REQUEST _____

Revision Date: February 13, 1987
Title: An Act establishing Martin Luther King, Jr., Day as a legal holiday.
Sponsor: rules by request of Governor
Requestor: House State Affairs

Agency Affected: All Agencies
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
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:	0	0	0	0	0	0
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary See attached.

Prepared By: Michael P. McMullen *Michael P. McMullen* Phone: _____
Division: Office of the Commissioner Date: February 13, 1987
Approved by Commissioner: Garrey Peska *Garrey Peska* Date: 2/13/87
Agency: Department of Administration

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

FISCAL NOTE ANALYSIS

FOR CSHB 56 SA

This Fiscal Note is prepared based on the motion adopted by the House State Affairs Committee on February 11 to amend the bill to provide for Martin Luther King, Jr., Day as a State holiday on the third Monday in January; combine Lincoln's Birthday and Washington's Birthday holidays as President's Day on the third Monday in February; and adopt a Letter of Intent that there would not be a net increase in State employee holidays. This Fiscal Note is prepared before the final versions of CSHB 56 SA and the committee Letter of Intent have been adopted.

Based on no net increase in holidays for State employees, the Fiscal Note reflects a zero cost.

A Letter of Intent is the mildest manner in which the Legislature can advise the Executive Branch of its desires regarding an issue subject to collective bargaining. A Letter of Intent maintains the maximum reliance on the collective bargaining process to achieve a result consistent with the will of the Legislature. Accordingly, the Department of Administration will give full consideration to the Letter of Intent in bargaining sessions. To the extent that any agreement addresses changes in holidays that result in a net cost increase, those costs will be considered costs of the contract. Necessary funding will be addressed under existing statutory mechanisms dealing with contract costs. In any event, those costs will not be attributable to the passage of CSHB 56 SA. The Fiscal Note properly shows a zero cost for this reason.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: _____
Publish Date: _____

Revision Date: 1/9/87
Title: An Act establishing Martin Luther King, Jr., Day as a legal holiday
Sponsor: Rules
Requestor: Governor

Agency Affected: All agencies
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-0-	423.6	423.6	423.6	423.6	423.6
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-					
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	352	352	352	352	352
FEDERAL FUNDS	-0-	17.4	17.4	17.4	17.4	17.4
OTHER	-0-	54.2	54.2	54.2	54.2	54.2
TOTAL	-0-	423.6	423.6	423.6	423.6	423.6

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary See attached.

Prepared By: *Bruce Cummings*
Division: Labor Relations

Phone: 465-4404
Date: 1/9/87

Approved by Commissioner: Garrey Peska
Agency: Department of Administration

Date: _____

Distribution (by preparer):

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

Martin Luther King Day Analysis

Assumptions:

1. Creation of one additional holiday will result in a productivity loss worth \$1.96 million in Executive, Judicial and Legislative branches (.38% of straight-time payroll) but will not require additional funding for the day of absence, per se.
2. \$423,600 in additional funds will be necessary for Executive branch overtime/benefits, based on agency survey.
3. No payroll increases in ensuing fiscal years; no increase in overtime in ensuing fiscal years.
4. Funding distribution of General Fund at 83.1%, federal funds at 4.1%, and "other" funds at 12.8%.
5. Does not include costs for University of Alaska or non-State employers.

January 21, 1986

The Honorable Vic Fischer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

JAN 21 1986

LABOR RELATIONS

Dear Senator Fischer:

Your staff has requested this department's initial reaction to SB 347 which would allow State employees to take Martin Luther King Day as a holiday in place of a legal holiday listed in AS 44.12.010. We fully support recognition of Martin Luther King Day. Elevating the day from a day of observance to a holiday status would enhance recognition of Dr. Martin Luther King, Jr.'s efforts and devotion to justice, equality, and human dignity.

We believe that allowing employees to individually choose to observe Martin Luther King Day as a holiday in trade for another holiday creates substantial scheduling and record keeping problems. There are also costs associated with these problems which we will attempt to quantify in a Fiscal Note.

The scheduling problem is best described by a hypothetical example. Suppose 3,000 Executive Branch employees choose to observe Martin Luther King Day and to trade equally for one of the eleven other holidays. Overall, State operations would be reduced on January 15. In sporadic locations whole offices might be closed, but in general, State operations would proceed. On each of the other eleven holidays, approximately 270 employees would be expected to work. These employees would be scattered throughout the State. Access to buildings would have to be provided, along with heat and lights. In many cases, related offices or facilities required for production work would not be available. On Thanksgiving, Christmas, and New Years, the mainframe computer systems are not available, for example. The public does not expect services on these holidays, so any employees who are primarily direct public contact would have no "customers" for the day. In general, the 270 employees are not sufficient for meaningful operations. Where employees are expected to work and security concerns (buildings, data, available supervisors, etc.) prevent them from working, the employees will still be paid for the day under terms of their collective bargaining agreements.

SB 347 would also require additional record keeping. Records would be needed of those employees who choose to observe Martin Luther King Day. Records of not working on January 15 and of working on the traded holiday would be needed. An adjustment would be required for each employer who observes January 15 as a holiday and separates before working the traded holiday.

January 21, 1986

We have been unable to propose an alternative plan involving any sort of individual "trade" that does not encounter these problems. We prefer a plan that would apply uniformly to all employees. It would be even more beneficial to the State if any change brought us more in line with Federal holidays. You may wish to consider the following individually or in combination:

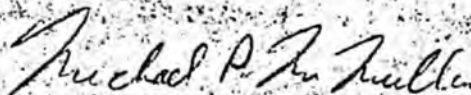
Designating the third Monday in January as Martin Luther King holiday (instead of January 15),

Combining Lincoln's birthday and Washington's birthday into President's Day, and

Combining or eliminating Seward's Day or Alaska Day (perhaps designating the other as a day of observation).

We appreciate this opportunity to comment on SB 347. We look forward to working with you as the bill works its way through the Senate.

Sincerely,



Michael P. McMullen
Special Assistant to
the Commissioner

MPM/mmc

20/201/0120-07

cc: Ski Olsonski

Deputy Commissioner

Human Resources

Department of Administration

Division of Labor Relations

Department of Administration

Division of Personnel

Department of Administration

*DATE 4/4/30

4954 - GUNGER

SUB-COMMITTEE

- SPONKOLTZ - WALT FUNDAC
- HANLEY
- M. MACKINNET

MICHAEL MACKINNET

DIR EEO
CIVIL RIGHTS,
EQUAL PROTECTION

JAN, 1989 GOT THE DAY
1986 NATIONAL HOLIDAY
ONLY THROUGH GUB ACTION

WALT FUNDAC

DIST 14, B

HB 83 -

CONCERN 1) FN

- CONGRE W + L > RES.

PRESIDENT - FREE UP DAY

DR HAYMON

- 1) FISCAL RESPONSIBILITY
- 2) PROPOSAL - LOWER MCR, HOWEVER,
LIKE TO SEE DIFF AGENCY - NOT HOLIDAY -
- 3) WHAT DOES DR DO TO CALCULATE P. (RISK)
HOLIDAY SEVER - BUT NOT F. RESPON.
WISKET OF D. MC. - DIST AREA
COMMON GOOD.

50% reduction
of substance
Addres. 4/7
MLP

Scholarships

NOT FUND holiday -
consideration - some amount
to only a few -

University Rep. put back in line - know
live the commitment -

→ what is best FOR AIR - how can
we guarantee that holiday

Hawley

↳

George Taylor

not just another paid holiday - pres.
OFF work - put \$'s into scholarships,
FEDERATION, etc. those out-of-
work -

[]

Air cannot afford not to know MLP through
holiday

DR. Alonso Patterson

REV. Patterson

supporting of Amendment - consultation
holidays →

~~PRE~~ Blowover Davis

not a benefit FOR S. Bus. RECO
ACCO of KING -

suggestion: Alternative CEY. Neutral
As underrepresented holiday

Eleonore Andrews

COLOURS DAY.

AK -

LABOR negotiations / holidays CONNO
ANONY -

~~INDIA~~

ALLOW floating days / holidays ..

TUESDAY UNDESIGNATED DON'T GO TO
WORK -

→ vent. of Admin

DOUGA RUCKER

PATTY DAVIS - AK Black CAUCUS / school board
CONCERN over holiday / schools closed?
~~PROTEST~~
supportive of Eleonore Andrews -

MARY ROBERTSON

ROSA FOSTER

BROWN

PERA
Public employees

COMMON HOLIDAYS
— OTHERS

HM 91

LIMITATIONS OF

1) NOT PROTECT UNDER REASONABLE CAUSE.
e.g. - OFFICE POLICE

2) INFO REPORTED TO "GOOD FAITH"

DESCRIPTIONS OF GOOD FAITH

REASONABLE: 1st ATTEMPT TO INFORM EMPLOYER -

ABUSIVE LANGUAGE :

LANGUAGE IN REST OF BILL - STRICTLY
DEFINITE TO ABUSE LANGUAGE -
RESPONSIVE REACTION -

PROTECTION - EMPLOYEE -

EMPLOYER RIGHT - SECTION

↳ SHOULD BE INCLUDED -

?

two people discussion 1st

Require employees to follow procedure?
collective bargain, just cost ~

Retrospective

↳ protections there?

↳ 10,000 Fine

↳

set conditions aside >

stronger



MEMORANDUM (Brief Communications)

State of Alaska

TO:	Name Marco Pignalberi	Dept./Div./Sect. Rep. Boucher's Office	Mail Stop
FROM:	Name Bruce Cummings	Dept./Div./Sect. Admin/Labor Relations	Telephone
SUBJ.:	MLK Day & Related		Date 1/30/89

Attached are fiscal notes and related information from HB 56 and CSHB 56, as well as narrative comment on the subject. Each day of work (or absence) is worth .38% of payroll; a designated holiday costs an additional app. \$450 K in overtime. Those numbers can be used to approximate costs/savings on statutory changes, but please remember that we have a 'contract impairment' issue on any attempted elimination of existing holidays for unionized employees.

RECEIVED

JAN 31 1989

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: All Agencies
 Title: An Act Establishing Martin Luther King, Jr. Day as a Legal Holiday. BRU: _____
 Sponsor: Rules by request of Governor Components: _____
 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)

Prepared By: Kimberly Geariety *Kimberly Geariety* Phone: 465-4404
 Division: Labor Relations Date: 01/29/88

Approved by Commissioner: John M. Andrews *JMA* Date: 2/4/88
 Agency: Department of Administration

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

FISCAL NOTE ANALYSIS

FOR CSHB 56 (SA)

This Fiscal Note is based on the House State Affairs Committee substitute of February 11, 1987. The Committee substitute amends the original bill to provide for Martin Luther King, Jr. Day as a State holiday on the third Monday in January, and combines Lincoln's Birthday and Washington's Birthday holidays as President's Day on the third Monday in February. The Committee also adopted a Letter of Intent that there would not be a net increase in State employee holidays.

Based on no net increase in holidays for State employees, the Fiscal Note reflects a zero cost.

A Letter of Intent is the mildest manner in which the legislature can advise the Executive Branch of its desires regarding an issue subject to collective bargaining. A Letter of Intent maintains the maximum reliance on the collective bargaining process to achieve a result consistent with the will of the legislature. Accordingly, the Department of Administration will give full consideration to the Letter of Intent in bargaining sessions. To the extent that any agreement addresses changes in holidays that result in a net cost increase, those costs will be considered costs of the contract. Necessary funding will be addressed under existing statutory mechanisms dealing with contract costs. In any event, those costs will not be attributable to the passage of CSHB 56 SA. The Fiscal Note properly shows a zero cost for this reason.

WORK DRAFT

WORK DRAFT

WORK DRAFT

go1009hH
Cramer
2/7/89

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 83 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legal holidays; and establishing
7 Martin Luther King, Jr., Day as a legal holiday."

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

9 * Section 1. AS 44.12.010 is amended to read:

10 Sec. 44.12.010. LEGAL HOLIDAYS. The following days are legal
11 holidays:

12 (1) the first of January, known as New Year's Day;

13 (2) the third Monday of January, known as Martin Luther
14 King, Jr.'s. Birthday;

15 (3) [(2)] the 12th of February, known as Lincoln's Birthday;

16 (4) [(3)] the third Monday in February, known as Washing-
17 ton's Birthday;

18 [(4) THE LAST MONDAY OF MARCH, KNOWN AS SEWARD'S DAY;]

19 (5) the last Monday in May, known as Memorial Day;

20 (6) the fourth of July, known as Independence Day;

21 (7) the first Monday in September, known as Labor Day;

22 (8) [THE EIGHTEENTH OF OCTOBER, KNOWN AS ALASKA DAY;

23 (9)] the 11th of November, known as Veterans' Day;

24 (9) [(10)] the fourth Thursday in November, known as Thanks-
25 giving Day;

26 (10) [(11)] the 25th of December, known as Christmas Day;

27 (11) [(12)] every Sunday;

28 (12) [(13)] every day designated by public proclamation by
29 the President of the United States or the governor of the state as a

WORK DRAFT

WORK DRAFT

WORK DRAFT

1 legal holiday.

2 * Sec. 2. AS 44.12.010 is amended by adding a new subsection to read:

3 (b) Alaska Day is a legal holiday without a fixed date. On the
4 18th of October those employees entitled to receive leave for legal
5 holidays shall be credited with one day's leave.

6 * Sec. 3. AS 44.12.020 is amended to read:

7 Sec. 44.12.020. HOLIDAY FALLING ON SUNDAY. If a holiday listed
8 in AS 44.12.010, except Sunday under AS 44.12.010(a)(11) [AS 44.12.-
9 010(12)], falls on a Sunday, Sunday and the following Monday are both
10 legal holidays.

11 * Sec. 4. AS 44.12.045 is repealed.

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A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 83

Page 1, line 6, after "An Act" through page 1, line 7:

Delete all material.

Insert "relating to legal holidays."

Page 1, lines 10 - 24:

Delete all material and insert:

"Sec. 44.12.010. LEGAL HOLIDAYS. The following days are legal holidays:

- (1) the first of January, known as New Year's Day;
- (2) the third Monday of January, known as Martin Luther King, Jr.'s, Birthday [12TH OF FEBRUARY, KNOWN AS LINCOLN'S BIRTHDAY];
- (3) the third Monday in February, known as President's Day [WASHINGTON'S BIRTHDAY];
- (4) the last Monday of March, known as Seward's Day;
- (5) the last Monday in May, known as Memorial Day;
- (6) the fourth of July, known as Independence Day;
- (7) the first Monday in September, known as Labor Day;
- (8) the eighteenth of October, known as Alaska Day;
- (9) the 11th of November, known as Veterans' Day;
- (10) the fourth Thursday in November, known as Thanksgiving Day;

(11) the 25th of December, known as Christmas Day;

(12) every Sunday;

(13) every day designated by public proclamation by the President of the United States or the governor of the state as a legal holiday."

LETTER OF AGREEMENT
 between the
 STATE OF ALASKA
 and the
 ALASKA STATE EMPLOYEE'S ASSOCIATION
 representing the
 GENERAL GOVERNMENT BARGAINING UNIT

Re: Martin Luther King, Jr., Day

Recognizing the immeasurable contributions to our society made by Dr. Martin Luther King, Jr., the parties mutually desire to honor Dr. King on a permanent basis in Alaska. Consequently, the parties now hereby agree as follows:

1. The third Monday in January is a holiday for which eligible employees shall be compensated.
2. The holidays formerly known as Seward's Day (previously the last Monday in March) and Alaska Day (previously the 18th of October) shall be combined into a single holiday known as Alaska Day, which is treated as a floating holiday. On October 18, each eligible employee's ^{benefit} annual leave account shall be credited with one additional day's leave.

This agreement takes effect on the date of signing and remains in effect through January 31, 1993.

For the State of Alaska:

For the Alaska State Employee's Association:

Signature _____

Signature _____

Date _____

Date _____

1) NOUNAL HEADS REQUEST
 NO DISPUTE her...
 2) ZERO OUT FIN. CAUSE
 1990 OR UNION ISSUE
 COLLECTIVE BARGAINING
 DELAY → OVER
 →
 →
 →

UNION → YES WE
 WILL FIGHT THE DE
 FOR SOME OTHER DAY
 "SOME OTHER DAY"
 1990-1991

Greg -

We need to get
Drafting to draft a
Committee substitute
bill w/ Seward + Alaska Day
combined as a floating
holiday + establishing

King day as above.

(Ash Ilean how to
deal w/ these folk -
she just did it)

NAME

TIME FRAME

AFFECTS All state workers

1) 4/4. 12.010 - Holiday route.

→ Apply stat. Agency (counter) before
collective bargaining.

→ used to get off

2) Exception 14.04.050 school holidays
no C.B. →

3) collective bargaining

with assumed LINCOLN's - covered
by team stat > 39.20.

moving to consistency -

→ constraints (budget, w effect over time)
w wcy.

→ west through: 500 constraint (unopposed
AREA) - cannot be changed

1) S.C. Policy - stat action
to change

2) Reaction impact

→ time to reach response is long
the down side.

SUBREVISIONS

Floating holidays } given up
each day - take leave
any time - like any other
Annual Day - have leave work
FOR -

FN

→ COST IS OBJECTIVE FOR
LABOR FORCE - ESSENTIAL
SERVICES - NURSES, COACHES...

→ PAY THE DOUBLE TIME -

→ MAKE IT A FLOAT, YOU
CAN DENY ON THAT DAY

E.G. you take day
before rather than taking

11000 hrs Budget
to months work

FBR 2

→ ~~every year~~

PERSONAL

CONFIDENTIAL

Cost less

same floating system

LOW = PUES - MOST LEAVE
LIVE OFF (N)

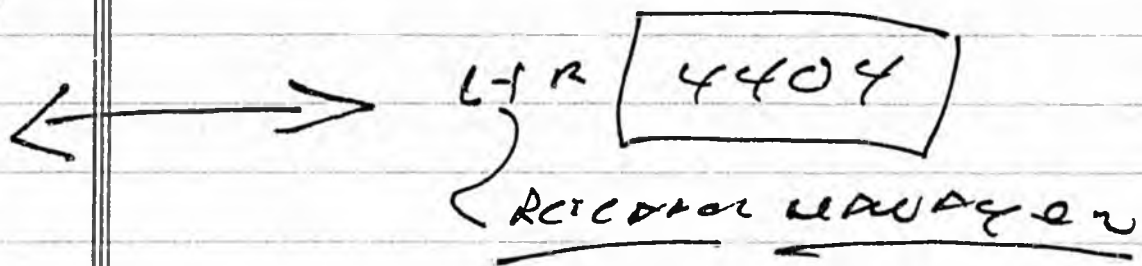
not a match, but give
back word also give

collection manager problem away

Process complex

eg. Linux
But data

BBU (no contract - which
Apply) -



~~RESEARCH MANAGER~~

→ give back word go to
work too already give
up -

→ normally state BBU is
even not can be collect
maximum - when BBU

Statute with FOZ 2'0
of people - DM 13 c.7.

who statute apply to →

"



NOT a matter for collection. B'

At end of court, court was
for super - Police state -

CAN YOU RETURN AND

A LAW THAT LOOKS PROPER

COURT ACT?

9 Actual
Placed in
was good
then there

?

ONE A UNION RAT, STATE
SIGNED OFF, CAN YOU
LEGISLATE IT AWAY?

NO MATTER ACTORS & DIST
M.W. SEE WHAT WE
COMPARE.

All that can be done - is by mutual
Agreement - to change holiday structure -

→ claim + receive on top - statute
cannot replace, but not do so.
All users, will get it.

TO DO

→ ~~add on~~ Turn the day off
some other -

b. Example / Checklist Contact sheet

LEGISLATIVE SPONSOR: House Stat Affairs

TC DATE/DAY: Thurs Feb 2

(Pub. Hear) Work Ses. Inv. Hear

TIME: 8:30am - 10pm

LEGISLATIVE REFERENCE: #1883

JUNEAU ROOM: Cap 102

SUBJECT: Martin Luther King,

BRIDGE: _____

Apr. Holiday

OF PORTS: _____

CONTACT: Ann PH: 4931

DATE TAKEN/BY: 1/30 Den

TELECONFERENCE SITES:

LIO'S

LTC'S

VTS'S

- Anchorage
- Barrow *
- Bethel
- Delta Junction *
- Dillingham *
- Fairbanks
- Glennallen *
- Juneau
- Ketchikan
- Kodiak
- Kotzebue
- Mat-Su
- Nome
- Petersburg *
- Sitka
- Soldotna
- Valdez *

- Homer
- Wrangell

See List on Reverse Side

10-15 people
ALL LIO'S

OTHER SITES WELCOME WITH PRIOR NOTIFICATION
call in to bridge from Anchorage
read names & phone #'s of each
will be a direct dial

OFFNETS: _____

CHAIRING SITE: Juneau

CHAIRPERSON: Rep. Brucher

[] CONFORMS TO LEGISLATIVE COUNCIL POLICY 4/85

SIGNATURE OF SPONSOR/CONTACT PERSON

DATE

SPECIAL INSTRUCTIONS

(Fbk's 9:00-9:15 1-800-478-54107
Jeff Logan 8:45-9:00 Anch 502-2867

HB

85

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 85

Charging, Accounting for Program Receipts

Received January 13, 1989
by The Rules Committee by
Request of the Governor

Heard February 9, 1989
Heard March 2, 1989
Heard March 15, 1989

Committee Substitute adopted March 15, 1989

Passed Out of Committee March 15, 1989
6 No Recommendation

TABLE OF CONTENTS

HB 85: Charging, Accounting for Program Receipts

- Item 1:** HB 85 by The Rules Committee by
Request of the Governor
- Item 2:** Governor's Transmittal Letter, Fiscal Note,
Sectional Analysis
- Item 3:** A Brief History of Program Receipts Legislation
Prepared by the Division of Budget Review
- Item 4:** CS HB 85 (SA), Memorandum, and Sectional
Analysis, March 8, 1989
- Item 5:** Letter from the Office of Management and Budget
February 27, 1989
- Item 6:** Memorandums and Drafts of Proposed
Committee Substitutes: Versions "E", "D", and
"H" (First Draft)

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

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

HB 85

House State Affairs 3/2/89

HOUSE COMMITTEE REPORT

(5)

Date Referred: January 13, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee recommends that:

HOUSE BILL NO. 85 [CHARGING, ACCOUNTING FOR PROGRAM RECEIPTS]
"An Act relating to the financial administration of state government; the provision of and charges for state services; and the accounting for and disposition of state receipts; and providing for an effective date."

[X] be replaced with CSHB85(SA) [X] the same title
[] a new title

[] have attached amendment(s)

- [] do pass
- [] do not pass
- [X] 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

APPROVES PREVIOUS:

- [X] fiscal note(s) published:
1/13/89 (DOA)
- [] zero fiscal notes(s) published:

SIGNING DO PASS:

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Wendell Stanley (NO REC)
Diggs Stanley (No Rec)
Samuel M. ... (NO REC)
Al ... (no rec.)
Jim ... (NO REC)
W. C. ... (no rec)

[Signature]
 Chairman's signature

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 85

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the financial administration of
7 state government; the provision of and charges for
8 state services; and the accounting for and disposi-
9 tion of state receipts; and providing for an effec-
10 tive date."

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

This section not
Appropriate in
AS 01.10.060

12 * Section 1. AS 01.10.060 is amended by adding a new paragraph to read:

13 (15) "program receipts" means fees, charges, income earned
14 on assets, and other state money received by a state agency in connec-
15 tion with the performance of its functions; all program receipts
16 except the following are general fund program receipts:

17 (A) federal receipts;

18 (B) University of Alaska receipts (AS 14.40.491);

19 (C) receipts of the following funds:

20 (i) highway working capital fund (AS 44.74.010);

21 (ii) correctional industries fund (AS 33.32.020);

22 (iii) loan funds;

23 (iv) international airport revenue fund (AS 37.-
24 15.430);

25 (v) funds managed by the Alaska State Building
26 Authority (AS 18.55.020), the Alaska Housing Finance
27 Corporation (AS 18.56.020), the Medical Indemnity
28 Corporation of Alaska (AS 21.88.020), the Alaska Railroad
29 Corporation (AS 42.40.010), the Municipal Bond Bank

- 1 Authority (AS 44.85.020), or the Alaska Industrial Develop-
2 ment and Export Authority (AS 44.88.020);
3 (vi) fish and game fund (AS 16.05.100);
4 (vii) school fund (AS 43.50.140);
5 (viii) training and building fund (AS 23.20.130);
6 (ix) retirement funds (AS 14.25, AS 22.25, AS 26.-
7 05.222, AS 39.35, and former AS 39.37);
8 (x) permanent fund (art. IX, sec. 15, Alaska
9 Constitution);
10 (xi) public school fund (AS 37.14.110);
11 (xii) second injury fund (AS 23.30.040);
12 (xiii) fishermen's fund (AS 23.35.060);
13 (xiv) FICA administration fund (AS 39.30.050).

14 * Sec. 2. AS 02.15.090(a) is amended to read:

15 (a) [STATE OPERATION.] In operating an airport or air naviga-
16 tion facility owned or controlled by the state, the department may
17 enter into contracts, leases, and other arrangements covering periods
18 not exceeding 55 years with a person or municipality or the United
19 States, granting the privilege of using or improving an airport or air
20 navigation facility or a portion of it or space in it for commercial,
21 [OR] governmental, or other purposes; or conferring the privilege of
22 supplying goods, commodities, services, or facilities at an airport or
23 air navigation facility. The department may establish the terms and
24 conditions and fix the charges, rentals, and fees for the privileges
25 or services that [, WHICH] are reasonable and uniform for the same
26 class of privilege or service. These terms, conditions, charges,
27 rentals, and fees shall be established with due regard to the property
28 and improvements used and the expense of operation to the state. In
29 no case shall the public be deprived of its rightful, equal, and

*Not Gated ON
updated version
needs clean-up*

sec 3

1 uniform use of the airport, air navigation facility, or a portion of
2 them [THEREOF].

3 * Sec. 3. AS 02.15.090 is amended by adding a new subsection to read:

4 (c) The commissioner of administration shall separately account
5 for charges, rentals, and fees collected under this section and depos-
6 ited in the general fund. The annual estimated balance in the account
7 may be used by the legislature to make appropriations to the depart-
8 ment to carry out the purposes of this chapter.

9 SEC. 4 * Sec. 4. AS 02.15.102 is amended to read:

10 SEC. 4 Sec. 02.15.102. USE OF AIRPORTS FOR UTILITIES. A utility facil-
11 ity may be constructed, placed, or maintained across, along, over,
12 under, or within a state airport only in accordance with regulations
13 adopted or procedures prescribed by the department and only if au-
14 thorized by a written permit issued by the department. The department
15 may charge a fee for a permit issued under this section. The commis-
16 sioner of administration shall separately account for utility permit
17 fees that the department deposits in the general fund. The annual
18 estimated balance in the account may be used by the legislature to
19 make appropriations to the department to carry out the purposes of
20 this chapter.

21 SEC. 5 * Sec. 5. AS 02.15.106 is amended to read:

22 SEC. 5 Sec. 02.15.106. ENCROACHMENT PERMITS. An encroachment may be
23 constructed, placed, changed, or maintained across or within an air-
24 port, but only in accordance with regulations or procedures adopted by
25 the department. An encroachment may not be constructed, placed,
26 maintained, or changed until it is authorized by a written permit
27 issued by the department, unless the department provides otherwise by
28 regulation. The department may charge a fee for a permit issued under
29 this section. The commissioner of administration shall separately

New Fee Authority

New Fee Authority

1 account for encroachment permit fees that the department deposits in
2 the general fund. The annual estimated balance in the account may be
3 used by the legislature to make appropriations to the department to
4 carry out the purposes of this chapter.

5 * Sec. 6. AS 03.10.020(a) is amended to read:

6 (a) The department may

7 (1) make a loan to

8 (A) an individual resident farmer, homesteader, or a
9 partnership or corporation composed of farmers and homesteaders
10 for

11 (i) clearing land for agricultural purposes;

12 (ii) development of farms;

13 (iii) storage and processing of farm produce; or

14 (iv) the purchase of livestock or machinery;

15 (B) an individual state resident, or a partnership or
16 corporation for

17 (i) storage and processing plants for agricul-
18 tural products;

19 (ii) the commercial production or processing of
20 horticultural products in the state;

21 (iii) the commercial production or processing of
22 animal feed in the state; or

23 (iv) the raising or care of animals in the state
24 for the purpose of marketing their fur;

25 (2) designate agents and delegate its powers to them as
26 necessary;

27 (3) adopt [RULES AND] regulations necessary to carry out
28 its functions, including regulations to establish reasonable fees for
29 services provided and charges for collecting the fees;

6 →
7
8 NEW FCC
9 AUTHORITY

1 (4) establish amortization plans for repayment of loans,
2 which may include delayed payments of principal and interest for not
3 to exceed five years;

4 (5) enter into agreements with private lending insti-
5 tutions, other state agencies or agencies of the federal government,
6 to carry out the purposes of this chapter;

7 (6) collect the fees and collection charges established
8 under this section.

9 * Sec. 7. AS 03.10.040 is amended by adding a new subsection to read:

10 (b) Money in the fund may be used by the legislature to make
11 appropriations for costs of administering this chapter.

12 * Sec. 8. AS 03.22 is amended by adding a new section to read:

13 Sec. 03.22.075. ACCOUNTING FOR AND DISPOSITION OF FEES. The
14 commissioner of administration shall separately account for all fees
15 collected by the department under AS 03.22.020(5) and deposited in the
16 general fund. The annual estimated balance in the account may be used
17 by the legislature to make appropriations to the department for the
18 purposes of implementing this chapter.

19 * Sec. 9. AS 04.11.590 is amended by adding a new subsection to read:

20 (c) The commissioner of administration shall separately account
21 for all application and license fees collected under this title that
22 the Department of Revenue deposits in the general fund. The annual
23 estimated balance in the account may be used by the legislature to
24 make appropriations to the department to carry out the purposes of
25 AS 04.06.

26 * Sec. 10. AS 06.01.010 is amended to read:

27 Sec. 06.01.010. EXAMINATION FEES AND ASSESSMENTS. (a) The
28 expenses of the department reasonably incurred in the examination or
29 investigation of all financial institutions or applications to

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1 establish financial institutions regulated by the department under
2 this title shall be charged to and paid by each financial institution
3 as provided in (b) and (d) of this section.

4 (b) Except for deposit institutions, the [THE] commissioner
5 shall assess every financial institution [,] and every applicant to
6 establish a financial institution [,] a fee for the actual expenses
7 ^{NECESSARILY} incurred by the department in connection with any examination or
8 investigation, whether regular or special. The commissioner shall
9 assess every deposit institution and every applicant to establish a
10 deposit institution a fee for the actual expenses incurred by the
11 department in connection with any special examination or investiga-
12 tion. A [THE] fee assessed under this subsection must [SHALL] include
13 the proportionate part of the salaries and cost of employee benefits
14 of the examiners while conducting examinations or investigations and
15 while preparing reports of them, and transportation costs and per diem
16 of each examiner while away from the examiner's [HIS] duty station.
17 [HOWEVER, THE COST TO THE FINANCIAL INSTITUTION IN CONNECTION WITH AN
18 EXAMINATION MAY NOT EXCEED \$7,500 PER EXAMINATION.] The assessment
19 shall be made by the commissioner as soon as feasible after the exam-
20 ination or investigation has been completed. The assessment must [ALL
21 ASSESSMENTS SHALL] be [PAID TO AND] received by the department [BY
22 EACH INSTITUTION] within 30 days after receipt of notice of the asses-
23 sment by the institution.

24 (c) A [ANY] financial institution that [WHICH] fails to make the
25 payments required by the commissioner under (a), [AND] (b), and (d) of
26 this section within the time specified is subject to a penalty of not
27 more than \$100 each day it is late. The penalty, together with the
28 amount due [UNDER (a) OF THIS SECTION], may be recovered in a civil
29 action brought by the department.

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* Sec. 11. AS 06.01.010 is amended by adding new subsections to read:

(d) The commissioner shall adopt regulations providing for semiannual assessments of deposit institutions. An assessment must be based on the amount of assets of a deposit institution and must cover the aggregate cost of periodic examinations of the deposit institution.

(e) In this section "deposit institution" means an institution chartered under this title that has obtained authority from the department to receive deposits of the type eligible to be insured by an agency of the federal government.

* Sec. 12. AS 09.25 is amended by adding a new section to read:

Sec. 09.25.123. ACCOUNTING FOR AND DISPOSITION OF FEES. The commissioner of administration shall separately account for all fees collected under AS 09.25.110 and 09.25.120 that state agencies deposit in the general fund. The annual estimated balance in the accounts may be used by the legislature to make appropriations to the agencies to carry out their respective functions.

* Sec. 13. AS 10.15.255 is amended to read:

Sec. 10.15.255. TERMINATION OF FILED CONTRACT. When a contract filed under AS 10.15.230 - 10.15.260 has been terminated in any manner, the cooperative shall upon demand [,] give a statement of termination to the member party to the contract, who may file the statement in the office of the precinct recorder where the contract was originally filed. The precinct recorder shall stamp "expired" after the name of the member in the alphabetical record. The fee for the filing and stamping shall be established by the department by regulation [SUBJECT TO AS 10.05.773].

* Sec. 14. AS 10.15.260 is amended to read:

Sec. 10.15.260. FILING OF LIST OF TERMINATED CONTRACTS. A

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RECORDING

1 cooperative may file in the office of the precinct recorder where the
2 contract was originally filed a sworn list of the names of all persons
3 whose contracts have been terminated in a manner other than by expira-
4 tion of their term. The precinct recorder shall stamp "expired" after
5 the name of each of those persons in the alphabetical record. The fee
6 for the filing and stamping shall be established by the department by
7 regulation [SUBJECT TO AS 10.05.773].

8 * Sec. 15. AS 10.15.530 is amended to read:

9 Sec. 10.15.530. BIENNIAL LICENSE FEE. Each cooperative not
10 organized and operated for nonprofit religious, charitable, cemetery,
11 or educational purposes [,] shall pay to the department a biennial li-
12 cense fee. The fee shall be paid before July 2 of the reporting year.
13 [IN THE CASE OF NEW COOPERATIVES FORMED DURING A BIENNIAL PERIOD, THE
14 FEE SHALL BE PROPORTIONATE TO THE FRACTION OF THE BIENNIAL PERIOD.]

15 * Sec. 16. AS 10.15.545 is amended to read:

16 Sec. 10.15.545. LICENSE FEE FOR COOPERATIVE [WITHOUT CAPITAL
17 STOCK]. The license fee of each cooperative [HAVING NO AUTHORIZED
18 SHARES OF CAPITAL STOCK] shall be established by the department by
19 regulation [SUBJECT TO AS 10.05.773].

20 * Sec. 17. AS 10.15.555 is amended to read:

21 Sec. 10.15.555. MISCELLANEOUS FEES AND CHARGES. (a) The de-
22 partment shall establish by regulation [SUBJECT TO AS 10.05.773] and
23 charge and collect from a cooperative fees for filing

24 (1) articles of incorporation or articles of consolidation
25 for a new cooperative;

26 (2) articles of amendment, restated articles, or articles
27 of merger [, AND, IF THE ARTICLES PROVIDE FOR AN INCREASE OF THE
28 AMOUNT OF AUTHORIZED CAPITAL STOCK OF THE COOPERATIVE, THE FILING
29 COOPERATIVE SHALL ALSO PAY THE PROPORTIONATE PART OF THE ANNUAL

1 LICENSE FEE FOR THE SUCCEEDING FRACTION OF THE FISCAL YEAR, PAYABLE BY
2 A COOPERATIVE WHOSE AUTHORIZED SHARES EQUAL THE NEWLY INCREASED AUTHO-
3 RIZED SHARES OF THE FILING COOPERATIVE, LESS THE ANNUAL LICENSE FEE
4 ALREADY PAID FOR THE SUCCEEDING FRACTION OF THE FISCAL YEAR BY THE
5 FILING COOPERATIVE; BUT FILING ARTICLES DECREASING THE AUTHORIZED
6 SHARES DOES NOT REDUCE THE ANNUAL LICENSE FEE OF THE FILING COOPERA-
7 TIVE UNTIL THE BEGINNING OF THE FISCAL YEAR FOLLOWING THAT IN WHICH
8 THE ARTICLES WERE FILED];

9 (3) statement of intent to dissolve;

10 (4) statement of revocation of voluntary dissolution pro-
11 ceedings;

12 (5) articles of dissolution;

13 (6) all other statements.

14 (b) The department may by regulation charge each cooperative
15 corporation subject to this chapter a fixed fee in place of charging
16 cooperative corporations the various fees specified in this chapter,
17 with the exception of AS 10.15.535, (a)(1) of this section, and for
18 routine administrative services rendered to the cooperative corpora-
19 tion by the department. [AN INCREASE IN THE AMOUNT OF A FIXED FEE
20 CHARGED UNDER THIS SUBSECTION IS SUBJECT TO AS 10.05.773.]

21 * Sec. 18. AS 10.20.635 is amended to read:

22 Sec. 10.20.635. FEES FOR FILING DOCUMENTS AND ISSUING CERTIFI-
23 CATES. (a) The commissioner shall establish by regulation [SUBJECT
24 TO AS 10.05.773], charge, and collect filing fees for

25 (1) [FILING] articles of incorporation and issuing a certi-
26 ficate of incorporation;

27 (2) [FILING] articles of amendment and issuing a certifi-
28 cate of amendment;

29 (3) [FILING] restated articles of incorporation and issuing

1 a restated certificate of incorporation;

2 (4) [FILING] articles of merger or consolidation and issu-
3 ing a certificate of merger or consolidation;

4 (5) [FILING] a statement of change of address of registered
5 office or change of registered agent, or both;

6 (6) [FILING] articles of dissolution;

7 (7) [FILING] an application of a foreign corporation for a
8 certificate of authority to conduct affairs in this state and issuing
9 a certificate of authority;

10 (8) [FILING] an application of a foreign corporation for an
11 amended certificate of authority to conduct affairs in this state and
12 issuing an amended certificate of authority;

13 (9) [FILING] a copy of an amendment to the articles of
14 incorporation of a foreign corporation holding a certificate of auth-
15 ority to conduct affairs in this state;

16 (10) [FILING] a copy of articles of merger of a foreign
17 corporation holding a certificate of authority to conduct affairs in
18 this state;

19 (11) [FILING] an application for withdrawal of a foreign
20 corporation and issuing a certificate of withdrawal;

21 (12) [FILING] any other statement or report, including a
22 biennial report, of a domestic or foreign corporation.

23 (b) The department may by regulation charge each corporation
24 subject to this chapter a fixed fee in place of the various fees
25 specified in this chapter [, WITH THE EXCEPTION OF (a)(1) OF THIS
26 SECTION,] and for routine administrative services rendered to the
27 corporation by the department. [AN INCREASE IN THE FIXED FEE CHARGED
28 UNDER THIS SUBSECTION IS SUBJECT TO AS 10.05.773.]

29 * Sec. 19. AS 10.20.640 is amended to read:

1 Sec. 10.20.640. FEE FOR CERTIFIED COPIES OF INSTRUMENTS. The
2 fee for furnishing a certified copy of any instrument shall be estab-
3 lished by the department by regulation [SUBJECT TO AS 10.05.773].

4 * Sec. 20. AS 10.25.530(a) is amended to read:

5 (a) The commissioner shall establish by regulation [SUBJECT TO
6 AS 10.05.773], charge, and collect [FILING] fees for

- 7 (1) filing articles of incorporation;
- 8 (2) filing articles of amendment;
- 9 (3) filing articles of consolidation or merger;
- 10 (4) filing articles of conversion;
- 11 (5) filing certificate of election to dissolve;
- 12 (6) filing articles of dissolution;
- 13 (7) filing certificate of change of principal office and
14 designation or change of registered office and registered agent; and
- 15 (8) acting as agent for service of process.

16 * Sec. 21. AS 10.25.530(b) is amended to read:

17 (b) The department may by regulation charge each cooperative
18 subject to this chapter a fixed fee in place of the various fees
19 specified in this chapter [, WITH THE EXCEPTION OF (a)(1) OF THIS
20 SECTION,] and for the routine administrative services rendered to the
21 corporation by the department. [AN INCREASE IN THE FIXED FEE CHARGED
22 UNDER THIS SUBSECTION IS SUBJECT TO AS 10.05.773.]

23 * Sec. 22. AS 10.35.060 is amended to read:

24 Sec. 10.35.060. FEE FOR AND DURATION OF REGISTERED NAME. The
25 fee for the initial registration of a business name shall be estab-
26 lished by the department by regulation [SUBJECT TO AS 10.05.773]. The
27 year in which the registration becomes effective is considered a full
28 year of registration and the registration is effective until the close
29 of the fifth calendar year beginning with the year of initial

1 registration.

2 * Sec. 23. AS 10.35.070 is amended to read:

3 Sec. 10.35.070. RENEWAL OF REGISTERED NAME. A registered busi-
4 ness name may be renewed every five years if an application for re-
5 newal is filed. An application for renewal must set out the facts
6 required in an original application for registration and be accom-
7 panied by a renewal fee to be established by the department by regu-
8 lation [SUBJECT TO AS 10.05.773]. An application for renewal may be
9 filed between October 1 and December 31 of any year. The renewal of
10 the registration extends the registration for the following five
11 calendar years.

New Fee Authority

12 * Sec. 24. AS 10.40.140(2) is amended to read:

13 (a) A [ANY] document required to be filed with the commissioner
14 under this chapter shall be accompanied by a fee to be established by
15 the department by regulation [SUBJECT TO AS 10.05.773].

16 * Sec. 25. AS 12.55.105(a) is amended to read:

17 Sec. 12.55.105. PROBATION AND URINALYSIS FEES [FEE]. (a) A
18 court granting probation shall require a periodic probation fee to be
19 paid to the Department of Corrections as a condition of probation. In
20 addition, the department may charge a fee for any urinalysis that may
21 be required. The fee amounts [AMOUNT] shall be established by regu-
22 lation adopted by the commissioner of corrections.

23 * Sec. 26. AS 14.07.030 is amended to read:

24 Sec. 14.07.030. POWERS OF THE DEPARTMENT. The department may
25 (1) establish, maintain, govern, operate, discontinue, and
combine area, regional, and special schools;
(2) enter into contractual agreements with the Bureau of
28 Indian Affairs or with a school district to share boarding costs of
29 secondary school students;

New Fee Authority

- 1 (3) provide for citizenship night schools when and where
2 expedient;
- 3 (4) provide for the sale or other disposition of abandoned
4 or obsolete buildings and other state-owned school property;
- 5 (5) prescribe a classification for items of expense of
6 school districts;
- 7 (6) acquire and transfer personal property, acquire real
8 property, and transfer real property to federal agencies, state
9 agencies, or to political subdivisions;
- 10 (7) enter into contractual agreements with school districts
11 to provide more efficient or economical education services; reasonable
12 fees may be charged by the department to cover the costs of providing
13 services under an agreement, including costs for professional ser-
14 vices, reproduction or printing, and mailing and distribution of
15 educational materials;
- 16 (8) provide for the issuance of elementary and secondary
17 diplomas to persons not in school who have completed the equivalent of
18 an 8th or 12th grade education, respectively, in accordance with
19 standards established by the department;
- 20 (9) exercise disapproval power under AS 14.08.101;
- 21 (10) apply for, accept, and spend endowments, grants, and
22 other private money available to the state for educational purposes in
23 accordance with AS 37.07 (the Executive Budget Act);
- 24 (11) set student tuition and fees for educational and extra-
25 curricular programs and services provided and schools operated by the
26 department under the provisions of [AS 14.07.020(12) AND] (1) of this
27 section and AS 14.07.020(9), (11), and (12);
- 28 (12) charge fees to cover the costs of care and handling
29 with respect to the acquisition, warehousing, distribution, or

1 transfer of donated foods;
2 (13) establish and collect fees for the rental of school
3 facilities and for other programs and services provided by the
4 schools.

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* Sec. 27. AS 14.07.035 is amended by adding a new subsection to read:
(f) The commissioner of administration shall separately account for all rental and other fees collected by the department under AS 14.07.030(13) and deposited in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department for operation of state schools.

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New Fee Authority

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* Sec. 28. AS 14.56.030(10) is amended to read:
(10) establishing and charging fees for reproduction, [OR] printing, and handling costs, [AND] for mailing and distributing state publications and research data, and for other services authorized by this chapter.

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* Sec. 29. AS 14.56.035 is amended to read:
Sec. 14.56.035. ACCOUNTING FOR AND DISPOSITION OF FEES. The commissioner of administration shall separately account for [PUBLICATION AND DISTRIBUTION] fees received under AS 14.56.030(10) [AND] that the department deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the purposes of AS 14.56.030.

New Fee Authority

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* Sec. 30. AS 14.57.010 is amended by adding a new subsection to read:
(c) The department may establish by regulation, and collect, reasonable user fees and other fees for services provided by the department under AS 14.57.

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* Sec. 31. AS 14.57.015 is amended to read:
Sec. 14.57.015. ACCOUNTING FOR AND DISPOSITION OF RECEIPTS. The commissioner of administration shall separately account for each

1 endowment, [OR] grant, or gift from a private donor received under
2 AS 14.57.010(b)(4), and for fees collected under AS 14.57.010(c), and
3 deposited by the department in the general fund. The annual estimated
4 balance in the account may be used by the legislature to make appro-
5 priations to the department to carry out the purposes of AS 14.57.010.

6 * Sec. 32. AS 15.62 is amended by adding a new section to read:

7 Sec. 15.62.020. VOTER REGISTRATION AND ELECTION MANAGEMENT
8 SYSTEM RECEIPTS. (a) The director may sell voter registration and
9 election management system data processing software. Receipts gen-
10 erated through the sales shall be deposited in the general fund.

11 (b) The commissioner of administration shall separately account
12 for all money collected through sales under (a) of this section that
13 the department deposits in the general fund. The annual estimated
14 balance in the account may be used by the legislature to make appro-
15 priations to the division of elections to carry out its responsibil-
16 ities in connection with the voter registration and election manage-
17 ment system.

18 * Sec. 33. AS 15.62 is amended by adding a new section to read:

19 Sec. 15.62.030. ACCOUNTING FOR AND DISPOSITION OF FEES AND
20 RETAINED DEPOSITS. The commissioner of administration shall separate-
21 ly account for all money collected as fees for copies of voter regis-
22 tration lists under AS 15.15.400; as filing fees under AS 15.25.050,
23 AS 15.35.041, 15.35.057, 15.35.071, and 15.35.120; as charges for
24 space in the election pamphlet under AS 15.58.060; and for all money
25 retained from deposits under AS 15.20.450, AS 15.45.020, 15.45.260,
26 and 15.45.480. The annual estimated balance in the accounts may be
27 used by the legislature to make appropriations to the division of
28 elections to carry out its functions under this title.

29 * Sec. 34. AS 16.05.050(16) is amended to read:

1 (16) to establish and charge fees equal to the cost of
2 services provided by the department, including provision of public
3 shooting ranges, broodstock and eggs for private nonprofit hatcheries,
4 department publications, and other direct services, and reasonable
5 fees for the use of state facilities managed by the department;

6 * Sec. 35. AS 16.05.050 is amended by adding a new paragraph to read:

7 (18) to operate state housing and facilities for employees,
8 contractors, and others in support of the department's responsibil-
9 ities and to charge rent that is consistent with any applicable col-
10 lective bargaining agreement, or, if no collective bargaining agree-
11 ment is applicable, competitive with market conditions; rent received
12 from tenants shall be deposited in the general fund.

13 * Sec. 36. AS 16.05.053 is amended to read:

14 Sec. 16.05.053. ACCOUNTING FOR AND DISPOSITION OF RECEIPTS. The
15 commissioner of administration shall separately account for money
16 collected under AS 16.05.050(4), (15), [AND] (16), and (18) [AND] that
17 the department deposits in the general fund. The annual estimated
18 balance in each account may be used by the legislature to make appro-
19 priations to the department to carry out the activities for which fees
20 have been charged or for which the money was collected.

21 * Sec. 37. AS 16.10.310(a)(3) is amended to read:

22 (3) adopt regulations necessary to carry out the provisions
23 of AS 16.10.300 - 16.10.370, including regulations to establish rea-
24 sonable fees for services provided [ITS FUNCTIONS];

25 * Sec. 38. AS 16.10.310(a) is amended by adding a new paragraph to
26 read:

27 (9) charge and collect the fees established under this
28 subsection.

29 * Sec. 39. AS 16.10 is amended by adding a new section to read:

1 Sec. 16.10.312. ACCOUNTING FOR AND DISPOSITION OF RECEIPTS. The
2 commissioner of administration shall separately account for all fees
3 and collection charges that the department deposits in the general
4 fund. The annual estimated balance in the account may be used by the
5 legislature to make appropriations to the department to carry out the
6 purposes of AS 16.10.300 - 16.10.370.

7 * Sec. 40. AS 16.10.320 is amended by adding a new subsection to read:

8 (j) All principal and interest payments, and any money charge-
9 able to principal or interest that is collected through liquidation by
10 foreclosure or other process on loans made under AS 16.10.300 - 16.-
11 10.370, shall be paid into the commercial fishing revolving loan fund.

12 * Sec. 41. AS 16.10.340 is amended by adding a new subsection to read:

13 (b) Money in the fund may be used by the legislature to make
14 appropriations for costs of administering AS 16.10.300 - 16.10.370.

15 * Sec. 42. AS 16.10.505 is amended to read:

16 Sec. 16.10.505. FISHERIES ENHANCEMENT REVOLVING LOAN FUND.
17 There is created within the Department of Commerce and Economic Devel-
18 opment a revolving fund to be known as the fisheries enhancement
19 revolving loan fund. Except as provided in (b) of this section, the
20 [THE] fund shall be used to carry out the purposes of AS 16.10.500 -
21 16.10.560 and for no other purpose. All principal and interest pay-
22 ments, and money chargeable to principal or interest that is collected
23 through liquidation by foreclosure or other process on loans made
24 under AS 16.10.500 - 16.10.560, shall be paid into the fisheries
25 enhancement revolving loan fund.

26 * Sec. 43. AS 16.10.505 is amended by adding a new subsection to read:

27 (b) Money in the fund may be used by the legislature to make
28 appropriations for costs of administering AS 16.10.500 - 16.10.560.

29 * Sec. 44. AS 16.10.510(4) is amended to read:

1 (4) adopt regulations necessary to carry out the provisions
2 of AS 16.10.500 - 16.10.560, including regulations to establish rea-
3 sonable fees for services provided [HIS FUNCTIONS];

4 * Sec. 45. AS 16.10.510 is amended by adding a new paragraph to read:

5 (11) charge and collect the fees established under this
6 section.

7 * Sec. 46. AS 16.10 is amended by adding a new section to read:

8 Sec. 16.10.512. ACCOUNTING FOR AND DISPOSITION OF RECEIPTS. The
9 commissioner of administration shall separately account for all fees
10 and collection charges that the department deposits in the general
11 fund. The annual estimated balance in the account may be used by the
12 legislature to make appropriations to the department to carry out the
13 purposes of AS 16.10.500 - 16.10.560.

14 * Sec. 47. AS 17.30.100(c) is amended to read:

15 (c) The Department of Public Safety, [IN COOPERATION WITH OTHER
16 STATE AND FEDERAL AGENCIES, AND] in accordance with AS 37.07 (the
17 Executive Budget Act), may apply for and accept money necessary to
18 exchange information concerning narcotics trafficking between the
19 states, or otherwise related to the enforcement of AS 11.71 or
20 AS 11.73. The commissioner of administration shall separately account

21 for money received under this subsection that the Department of Public
22 Safety deposits in the general fund. The annual estimated balance in
23 the account may be used by the legislature to make appropriations to
24 the department to carry out the purposes of this section.

25 * Sec. 48. AS 18.07 is amended by adding a new section to read:

26 Sec. 18.07.035. APPLICATION AND FEES. (a) Application for a
27 certificate of need shall be made to the department upon a form pro-
28 vided by the department and must contain the information the depart-
29 ment requires to reach a decision under AS 18.07.041 - 18.07.111.

1 Each application for a certificate of need must be accompanied by an
2 application fee established by the department by regulation.

(b) The commissioner of administration shall separately account for fees collected under this section that the department deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department.

* Sec. 49. AS 18.20.030 is amended to read:

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8 Sec. 18.20.030. APPLICATION AND FEES. Application for a license
9 shall be made to the department upon a form provided by it, and must
10 [SHALL] contain the information the department requires, which may in-
11 clude affirmative evidence of ability to comply with the reasonable
12 standards and regulations adopted under AS 18.20.060 - 18.20.080.
13 Each application for a license must [SHALL] be accompanied by a li-
14 cense fee established by the department by regulation [OF \$10]. The
15 department shall deposit all fees received in the general fund [STATE
16 TREASURY].

* Sec. 50. AS 18.20.030 is amended by adding a new subsection to read:

(b) The commissioner of administration shall separately account for fees collected under this section that the department deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the department for the purposes of this chapter.

* Sec. 51. AS 18.20.040 is amended to read:

24 Sec. 18.20.040. ISSUANCE AND RENEWAL OF LICENSE AND POSTING.
25 Upon receipt of an application for license and the license fee, the
department shall issue a license if the applicant meets the require-
ments established under AS 18.20.060 - 18.20.080. If the applicant
28 does not meet the requirements established under AS 18.20.060 - 18.-
29 20.080 but makes continued efforts to comply with them, the department

1 may grant a temporary or provisional license for a reasonable period
2 of time. A license, unless suspended or revoked, is renewable annual-
3 ly [WITHOUT CHARGE] upon filing by the licensee [,] and approval by
4 the department of an annual report on the uniform date and containing
5 the information in the form the department prescribes by regulation.
6 Each license issued is for the premises and person or governmental
7 unit named in the application and is not transferable or assignable
8 except with the written approval of the department. Licenses shall
9 be posted in a conspicuous place on the licensed premises.

10 *SCC # 371*
* Sec. 52. AS 18.55.100(a) is amended by adding new paragraphs to read:

11 (16) charge and collect fees to owners or developers of
12 low-income housing for the application for and allocation of federal
13 low-income housing tax credits;

14 (17) collect and pay reasonable fees and charges in
15 connection with making, purchasing, and servicing its mortgages,
16 loans, notes, bonds, certificates, commitments, and other evidences of
17 indebtedness. *deleted*

18 * Sec. 53. AS 18.65.410 is amended to read:

19 Sec. 18.65.410. APPLICATIONS. Application for a license as a
20 security guard must be made on forms provided by the commissioner.
21 The application must require the furnishing of information reasonably
22 required by the commissioner to carry out the provisions of AS 18.-
23 65.400 - 18.65.490, including classifiable fingerprints to enable the
24 search of criminal indices for evidence of a prior criminal record.
25 The application must be accompanied by a nonrefundable application fee
26 in an amount set by the Department of Public Safety by regulation [OF
27 \$25] for a security guard and [\$200] for a security guard agency.

28 * Sec. 54. AS 18.65 is amended by adding a new section to read:

29 Sec. 18.65.415. ACCOUNTING FOR AND DISPOSITION OF FEES. The

1 commissioner of administration shall separately account for fees
2 collected under AS 18.65.410 and 18.65.430 that the Department of
3 Public Safety deposits in the general fund. The annual estimated
4 balance in the account may be used by the legislature to make appro-
5 priations to the department to carry out the purposes of AS 18.65.-
6 400 - 18.65.490. *deleted*

7 * Sec. 55. AS 18.65.430 is amended to read:

8 Sec. 18.65.430. DURATION OF LICENSE. A security guard license
9 issued under AS 18.65.400 - 18.65.490 is valid for a period of two
10 years and may be renewed for additional two-year terms. A renewal fee
11 set by the Department of Public Safety by regulation [OF \$25] must be
12 paid for each renewal.

13 * Sec. 56. AS 19.25.010 is amended to read:

14 Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES; FEES. (a)
15 A utility facility may be constructed, placed, or maintained across,
16 along, over, under or within a state right-of-way only in accordance
17 with regulations prescribed by the department and if authorized by a
18 written permit issued by the department.

19 (b) The department may charge a fee for a permit issued under
20 this section. /The commissioner of administration shall separately
21 account for utility permit fees that the department deposits in the
22 general fund. The annual estimated balance in the account may be used
23 by the legislature to make appropriations to the department to carry
24 out the purposes of this chapter.

25 * Sec. 57. AS 19.60.030 is amended to read:

26 Sec. 19.60.030. REGULATIONS; FEES. (a) The department may
27 adopt [RULES AND] regulations governing the use of ferry terminal
28 facilities by the public which it considers necessary and proper in
29 the public interest.

1 (b) The department may charge a fee for the use of ferry termi-
2 nal facilities, whether the use is under a permit or otherwise, and
3 whether it is by one or more individuals. The commissioner of admin-
4 istration shall separately account for permit fees and use fees that
5 the department deposits in the general fund. The annual estimated
6 balance in the account may be used by the legislature to make appro-
7 riations to the department to carry out the purposes of this chapter.

8 * Sec. 58. AS 19.65 is amended by adding a new section to read:

9 Sec. 19.65.030. ACCOUNTING FOR AND DISPOSITION OF FEES. The
10 commissioner of administration shall separately account for all fees
11 collected by the Department of Transportation and Public Facilities
12 for the marine highway system under AS 19.05.040(11) and deposited in
13 the general fund. The annual estimated balance in the account may be
14 used by the legislature to make appropriations to the Department of
15 Transportation and Public Facilities for the purposes of the marine
16 highway system.

17 * Sec. 59. AS 24.20.050 is amended by adding a new subsection to read:

18 (b) The ~~executive~~ director may establish reasonable fees for
19 services and materials provided by the Legislative Affairs Agency to
20 entities outside of the legislative branch of state government and
21 charges for collecting the fees. / All fees and charges collected by
22 the agency shall be deposited into the general fund. The commissioner
23 of administration shall separately account for all fees and collection
24 charges that the agency deposits in the general fund. The annual
25 estimated balance in the account may be used by the legislature to
26 make appropriations to the agency to carry out the functions of the
27 agency.

28 * Sec. 6C. AS 26.15.030(a) is amended to read:

29 (a) The Department of Commerce and Economic Development shall