

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7930 HOUSE LABOR & COMMERCE

195

o Nearly half the respondents (45%) say that either they or someone they know has been asked about their off-the-job hobbies or activities by a potential employer. Executives (60%), high-level professionals (50%), and people aged 25-49 (51%) are most likely to report this occurring.

**"Asking the job applicants about their marital status."**

o While 53% say employers should not be allowed to ask about a job applicant's marital status, 46% say they should be allowed to ask about it. Residents of the Northwestern district (70%), semi/unskilled workers (65%), salespeople (63%), and other white collar workers (61%) are more likely to feel employers should not be allowed to ask about marital status. Executives (60%), people aged 50 to 64 (58%), and residents of the Southeastern district (55%) are groups which tend to feel employers should be allowed to ask this question. A majority of men (52%) think employers should be able to ask this, but a majority of women (59%) think they should not.

o The majority of people (60%) say that either they or someone they know has been asked their marital status. This figure is generally consistent across all sub-groups.

In summary, only one out of three respondents (33%) said that neither they nor anyone they know has ever been asked any of the

preceding questions by an employer, while two out of three (67%) said the opposite. This occurred despite the fact that the majority of people indicate that employers *should not* have the right to ask such questions.

**Section II: Employee Behavior Outside of Work**

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**WHETHER IT IS APPROPRIATE FOR AN EMPLOYER  
TO DENY SOMEONE A JOB OR FIRE AN EMPLOYEE  
FOR DOING CERTAIN THINGS**

All Respondents

Ranked by "Not Appropriate"

All numbers expressed as percentages

	<u>Appropri.</u>	<u>Not Appropri.</u>	<u>Don't Know</u>
Dates a person of a different race	1	98	0
Drives a motorcycle	2	98	0
Opposes abortion	2	97	1
Supports abortion	4	95	1
Smokes after work hours	5	94	1
Gambles at a racetrack	7	91	2
Participates in political demonstrations	7	91	3
Is overweight	12	84	4
Holds an unusual second job	16	74	10

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"Have you, or has someone you know, ever been denied a job or fired  
because they ...?"

	<u>Yes (%)</u>	<u>No (%)</u>
Were overweight	9	91
Held an unusual second job	7	93
Participated in political demonstrations	7	93
Dated a person of a different race	4	96
Smoked away from the workplace	3	97
Drove a motorcycle	2	98
Gambled at a racetrack	2	98
Supported abortion	1	99
Opposed abortion	1	99
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NONE OF THESE	81	19

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Respondents then were read a list of things employees might do. For each, they were asked whether or not they think it is appropriate to deny someone a job or fire a person because they behaved in this way, and whether or not they or someone they know has ever been denied a job or fired because of such behavior.

o Ninety-eight percent (98%) say it is inappropriate to deny a job to or fire someone because they are dating a person of a different race; only 1%

think it is appropriate. Four percent (4%) of people, however, report that either they or someone they know has been denied a job or fired for such a reason.

- o Ninety-eight percent (98%) say it is inappropriate to deny a job to or fire someone who drives a motorcycle; only 2% think it is appropriate. One respondent out of fifty (2%) says that either he or someone he knows has been denied a job or fired because of this behavior.

- o Ninety-one percent (91%) think it is inappropriate to deny a job to or fire someone for participating in political demonstrations, while 7% think it is appropriate. Executives (13%), semi/unskilled workers (13%), retirees (13%), and occasional smokers (13%) are more inclined to feel it is appropriate. One person out of fourteen (7%) reports that either they or someone they know has been denied a job or fired because they participated in a political demonstration. High-level professionals (13%) and people aged 35-49 (11%) are more likely to mention such an occurrence.

- o Ninety-one percent (91%) say it is inappropriate to deny a job to or fire someone for gambling at a racetrack, while 7% say it is appropriate. Two percent (2%) of people say that either they or someone they know has been denied a job or fired because of this practice.

o While 74% say it is inappropriate to deny a job to or fire someone for holding an unusual second job, 15% think it is appropriate. Seven percent (7%) of respondents report that either they or someone they know has been denied a job or fired because they had an unusual second job. Executives (17%) and those earning between \$41,000 and \$51,000 (11%) are more likely to report such an occurrence.

o Eighty-four percent (84%) think it is inappropriate to deny a job to or fire someone who is overweight, while 12% say it is appropriate. Republicans (22%) and high-level professionals (22%) are more likely to believe it is appropriate. One person in eleven (9%) says that either he or she or someone he or she knows has been denied a job or fired because the person was overweight.

o Ninety-five percent (95%) think it is inappropriate to deny a job to or fire someone who supported abortion, while 4% say it is appropriate. Ninety-seven percent (97%) say it is inappropriate to deny a job to or fire someone who opposed abortion. Only 2% say it is appropriate. Only 1% of people say either they or someone they know has been denied a job or fired because of their views on abortion.

o Ninety-four percent (94%) think it is inappropriate to deny a job to or fire someone who smoked after work hours, at home, or otherwise away from the workplace, while 5% say it is appropriate. Former smokers (12%),

high-level professionals (10%), and semi/unskilled workers (10%) more often think it is appropriate. Three percent (3%) of respondents say that either they or someone they know has been denied a job or fired because they smoked away from the workplace.

In summary, almost one-fifth of people (19%) report that either they or someone they know has been denied a job or fired because of the behaviors outlined above. Executives (29%), high-level professionals (23%), salespeople (23%), former smokers (28%), people aged 35 to 49 (23%), Republicans (23%), Hispanics (42%), and African-Americans (24%) are all more likely to report that either they or someone they know has been denied a job or fired for exhibiting one of these behaviors. This occurred despite the fact that the vast majority of people think it is inappropriate to deny someone a job or fire a person because they behaved in any of these ways.

Section III: Actions Taken by Employers

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WHETHER EMPLOYERS HAVE THE  
RIGHT TO DO CERTAIN THINGS

All Respondents

Ranked by "Don't Have Right" All numbers expressed as percentages

	<u>Have right</u>	<u>Don't Have Right</u>	<u>Don't Know</u>
Require employee to change diet	5	92	3
Forbid dating employee of rival firm	9	86	4
Require employee to quit smoking	12	85	3
Refuse to hire an overweight person	14	81	5
Refuse to hire a smoker	19	78	4
Monitor personal phone calls	20	77	3
Require employee to quit second job	24	68	8
Check credit on prospective employee	29	67	4

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**"Has an employer ever done any of the following to you  
or to someone you know...?"**

	<u>Yes (%)</u>	<u>No (%)</u>
Monitor personal telephone conversations	17	83
Do a credit check on a prospective employee	17	83
Require employee or applicant to quit second job	15	85
Refuse to hire an overweight person	13	87
Refuse to hire a smoker	10	90
Require employee or applicant to quit smoking	7	93
Forbid employee or applicant from dating an employee from a rival firm	6	94
Require employee or applicant to change diet	4	96
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NONE OF THESE	63	37

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Respondents were read a list of actions employers might take. For each one, they were asked whether or not employers have the right to take such an action, and whether or not such an action has ever been taken against either the respondent or someone the respondent knows.

o Seventy-seven percent (77%) believe employers do not have the right to monitor personal telephone conversations, but one out of five (20%) say they do have the right. Hispanics (35%), those earning between \$41,000

and \$51,000 (31%). semi/unskilled workers (30%), and people aged 50 to 64 (29%) are more inclined than other groups to feel employers have the right to monitor personal telephone calls. One in six respondents (17%) report that an employer has monitored either their or someone they know's personal telephone conversations. High-level professionals (26%) are the most likely to indicate this.

- o Eighty-six percent (86%) say employers do not have the right to forbid an employee or job applicant from dating an employee from a rival firm, and 9% say they do have this right. People aged 50 to 64 (23%) are more likely than other groups to say employers have this right. Six percent (6%) of respondents report that an employer has forbidden either them or someone they know from dating an employee from rival firm.

- o Eighty-one percent (81%) say employers do not have the right to refuse to hire an overweight person; 14% say they do have the right. One out of eight respondents (13%) says that an employer has refused to hire either the respondent or someone he or she knows because that person was overweight.

- o Seventy-eight percent (78%) think employers do not have the right to refuse to hire a smoker, whereas 19% say they do have the right to refuse to hire a smoker. Among those more inclined to say employers have the right to refuse to hire a smoker are people aged 50 to 64 year (29%),

retirees (27%), and those earning over \$51,000 (27%). Ten percent (10%) of people say that an employer has refused to hire either them or someone they know because the person was a smoker. Former smokers (14%) are the most likely to report this occurring.

- o Ninety-two percent (92%) say employers do not have the right to require an employee or job applicant to change his or her diet, while 5% think they do have the right. Four percent (4%) of people say that an employer has required either them or someone they know to change their diet.

- o While 85% say employers do not have the right to require an employee or job applicant to quit smoking, 12% think they do have the right. Republicans (19%), 50-64 year olds (19%), high-level professionals, and former smokers (19%) are more likely than other groups to feel employers have the right to require an employee to quit smoking. One out of fourteen respondents (7%) reports that an employer has required either the respondent or someone the respondent knows to quit smoking. Former smokers (12%) are the most likely to report this happening.

- o Although 68% think employers do not have the right to require an employee or job applicant to quit a second job almost one out of four Alaskans (24%) say they do have this right. High-level professionals (34%) and people aged 50 to 64 (32%) are most likely to feel employers have this right. Fifteen percent (15%) of people report that an employer has

required either them or someone they know to quit a second job.

Salespeople (27%), executives (24%), high-level professionals (22%), and people 35 to 49 (22%) are more likely to mention this occurring.

o Two out of three respondents (67%) say employers do not have the right to do a credit check on a prospective employee, but 29% say they do have the right. Executives (41%) and people over 50 (41%) are more likely to say employers have the right to do a credit check. One in six respondents (17%) reports that an employer has done a credit check on either the respondent or someone that the respondent knows.

In summary, more than one-third of all respondents (37%) indicate that at least one of the above situations has happened to either them or someone that they know. Former smokers (46%), Republicans (44%), residents of the Central district (43%), people aged 50 to 64 (41%), high-level professionals (41%), salespeople (41%), and Hispanics (63%) are all more likely to report these things occurring. This occurred despite the fact that *at least two-thirds* (67%) of the respondents say that employers do not have the right to take such actions.

**Section IV: Worker Compensation Claim**

Almost three out of four respondents (73%) oppose allowing businesses in Alaska to refuse to hire a person who has a worker compensation claim, while 17% favor allowing them to do so. Those earning under \$31,000 (86%) and regular smokers (84%) are most opposed to this proposal, while executives (35%) are most in favor.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB 62

Revision Date: \_\_\_\_\_  
Title: "Prohibiting employers from discriminating  
against individuals for legal use of legal products."  
Sponsor: Representative Grussendorf  
Requestor: House Labor and Commerce Committee

Department Affected: Administration  
BRU: Personnel/OEEO  
Component: Personnel/OEEO  
COMPONENT SERIAL NO. 56

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page \* necessary.)  
HB 62 will not require an additional ap, ppropriation for this division.

Prepared by: R. H. King, Director  
Division: Personnel/OEEO

Phone: 465-4430  
Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usery  
Agency: Administration

Date: 2/5/93

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# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO : HB 62

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

Department Affected: Labor

Title: Employee's Right to Use Lawful  
Products

BRU: Labor Standards & Safety

Sponsor: Representative Grussendorf

Component: \_\_\_\_\_

Requestor: House Labor & Commerce

Wage & Hour

COMPONENT SERIAL NO. 345

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE:</b>						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

Prepared by: Donald Study, CSP, Director  Phone: 465-6003

Division: Labor Standards & Safety Date: 2/4/93

Approved by Commissioner: Charles W. Mahlen 

Agency: Department of Labor Date: 2/4/93

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# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 15, 1993

FURTHER REFERRALS:

State Affairs  
Judiciary  
Finance

Date of Committee Action: 2/23/93

The LABOR AND COMMERCE Committee considered:

HB 65

HOUSE BILL NO. 65

FINANCIAL ADMINISTRATION OF STATE GOVT.

"An Act relating to the improvement of state finances through reduction of operating costs of certain state agencies and establishment of certain fees; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 65 (L+C)

the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian Porter</i>	✓				
<i>Milton</i>	✓				
<i>Joseph D. ...</i>	✓				
		<i>Bill Hudson</i>		✓	

*Bill Hudson*  
CHAIRMAN'S SIGNATURE

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

P.O. BOX 20020

JUNEAU, ALASKA 99802-0020

PHONE:

(907) 465-4361

February 10, 1993

Honorable Bill Hudson  
Alaska State Legislature  
Room 114  
State Capitol  
Juneau, AK 99801-1182

RE: Motor Vehicle sections of HB65

Dear Representative Hudson:

As Chair of the House Labor and Commerce Committee, you posed two questions of pertinence to the motor vehicle sections in HB 65:

- Are any proposed changes driven by federal law?
- If a mobile home is not to be titled as a vehicle, how will ownership be proven?

Only the handicapped parking provisions in Section 52 are driven by federal law. Public Law 100-641 and the Final Rule published in the Federal Register, March 11, 1991, Vol. 56, No. 47, mandate a uniform system for handicapped parking. One area of compliance is to limit the issuance of special handicapped parking permits and license plates only to those with mobility handicaps. Passage of the proposed change to AS 28.10.181(d) will bring Alaska into compliance with the federal standard.

Mobile homes should be classed as real property. Proof of ownership would then be filed in the Recorder's Office for that location. Even now, with some mobile homes classed as personal property, changes of ownership are completed with bills of sale. A title is frequently only required when the mobile home is financed and the banks apparently feel that getting a vehicle title is easier than filing a UCC lien or a real property lien.

You mentioned that the motor vehicle sections of HB65 might better be heard in the Transportation Committee. I will be glad to discuss these issues with the Committee for informational purposes if the Chair would like. Let me know.

Sincerely,



Jay N. Dulany  
Director

cc: Cheryl Frasca, Director  
Division of Budget Review

# MEMORANDUM

# STATE OF ALASKA

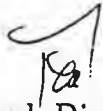
## DEPARTMENT OF LABOR

Administrative Services Division

TO: The Honorable Bill Hudson, Chair  
House Labor & Commerce  
Committee

DATE: February 11, 1993

FILE: DTLEG211.LAW

FROM:   
David Teal, Director

PHONE: 465-2720

SUBJECT: Questions on HB 65

In reply to your memo to Cheryl Frasca dated 02/10/93, you had questions concerning House Bill 65. The following is the Department of Labor's response to each of the questions you posed:

1. Which provisions in House Bill 65 are incorporated into the Governor's FY 94 budget?

**Section 45** - This section would stabilize revenues for the department and that stability in revenues is assumed in the department's FY 94 budget submittal.

**Section 46** - Removing the existing fee structure from statute enables the department to set fees by regulation. Revenue from an increase in the fee set by regulation is included in the department's FY 94 budget submittal as program receipts.

2. Clarify which provisions in House Bill 65 are required by federal law.

No section affecting the Department of Labor is required by federal law.

3. Which provisions in House Bill 65 are tied to the passage of other bills?

No section affecting the Department of Labor is tied to the passage of another bill.

4. & 5. These were specific questions directed to other departments.

6. Which section of the bill ties into the \$93,000 to the Department of Labor?

**Section 46** - Removing the existing fee structure from statute enables the department to set fees by regulation. An increase in the fee set by regulation which will result in program receipts of \$93.5 annually is included in the department's FY 94 budget submittal. These increased fees will allow a matching reduction in the amount of general funds received. The general fund reduction is also included in the department's FY 94 budget submittal.

7. This was a specific question directed to another department.

cc: Charles W. Mahlen, DOL  
Cheryl Frasca, OMB  
Sharon McCauley, OMB  
Don Study, DOL

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## OFFICE OF THE GOVERNOR

P.O. BOX 110020  
JUNEAU, ALASKA 99811-0020  
PHONE: (907) 465-3568

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

February 16, 1993

The Honorable Bill Hudson  
Chair  
House Labor and Commerce Committee  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Hudson:

Thank you for the opportunity to discuss House Bill 65 with the committee. The following information is in response to the questions raised in your letter of February 10:

1. Which provisions in House Bill 65 are already incorporated into the Governor's FY 94 budget?

There are two sections:

Sec. 46 changes the application and examination fee structure for the certificate of fitness for plumbers and electricians. The new fees are estimated to generate \$118,500 in program receipts. Of this amount, \$93,500 is in the Governor's FY 94 budget as program receipts (they supplanted "straight" general funds). The department also submitted a fiscal note to HB 65 for the remaining \$25,000.

Sec. 59 amends the "definition of program receipts" statute to not count money the state receives for administering group insurance programs as "program receipts." Currently the state's health insurance carrier reimburses the state for the cost of administering Alaska's health insurance program. These funds are deposited in the general fund and are considered "general fund/program receipts." With this amendment, these funds would no longer be considered "program receipts" and instead, would be categorized as Benefit Systems Receipts. This new fund source was established last legislative session and includes similar reimbursements the state receives for administering other state employee benefit systems.

In the Governor's FY 94 budget, there is \$683,000 already budgeted as "Benefit Systems Receipts" in anticipation of this statutory amendment passing.

2. **Please clarify what provisions in House Bill 65 are required by federal law.**

Sec. 52 changes the eligibility for free vehicle registration and license plates for disabled persons by narrowing the definition to include only those most in need of special plates due to a disability that limits the ability to walk as defined by federal regulation. This section puts Alaska in compliance with uniform federal regulatory guidelines. The division's reply (Attachment I) further describes this requirement.

Sec. 66 authorizes the Department of Environmental Conservation to charge fees to cover both direct and indirect costs of air quality permit program (the authority to collect air fees for indirect costs currently exists in AS 44.46.025(a)(2)). Expanding the department's ability to cover its indirect costs is the result of the Clean Air Act amendments of 1990.

3. **Which provisions in House Bill 65 are tied to the passage of other bills, and what are they?**

To my knowledge no provisions in this bill are tied to passage of other bills.

4. **I would like an explanation on the necessity of the loan guarantee fee in Sections 36 - 38 and how it will be administered. What is the status of the student loan portfolio; specifically, what is its delinquency rate and how does it compare to the national average?**

Attached is the Alaska Commission on Postsecondary Education's reply to these questions (Attachment II).

5. **I would like an explanation from Public Safety regarding Section 58. If mobile homes are excluded as "vehicles," how will they be dealt with?**

Sec. 58 deletes mobile homes from the definition of vehicles. The practical effect of this change is the department will no longer register mobile homes.

Under separate cover, the department directly responded to you on this question. For your reference, I have attached a copy of its reply (Attachment I).

6. Which section of the bill ties into the \$93,000 to the Department of Labor?

It is section 46 and is discussed in response to question one.

7. From the Department of Environmental Conservation, I'd like to know if Sections 65 and 66 are tied into the Clean Air Act bill, House Bill 39, together with the '94 budget.

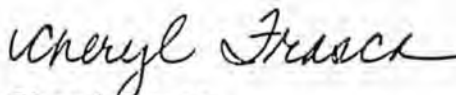
The provisions of House Bill 66 are also incorporated in the Clean Air bills (House Bill 39 and Senate Bill 103). Fees that would be collected under this language are not reflected in the FY 94 budget. As explained in the department's fiscal note for this section in HB 65, fees are not expected to be collected until FY 95. At that time, 700.0 is estimated to be collected.

During the committee's discussion, you also raised a question concerning what sections of the bill are in response to court decisions. As Mr. Dulany explained at the meeting, section 53 concerning the use of dealer plates on vehicles is in response to a court ruling. I have also attached a written reply from Mr. Dulany on this issue for your further reference (Attachment III).

In addition, you also requested information concerning the net fiscal impact of the bill's sections. I have attached a spread sheet which highlights revenues, savings and costs by section (Attachment IV).

If there is any other information I can provide or should you have any further questions, please just let me know.

Sincerely,



Cheryl Frasca  
Director

Attachments

cc: J. Shelby Stastny, Director, Office of Management and Budget  
Kris Lethin, Legislative Liaison, Office of the Governor

# STATE OF ALASKA

Attachment I

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

P.O. BOX 20020

JUNEAU, ALASKA 99802-0020

PHONE:

(907) 465-4361

February 10, 1993

Honorable Bill Hudson  
Alaska State Legislature  
Room 114  
State Capitol  
Juneau, AK 99801-1182

RE: Motor Vehicle sections of HB65

Dear Representative Hudson:

As Chair of the House Labor and Commerce Committee, you posed two questions of pertinence to the motor vehicle sections in HB 65:

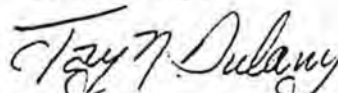
- Are any proposed changes driven by federal law?
- If a mobile home is not to be titled as a vehicle, how will ownership be proven?

Only the handicapped parking provisions in Section 52 are driven by federal law. Public Law 100-641 and the Final Rule published in the Federal Register, March 11, 1991, Vol. 56, No. 47, mandate a uniform system for handicapped parking. One area of compliance is to limit the issuance of special handicapped parking permits and license plates only to those with mobility handicaps. Passage of the proposed change to AS 28.10.181(d) will bring Alaska into compliance with the federal standard.

Mobile homes should be classed as real property. Proof of ownership would then be filed in the Recorder's Office for that location. Even now, with some mobile homes classed as personal property, changes of ownership are completed with bills of sale. A title is frequently only required when the mobile home is financed and the banks apparently feel that getting a vehicle title is easier than filing a UCC lien or a real property lien.

You mentioned that the motor vehicle sections of HB65 might better be heard in the Transportation Committee. I will be glad to discuss these issues with the Committee for informational purposes if the Chair would like. Let me know.

Sincerely,



Jay N. Dulany  
Director

cc: Cheryl Frasca, Director  
Division of Budget Review

# STATE OF ALASKA

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

Attachment II

WALTER J. HICKEL, GOVERNOR

P.O. BOX 99  
JUNEAU, ALASKA 99811-0599  
PHONE: (907) 465-2854

February 11, 1993

Cheryl Frasca, Director  
Budget Review  
Office of Management and Budget  
P.O. Box 110020  
Juneau, AK 99801

Dear Ms. Frasca:

In response to Representative Hudson's February 10, 1993 letter regarding question number 4: "I would like an explanation on the necessity of the loan guarantee fee in Sections 36-38 and how it will be administered. What is the status of the student loan portfolio; specifically, what is its delinquency rate and how does it compare to the national average?" Each question/issue is addressed below.

". . .necessity of the loan guarantee fee [proposed] in Sections 36-38 and how it will be administered."

Since fiscal year (FY) 1988 the student loan program, including its operational funding, has been funded through a combination of general funds, student loan repayments, and the proceeds from bond sale. Between FY 1988 and 1991 the Commission received \$10,000,000 per year in general fund appropriations for the student loan program. The appropriation funded a plan (the "Millennium Plan") that would create a revolving student loan fund, enabling the Commission eight years hence to fund loans and operations from the fund without need for bonding. However, in our 1992 budget, the request for \$10 million in general funds was reduced to \$4 million and the 1993 and 1994 requests reduced to zero.

Elimination of general funds has required the Commission to re-think its Millennium Plan. Although it is not felt that the program is in jeopardy of failing, or that the State cannot meet current or future commitments to bond holders, the loss of a significant capital source will eventually limit our ability to meet our contractual obligation to bond holders to maintain at least a 150 percent ratio between annual income and annual debt service.

The loan guarantee fee provides a source of funds that will enhance the financial picture of the student loan program. These funds will be used to offset the lost "principle balance" on loans written-off due to the death or disability of a borrower or to borrowers granted protection under bankruptcy laws. In 1992 the Commission wrote off the following amounts:

Bankruptcy	\$ 94,610.28
Medical Disab.	270,208.05
Death	548,001.58
TOTAL	<u>\$ 912,819.91</u>

February 11, 1993

Based upon an estimated annual loan origination (new loans) of \$55,000,000 each year, the 1 percent loan guarantee fee will provide \$550,000 to offset (or guarantee) these write-offs. The Commission does not expect that the fee will cover 100 percent of these write-offs in every year, as is the case in 1992. However, it will provide a substantial portion of the lost principle balance.

In administering these funds the Commission will:

1) Assess the 1 percent loan guarantee fee for each loan awarded. At the time the loan is awarded the 1 percent fee will be added to the loan request and capitalized over the life of the loan (generally 10 years). Note also that the 1 percent fee is added to the loan request and Sections 36-38 include provisions authorizing the fee as an increment to the maximum loan amount (depending on the various limits).

2) The fee will be issued to the Student Loan Revolving fund concurrent with award and issuance of the loan. The fee will be accounted for and maintained as a separate and accountable balance in the fund.

3) At least once each year the Commissioners are presented with a list of loans recommended by the staff for write-off. Those loans approved by the Commission for write-off, for reasons of the bankruptcy, death, or disability of the borrower, will first be satisfied from the available balance contained in the guarantee fund, and second, any residual balance written-off in accordance with the approval of the Commissioners.

"What is the status of the student loan portfolio; specifically, what is its delinquency rate and how does it compare to the national average?"

The loan portfolio, as of June 30, 1992 (audited by KPMG Peat Marwick):

Total Value of Portfolio	\$485,782,805
Bond Funded portion of Portfolio	\$138,636,194
Bond Debt (excluding interest)*	\$150,988,410
Number of Loans outstanding	155,600 (est)
Amount of "NEW" loans each year	\$ 55-58 million
Number of "NEW" loans each year	13,000 loans
Net increase in number of loans	6,000 loans
Annual Default Rate:	
1992 (prelim)	7.1 percent
1991	5.5 percent
1990	7.6 percent

For comparisons the federal loan guarantee program's annual default rate averages more than 20 percent.

Funding requirement for the Student Loan Program:

Awarding of Loans	\$55-58 million (1993 est.)
Operations	\$5,109,400 (1993)
Cost of Bond Sale (**)	\$1,100,000 (est.)

Frasca, Cheryl

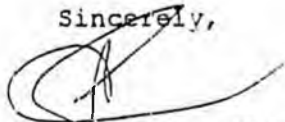
-3-

February 11, 1993

(\*) Bond debt payable includes the 1988, 1989, 1990, and 1991 Series A Bonds totaling \$150,988,410 at June 30, 1992. In July 1992 the Commission completed its 1992 Series A Bond sale for an additional \$47,500,000 bond liability. A total (estimated) of \$83,616,156 in interest will be paid from July 1, 1992, through the life of the issues (including the 1992 Series A issue).

(\*\*) Cost of bond sale varies from year-to-year depending upon numerous factors. Costs up to 2 percent of the bonds sold can be paid from the proceeds of the bond sale, the rest are paid from corporate receipts.

Sincerely,



Douglas S. Hanon  
Finance Officer

cc: Dr. Allan Barnes, Executive Director  
Dr. Marylou Madden, Assistant Director

# MEMORANDUM

State of Alaska *Attachment III*

TO: Cheryl Frasca  
Director  
Division of Budget Review

DATE: February 10, 1992

TELEPHONE: 465-4361

FROM: Jay N. Dulany *JND*  
Director  
Division of Motor Vehicles

SUBJECT: Sec. 53, H.B.65

The incident with the dealer plates arose when a motor vehicle dealer on the Kenai Peninsula split a pair of plates, each with the same registration number, between two automobiles. Two different vehicles were being driven with the same license plate number. Our collective memory fades as to whether a person was cited driving one of the vehicles or whether the dealership was cited by the local police. However, the outcome of the charges are clear. The court ruled that AS 28.10.181(j) could be interpreted to mean that only one license plate needed to be on the vehicle. Since DMV issued two plates, that left the other plate for another vehicle. The case was dismissed, and not subject to appeal (?) by the state since it was a criminal case.

Our only information on the case was received verbally from the Kenai District Attorney's office.

The changes to AS 28.10.181(j) proposed in HB65 are an attempt to remove any ambiguity in the statute.

**HB 65/SB 99 - Revenues and Expenditures**

Section	Dept	Program	Revenues		Savings to GF	Cost
			GF	OF		
36-38	Education	Postsecondary Education Commission: 1% loan guarantee fee on scholarship loan program		500.0		
39-43	Education	Postsecondary Education Commission: 1% loan guarantee fee on other loan programs		13.0		
44	Labor	Ability to charge fees for special boiler and pressure vessel inspector commissions	0.4			
46	Labor	Increase fees for plumbers and electricians	118.5			
47	Pub Safety	Enable Police Standards Council to collect fees for certification on non-state police and correctional officers and instructors	8.5			
48	Labor	Increase fee for employment agency permits	0.7			
49	Admin	Delete Office of Public Advocacy's requirement to provide guardian ad litem in child custody proceedings			100.0	
51	Pub Safety	Enable issuance of vehicle license plates depicting Alaska wildlife	300.0			
52	Pub Safety	Change eligibility for free vehicle registration and license plates for disabled persons	16.8			
54	Pub Safety	Deletes mobile homes from vehicles subject to registration	-1.5			
56	Pub Safety	Additional vehicle registration for "walk in" registrants	2,000.0			
57	Pub Safety	Clarifies requirement that companies and businesses register vehicle in a company of business name	400.0			
59	Admin	Amends definition of program receipts to not include monies the state receives from the state's health insurance carrier to administer the health insurance program; would be categorized as "system benefits receipts."			683.0	
65	DEC	Allows DEC to charge fees for other activities	700.0			
66	DEC	Authorizes DEC to set fees for indirect costs of air quality program (currently only charges for direct services)	3,747.1			1,882.0
67	DHSS	Adds to Medicaid children eligible for adoption assistance because of special medical or rehabilitative needs			17.7	
70	Pub Safety	Repeals special class of "occasional users of highways" thereby requiring these vehicles to be licensed as regular vehicles	35.1			
71	DNR	Enables parks to charge fees for a number of services	150.0			76.0
<b>Total</b>			<b>7,475.6</b>	<b>513.0</b>	<b>610.7</b>	<b>1,958.0</b>

Attachment IV

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Bill No. HB 65

Revision Date: \_\_\_\_\_ Department Affected: Alaska Court System  
 Title: Financial Administration of State BRU: Trial Courts  
Government Components: \_\_\_\_\_  
 Sponsor: House Rules (by request of Governor)  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 768

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	84.3	84.3	84.3	84.3	84.3	84.3
TRAVEL						
CONTRACTUAL	359.8	359.8	359.8	359.8	359.8	359.8
SUPPLIES						
EQUIPMENT	5.0					
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	449.1	444.1	444.1	444.1	444.1	444.1
CAPITAL						

REVENUE	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS						
1003 GF MATCH						
1004 GF	449.1	444.1	444.1	444.1	444.1	444.1
1005 GF/PROGRAM RECEIPTS						
1006 GF/MHTIA						
OTHER						
TOTAL	449.1	444.1	444.1	444.1	444.1	444.1

POSITIONS:

FULL-TIME	2.0	2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) Impact: None

ANALYSIS: (Attach a separate page if necessary)  
See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel *C.S.C.* Phone: 284-8228  
 Division: Alaska Court System Date: 02/08/93

Approved by: Arthur H. Snowden, II, Administrative Director *A.H.S.*  
 Agency: Alaska Court System Date: 02/08/93

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

### Narrative to Alaska Court System Fiscal Note

HB 65 shifts the responsibility and cost of state-funded representation in certain types of court cases from the Office of Public Advocacy to the court system. The passage of HB 65 would result in a significantly increased cost to the State of Alaska without any corresponding benefit in level of services.

HB 65 would erode the statutory scheme adopted in 1984, which created the Office of Public Advocacy as a more efficient, conflict-free system for providing state-funded representation.

HB 65 does not affect a person's right to receive state-funded representation in the types of cases listed. Rather, HB 65 simply relieves the Office of Public Advocacy of the responsibility for providing this representation, thus shifting the burden to the court system at a higher cost to the state. This shift also would present conflict of interest problems which the creation of the Office of Public Advocacy was designed to eliminate.

HB 65 shifts to the court system the responsibility and cost of providing representation in the following types of cases: attorneys or GAL's to minors in custody, support or visitation disputes, if the parties are indigent (sec. 49); attorneys for indigent parents at the disposition phase of a delinquency case, if the state seeks actual custody of the child over the parents' objection (sec. 64); OPA's obligations in adoption proceedings (sec. 64); proceedings to emancipate a minor (sec. 64); and mental health commitment proceedings involving minors (sec. 69).

Cost: HB 65 will result in an increased cost to the State of Alaska. The Office of Public Advocacy has been able to minimize case costs by use of an economical combination of staff resources and contract awards. Because of appearance and conflict of interest issues (see below), the court system is less able to rely on staff resources and must rely more heavily on contract awards. A conscription system should these responsibilities be shifted. Thus, the cost to the state would increase from current levels.

Prior to 1987, the court system was able to conscript private sector attorneys to represent parties in some of these types of cases at very low hourly rates which did not even compensate most attorneys for their overhead expenses. This onerous system was discontinued in 1987, and the court must now pay market value for attorney services in cases in which attorneys are appointed through conscription. [See DeLisio v. Ak. Superior Court, 740 P.2d 437 (Alaska 1987).] Thus, current costs of the court system's administration of an appointment system would be vastly in excess of pre-1987 years.

One positive result of the OPA-administered contract and staff system has been the provision of a higher quality of legal services by attorneys and others who have been able to develop expertise in the types of cases currently

assigned to OPA. This quality improvement translates into cost savings, in that poor representation can be linked with a greater number of case appeals, longer court proceedings (with inexperienced or unprepared counsel), and a greater number of billing hours from attorneys and others who do not bring with them a base level of knowledge and experience in these types of cases. Staff and contract professionals who have the interest and expertise to provide efficient, correct representation will cost the State of Alaska less than representation obtained through a conscription system administered by the courts.

#### Conflict of interest issues

The court system is the branch of government charged with providing a just and impartial forum for the resolution of disputes. In support of this mandate, the rules of court specifically prohibit any court employee from engaging in the practice of law in any of the courts of this state (Administrative Rule 2). An obvious difficulty is created when one of the interested parties in a court action is represented by an employee of the court system. Even if actual collusion does not occur, parties to proceedings may lose faith in the court's ability to be impartial as a result of the appearance of impropriety created by such a relationship. This problem is exacerbated by the small size of the Alaska Court System, which makes a perception that there is a firm differentiation between functions unlikely.

If the court system provides representation using only contract and conscripted personnel (except for staff administrative personnel to manage the program), costs to the State will increase as discussed above.

#### Separation of power issues

The Constitution of the State of Alaska creates three separate and distinct branches of government. The court system is devoid of advocacy functions, so that the integrity and impartiality of the system can be carefully preserved and the public's faith in the ability of the court to resolve disputes fairly is not placed in jeopardy. If OPA functions are shifted to the court, this careful separation begins to deteriorate.

Alaska Court system  
Fiscal Analysis  
HB 65

Personal Services

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Administrative Assistant, 16A, Anchorage, permanent full-time	35,340	13,991	49,331
Accounting Clerk, 10A, Anchorage, permanent full-time	24,012	10,998	35,010
Total Personal Services			84,341

Contractual

Professional services - contract attorneys (\$100 to \$125 an hour) and guardian ad litem (\$30 an hour)

<u>Case Type</u>	<u>Estimated</u>				
	<u># of Cases</u>	<u>Hours a Case</u>	<u>Hourly Rate</u>	<u>Total Cost</u>	
Custody	60	30	\$87	\$156,600	
Custody by state	30	40	87	104,400	
Adoption	5	10	100	5,000	
Emanicipation	5	5	100	2,500	
Mental health - minors	110	10	83	91,300	359,800

Equipment (one-time)

Equipment for new employees (desk, chair, filing cabinets, typewriter, computer terminal and calculator)

	<u>5,000</u>
Total	<u>\$449,141</u>

Anchorage, Alaska 99515  
12301 Johns Road, #21  
February 11, 1993

Representative Bill Hudson, Chairman  
Labor and Commerce Committee  
House of Representatives  
Alaska State Legislature  
Juneau, Alaska 99801-1182

Dear Rep. Hudson:

Your committee is urged to favorably act on sections 63 and 71, HB 65. State Parks road system sites, in particular, need real improvements; and user fees can help pay the bills. Visitors will appreciate having amenities such as firewood at hand, and residents and non-residents can be expected to enjoy staying longer—generating increased economic spin off for Parks and local businesses. State Parks professionals here and in Oregon agree that well-run public facilities need not be a threat to private enterprises but can be complementary to them, benefitting all.

Thank you.

Copy: Rep. Barnes, Speaker  
of the House

Sincerely yours,  
Juan M. Williams

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 15, 1993

The Honorable Ramona L. Barnes  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the improvement of state finances by reducing costs in the operations of certain state agencies and authorizing state agencies to defray a greater portion of their costs through the imposition of fees. A section-by-section description of this bill follows.

Sections 1 - 32 of the bill authorize biennial renewal of liquor licenses by the Alcoholic Beverage Control Board. Under this bill, all liquor licenses that are now issued for a one-year period would be issued for a two-year period. As a result of the transitional procedures in sec. 71 of the bill, each year only one-half of the licenses would be subject to renewal. The board's staff now labors under a staggering amount of renewal-related work. The effect of the bill would be to spread that workload.

Sections 33 - 35, 49, 64, and 70 (repealer of AS 13.26.410(b)) relate to the duties of the Office of Public Advocacy. The bill proposes to delete certain functions of the Office of Public Advocacy (OPA) that are considered to be duplicative of services provided by other agencies or that are not constitutionally mandated. Due to the increase in child-in-need-of-aid cases, it is crucial that the many abused and neglected children receive priority in OPA appointments.

Sections 33 - 35 of the bill would allow the Department of Administration to determine a schedule of reasonable fees for the costs of providing public guardians. The Office of Public Advocacy would be allowed to assess these fees against the estate or income of a ward or protected person for whom a guardian has been appointed, based on the financial ability on the ward or protected person to pay these costs. Currently, no fees may be assessed against any person receiving the benefit of a public guardian except upon approval by a court. This process is cumbersome and expensive for the Office of Public Advocacy, which must pay for the costs of a court hearing, including the costs of

HB 65

HB 65

counsel for both sides. These changes would simplify the procedure for recouping some of these costs, and would provide for consistent application of the fee schedule, while allowing an exemption forwards or protected persons who are not financially able to pay the fees.

Section 49 of the bill would amend AS 25.24.310 to delete the requirement that OPA provide guardian ad litem representation in certain child custody proceedings. Currently, the Alaska court system has personnel denoted as "custody investigators" who perform essentially the same function as OPA in custody proceedings.

Section 64 of the bill would amend AS 44.21.410(a), regarding the powers and duties of OPA, to correspond to the amendments made by secs. 33 - 35 of the bill. Additionally, this section would eliminate the requirement that OPA provide free attorney representation to parents whose children are involved in the disposition phase of delinquency proceedings, and the requirement of free representation in cases involving adoption of a minor, a petition to remove the disabilities of a minor, or a commitment proceeding involving a minor.

Section 69 of the bill would delete the requirement that OPA represent minors in commitment proceedings, to correspond to one of the amendments to AS 44.21.410(a)(4) made by sec. 64 of the bill.

Section 70 would repeal AS 13.26.410(b), for consistency with the amendments proposed by secs. 33 - 35.

After the effective date of the sections relating to OPA in this bill, OPA would not accept new appointments for the types of cases deleted from OPA's mandate by the bill. However, OPA would continue to represent those parties in cases to which OPA was appointed before the bill's effective date.

Sections 36 - 38 would authorize the Alaska Commission on Postsecondary Education to assess a one percent guarantee fee on student loan awards made under the Scholarship Loan Program, effective July 1, 1994. These fees would be deposited into a loan guarantee fee account within the student loan fund and would be used to offset losses incurred due to student loan debt cancellation necessitated by death, disability, or bankruptcy of the student. The current statute does not allow security to be required for a loan and strictly limits the use of loan proceeds. These amendments also would provide that the loan guarantee fee be added to the loan award so that students would receive the full amount of money requested, up to the maximums set out in AS 14.43.110 and 14.43.115, to pay for their educations.

Sections 39 - 43 would authorize the same one percent loan guarantee fee to be assessed on loans under the Memorial Scholarship Loan Program, the Teacher Scholarship Loan Program, and the Family Education Loan Program. As a result, all of the student loan programs would assess a one percent loan guarantee fee on the amount of the loan awarded.

Section 44 would establish in the Department of Labor the authority to set reasonable fees by regulation for administering special inspector examinations

The Honorable Ramona L. Barnes  
Page 3

and processing applications for special boiler and pressure vessel inspector commissions. Currently the department does not charge a fee for processing these applications for administering the examinations.

Section 45 would eliminate the requirement in AS 18.62.020 that certificates of fitness for plumbers and electricians be valid for either a one-year or a three-year period. Under the bill, the Department of Labor would have the authority to set a time period in regulation for the certificates. This should increase the department's efficiency in processing applications for these certificates and stabilize program receipts.

Section 46 would eliminate the current statute's prescribed certificate of fitness fees for plumbers and electricians, and instead would establish authority in the Department of Labor to set reasonable fees by regulation. See AS 18.62.030. This section would also allow the department to charge a fee for duplicate certificates. These changes would enable the department to set fees for certificates of fitness in line with the actual costs incurred in issuing them, and would authorize the department to recoup expenses incurred in issuing 100 - 150 duplicate certificates each year.

Section 47 is a revenue-generating measure that would permit the Alaska Police Standards Council to adopt regulations to collect reasonable fees for processing applications for state certification of police and correctional officers and instructors who are employed by non-state agencies.

Section 48 would raise the required fee for filing an application for an employment agency permit under AS 23.15.390 from \$10 to \$100. This higher amount reflects the costs of the review done by the Department of Labor for these permits.

Sections 50 - 57 would amend AS 28 (motor vehicles) to enhance revenue through increased motor vehicle fees or to correct technical problems in the motor vehicle laws to increase the efficiency of the Department of Public Safety.

Section 50 would delete the phrase "vehicle register" in AS 28.10.071(a), which no longer is meaningful in light of current computer technology. In addition, this section would clarify the authority of the department to adopt regulations to recover the state's costs in generating computerized vehicle registration lists.

Section 51 would amend AS 28.10.181(c) to permit the issuance of special request license plates depicting Alaska wildlife and other images of life in Alaska. This change would produce revenue through the issuance of these special request plates.

Section 52 changes the eligibility for free vehicle registration and license plates for disabled persons by adopting the definition of limited or impaired ability to walk that appears in a federal regulation (23 C.F.R. 1235.2). The special license plate allows the holder to have special consideration for designated parking for the disabled. The existing statute (AS 28.10.181(d)) allows a person with at least a 70 percent disability or medical handicap to obtain vehicle registration at no charge, and, through the free special license plates, to use the designated parking even though the person may not have a disability that affects walking.

The Honorable Ramona L. Barnes

Page 4

The new definition would provide for free vehicle registration and license plates to those most in need of special parking. The department should receive additional revenue from vehicle registration fees and the sale of regular license plates to those who no longer qualify under AS 28.10.181(d).

Section 53 clarifies an ambiguity in AS 28.10.181(j) by explicitly requiring that car dealers use two dealer plates on each vehicle permitted to have dealer plates (all license plates are issued in pairs). The somewhat confusing language of the existing statute has allowed some dealers to split a pair of plates between two vehicles. The Department of Public Safety should receive increased revenue through the sale of additional plates to dealers.

Sections 54 and 58, and the repeal of AS 28.10.011(12) in sec. 70, together make clear that mobile homes are not considered "vehicles" for purposes of administering motor vehicle laws. Under the changes made by these sections, the Department of Public Safety, division of motor vehicles, will no longer provide registration and motor vehicle titles for mobile homes.

Section 55 would clarify that senior citizens are entitled to free vehicle registration of only one vehicle once each calendar year. This change is needed in order to avoid significant difficulties and administrative costs encountered in maintaining proper registration when senior citizens buy, sell, or trade vehicles during the year and claim free registration on more than one vehicle during the year.

Section 56 provides an additional registration fee of \$10 for vehicle registration not done by mail. This section would provide an incentive for people to use the mail for vehicle registration. This should alleviate some of the delays that most people are encountering at division of motor vehicle field offices and allow DPS staff to function more efficiently. This section also allows the department to adopt regulations to waive the additional fee in appropriate circumstances.

Section 57 would clarify AS 28.10.421(c) by requiring that companies and businesses that register vehicles in their company or business name must pay commercial registration fees, and cannot avoid paying those fees by claiming that the vehicle is not used for commercial purposes.

Section 59 exempts money that the state receives for administering the group insurance programs established under AS 39.30.090 (primarily health insurance programs) from the definition of "program receipts" in AS 37.05.146. This change will result in accounting efficiencies being saved in the Department of Administration's ongoing operations and cost-savings to the state.

Sections 60 and 61 of the bill amend AS 37.05.289, the State Insurance Catastrophe Reserve Account (Account), by providing that payments to the state of insurance claim settlement money and money received by the state as recovery for losses, are to be deposited directly into the Account (which is in the general fund). Presently, such money that is received by the division of risk management must be credited to the general fund and is appropriated to the state agency to which the payment is related. The United States Department of Health

& Human Services' division of cost allocation has determined that certain insurance recovery money must be returned to the Account (from which federally funded state agencies have been charged premiums through division of risk management "Cost of Risk" allocations). The federal government demands that a portion of such insurance recoveries be refunded to the appropriate federal program.

By allowing for insurance settlement and claims recovery money to be deposited directly into the state insurance catastrophe reserve account, future premium assessments are expected to be reduced and the state will be in compliance with federal cost allocation standards. An appropriation would still be required before expenditure of money in that account. Additionally, the new procedures should reduce the considerable accounting required with the present system.

Section 62 would clarify the authority of the Department of Natural Resources to accept cash or other donations to support the system of state parks and recreational facilities.

Section 63 would expand the authority of the Department of Natural Resources to collect reasonable fees for services provided in state parks. It would add several new categories of park fees, including sale of firewood, sale of park-related merchandise, entrance fee into visitor centers and historic sites, sale of plans and graphic materials, day use fees, and fees for park-related programs. The bill, in sec. 71, also would set a temporary fee schedule for certain of these services, to be used until the Department of Natural Resources sets the fees by regulation. In the fourth year of a phased implementation schedule, these new fees are expected to raise around \$400,000.

Sections 65 and 66 of the bill would amend, and add a new subsection to, AS 44.46.025 to provide the Department of Environmental Conservation (DEC) with increased authority to charge fees to offset the direct costs of various programs designed to avoid and rectify pollution, to ensure healthy and safe public facilities, and to assist business in complying with local, state, and federal environmental standards. An existing statute presently limits DEC's authority to charge fees to certain enumerated subject areas, and further limits DEC's fee authority to specified services related to those subjects. Thus, DEC may charge a fee to reflect the costs associated with the issuance of a permit for a hazardous waste facility, but may not charge a fee when a permit is not issued (either because the application is withdrawn or a permit is determined not to be necessary), even though DEC incurs costs in reviewing the application. This results in the permitted facilities shouldering an inequitably large share of the cost of the hazardous waste management program.

Section 65 would rectify this problem in several ways. First, it would amend the introductory clause of AS 44.46.025(a), to allow DEC to charge fees for any services relating to the programs listed in (a), not just the underinclusive listing of activities now set out in the law. This amendment recognizes that DEC employs methods other than permits and inspections in its activities.

Second, through sec. 65, the itemized list of programs in the subsection would be modified and expanded, to allow the DEC to charge fees reflecting the direct costs

of: (1) management of hazardous waste, not just permitting costs; (2) approvals of sites for hazardous waste management facilities; (3) control of solid waste facilities, and permits for those facilities, including wetlands permits (assuming state assumption of the wetlands permitting process that is currently handled by the United States Army Corps of Engineers); (4) reviews of sewage and industrial waste disposal or treatment plans; (5) oversight of the application of pesticides and broadcast chemicals; (6) inspection, testing, or other regulation of a wider variety of service facilities; (7) certification of private laboratories that will conduct a variety of environmental analyses for profit; (8) state testing for and issuance of certificates of inspection for motor vehicles; (9) certification of federal permits or authorizations under the federal Clean Water Act; and (10) filing of information with the Alaska State Emergency Response Commission.

Section 66 would revise the existing fee language relating to the air quality permit program, removing it from AS 44.46.025(a) and placing it in a new subsec. (c) of AS 44.46.025. This new subsection authorizes DEC to set fees for program services to cover indirect costs of the program, as well as direct costs. This change is incorporated in the bill because air quality permit program fees must reflect both indirect and direct costs to meet requirements of the federal Clean Air Act.

Section 67 would amend AS 47.07.020(b) to add a new category of persons to the state's optional list of those eligible for federal Medicaid coverage. Through the amendment, the state could claim federal matching money for medical costs now paid entirely from state money. Children under age 21 who are eligible for adoption assistance under AS 25.23.190 - 25.23.220 because of special medical or rehabilitative needs would be added to the optional Medicaid-eligible list under this provision.

Section 68 would amend AS 47.07.035, which lists the order of priority in which groups eligible under the optional Medicaid program will be eliminated from Medicaid coverage when there are insufficient appropriations to cover all optional services and groups. This bill would add, as para. (28) in this list, persons under age 21 who are eligible for adoption assistance due to special medical or rehabilitative needs. Placement of this group as number 28 would mean that this group would be the last to be eliminated for Medicaid coverage in the event of a shortfall of appropriations.

Section 70 repeals certain provisions of Alaska law. AS 13.26.410(b) would be repealed to make a necessary conforming amendment to facilitate the collection of fees by OPA as set out in secs. 33 - 35 of this bill. AS 28.10.011(12) is repealed to remove a reference to mobile homes from AS 28, as described earlier in this letter. AS 28.10.181(k) is repealed to allow the Department of Public Safety (DPS) to no longer register vehicles that are only occasionally used on a highway. This repeal should reduce the workload for DPS, as well. AS 28.22.011(a)(3) is repealed to make a technical amendment to mandatory motor vehicle insurance to conform to the repeal of AS 28.10.181(k), relating to occasional used vehicles. Finally, AS 37.05.210(1) is repealed to remove the statutory requirement for the Department of Administration to make monthly and annual reports on the financial condition and transactions of funds in the state

The Honorable Ramona L. Barnes  
Page 7

accounting system. The department currently prepares these reports by computer on a more frequent basis. The repeal would leave intact the Department of Administration's responsibility to file a year-end report on the financial condition of the state, including financial transactions from the preceding fiscal year.

Section 73 would give transitional authority to allow state agencies to begin the process to adopt regulations as soon as the bill is signed into law, so long as the new regulations do not become effective before the respective effective dates of the relevant sections of this bill. Section 74 of this bill would give this section an immediate effective date.

Section 74 also would provide an immediate effective date for the transitional sections related to temporary fees in state parks and staggered expiration of licenses issued by the Alcoholic Beverage Control Board.

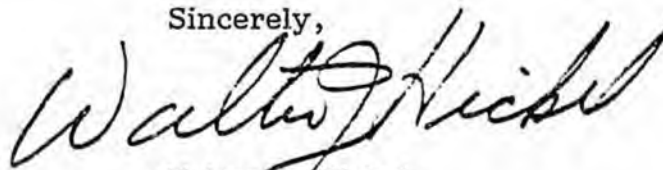
Section 75 would provide a July 1, 1993 effective date for the majority of sections of the bill to coincide with the start of state fiscal year 1994.

Section 76 would provide an effective date of December 31, 1993 to allow a uniform date for the changing from annual to biennial licenses issued by the Alcoholic Beverage Control Board.

Section 77 would give secs. 36 - 43 of this bill an effective date of July 1, 1994 to allow the Alaska Commission on Postsecondary Education to institute the uniform fee assessment for the 1994 - 1995 academic year.

I urge your favorable consideration of this bill.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel".

Walter J. Hickel  
Governor

<b>Omnibus Legislation - Fiscal Impact Sectional</b>					
<b>Section</b>	<b>Department</b>	<b>Brief Description</b>	<b>Discussion of Fiscal Impact</b>	<b>Revenues (including savings)</b>	<b>Cost</b>
1 thru 32	Revenue	Changes issuances of liquor licenses by the Alcohol Beverage Control Board from the current annual issuance to biennial.	Will enable staff to spread workload out over two years thereby enabling more efficient processing and utilization of existing staffing levels.		
33 thru 35	Administration	Office of Public Advocacy: Will enable OPA to determine a reasonable fee schedule for public guardians.	Due to time required to develop and implement regulations, no revenue is projected for FY 94. Until fee schedule is established, future revenue projections are difficult.	Not yet determined	
36 thru 38	Education	Alaska Commission on Postsecondary Education: Authorizes assessment of a 1% guarantee fee to be used to offset losses due to student loan debt cancellation due to death, disability or bankruptcy of the student.	Total revenue to be generated in FY 94 is 500.0 in corporate receipts	500.0	
38 thru 43	Education	Alaska Commission on Postsecondary Education: Authorizes same 1% guarantee fee as established in sections 36 through 38 in these other loan programs: Memorial Scholarship Loan Program, Teacher Scholarship Loan Program, and Family Education Loan Program.	Total revenue to be generated in FY 94 is 13.0 in corporate receipts	13.0	
44	Labor	Allows department to set fees by regulation for administering certain examinations and processing applications for special boiler and pressure vessel inspector commissions (currently there is no charge).	Anticipate fee of \$25.00 which will annually generate estimated \$375.00 to general fund.	0.4	
45	Labor	Eliminates the current statutory requirement that plumber and electrician certificates of fitness be valid for either one year or three years; gives the department the authority to set time frame by regulation	No fiscal impact; currently revenues fluctuate due to one or three year renewal. Change to a two year certificate will stabilize program receipts coming to the department.		

# Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
46	Labor	Eliminates current statutorily prescribed certificate of fitness fees for plumbers and electricians and gives the department the authority to do so by regulation; allows the department to charge for issuing duplicate certificates	Anticipate application and exam fee of \$50.00 to generate 110.5 in program receipts. Of this amount, 93.5 is currently authorized in the Governor's FY 94 operating budget. Fiscal note requests additional authorization of 25.0.	25.0	25.0
47	Public Safety	Alaska Police Standards Council: Authorizes the adoption of regulations to collect fees for processing applications for state certification of non-state police and correctional officers and instructors.	Based on issuance of 170 non-state certificates at a charge of \$50.00 per certificate, an estimate 8.5 in general fund program receipts is expected. The amount is projected to increase by 5% in future years.	8.5	
48	Labor	Increases the application filing fee for employment agency permits from the current \$10 to \$100.	Only eight agencies are currently licensed; fee increase will generate an additional \$720.00.	0.7	
49	Administration	Office of Public Advocacy: Deletes the requirement that OPA provide guardian ad litem in child custody proceedings.	Estimated savings is 100.0. Because OPA is continually underfunded, this reduction was not taken in the Governor's FY 94 operating budget.	100.0	
50	Public Safety	Clarifies department's ability to recover cost in generating computerized vehicle registration lists by clarifying this sale as an electronic service.	No new revenues; "protects" the department's ability to continue collecting the current 100.0 in revenue now collected from vendors who have argued the list should be provided at no charge.		

## Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
51	Public Safety	Allows the department to issue special vehicle license plates depicting Alaska wildlife and other images; \$30.00 fee for issuance will be charged.	Estimate 10,000 plates will be annually issued. Contractual cost is 60.0 and estimated annual revenue is 300.0. These costs and revenues are not reflected in FY 94 operating budget.	300.0	60.0
52	Public Safety	Changes the eligibility for free vehicle registration and license plates for disabled persons by narrowing the definition to include only those most in need of special parking. Will put Alaska in compliance with uniform federal regulatory guidelines.	Increased revenue of 16.8 is expected. Based on assumption that 15% (or 480) of current persons with these plates will not qualify and will have to pay regular fees.	16.6	
53	Public Safety	Clarifies current statute that requires car dealers to use two dealer plates per vehicle.	No fiscal impact.		
54	Public Safety	Eliminates authority to issue vehicle titles to mobile homes. Revenue impact is noted in sec. 70.	Will result in loss of revenues based on 50 titles and lien fees of \$10.00 not being issued by Public Safety.	-1.5	
55	Public Safety	Clarifies the statute that senior citizens are entitled to free vehicle registration of only one vehicle each calendar year.	Fiscal impact discussed in sec. 70.		
56	Public Safety	Provides an additional vehicle registration fee of \$10.00 for registration not done by mail	Currently 25-30% of vehicle owners use mail. With this financial incentive, it is estimated 100,000 of the 300,000 "walk in" registrants will use mail. The remaining 200,000 that will continue to "walk in" will generate 2,000.0 in increased revenues.	2,000.0	

## Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
57	Public Safety	Clarifies the requirement that companies and businesses that register a vehicle in a company or business name must pay a commercial registration fee.	Estimated revenue increase is 400.0 based on average difference in registration fees of \$16.00 for approximately 25,000 vehicles.	400.0	
58	Public Safety	Amends the definition of vehicle in statute to delete "mobile homes."	Relates to section 54; no additional fiscal impact.		
59	Administration	Exempts money that state receives for administering group insurance programs under AS 39.30.090 (primarily health insurance programs) from the definition of program receipts.	The Governor's FY 94 operating budget makes this fund source shift from general fund/program receipts to Benefit Systems Receipts.	683.0	
60 thru 61	Administration	Amend State Insurance Catastrophe Reserve Account statute by providing that payments to the state of insurance claim settlement money and money received as recovery for losses are deposited directly into this account.	No fiscal impact; however will enable compliance with existing federal cost allocation standards. Failure to comply may require state to reimburse some federal funds.		
62	Natural Resources	Clarifies the department's authority to accept cash or other donations to support state park operations	No fiscal impact.		
63	Natural Resources	Expands the department's authority to collect fees for services in state parks; fees would vary for each park.	Installation of estimated 44 fee stations would be phased. Revenue estimate from these fees is reflected in sec. 71.		
64	Administration	Office of Public Advocacy: This section is related to the changes made in sections 33-35; eliminates the requirement that OPA provide free attorney representation in certain cases.	Estimated savings of 100.0 as a result of these changes are included in section 49.		

## Omnibus Legislation - Fiscal Impact Sectional

Section	Department	Brief Description	Discussion of Fiscal Impact	Revenues (including savings)	Cost
65	Environmental Conservation	Allows charging of fees for any services relating to programs currently stipulated in AS 44.26.025 (a) (now can only charge for permits and inspections). Also modifies list of services for which fees can be charged to reflect direct costs of program.	Because regulations would have to be adopted, fees would not be collected until FY 95 and projected increased revenues are 700.0. FY 94 cost of implementation is 75.3. This impact is not reflected in FY 94 operating budget.	700.0	75.3
66	Environmental Conservation	Authorized department to set fees for both direct and indirect costs of air quality permit program. Change is required by federal Clean Air Act.	Due to start up delays, revenues and expenditures would not be in place until FY 95.	3,747.1	1,882.0
67	DHSS	Adds new category to state's optional list for federal Medicaid coverage. These are children under age 21 who are eligible for adoption assistance under current law because of special medical or rehabilitative needs.	Estimated FY 94 GF savings is 17.7 which increases in future years. The GF savings is made up by matching federal funds. This savings has not been reflected in FY 94 operating budget.	17.7	
68	DHSS	Adds new category established in section 67 to priority list of Medicaid eligibility list.			
69	Administration	Office of Public Advocacy: Deletes the requirement that OPA represent minors in commitment proceedings (corresponds to section 64 amendment).	Estimated savings of 100.0 as a result of these changes are included in section 49.		
70	Public Safety	Section includes the repeal of the "occasional use" provision which will require owner of vehicles registered under the "occasional use" category to pay full fees.	Average increase as a result of "occasional use" change is \$20.00.	35.1	

<b>Omnibus Legislation - Fiscal Impact Sectional</b>					
<b>Section</b>	<b>Department</b>	<b>Brief Description</b>	<b>Discussion of Fiscal Impact</b>	<b>Revenues (including savings)</b>	<b>Cost</b>
71	Natural Resources	Establishes a temporary fee schedule for state parks pending the promulgation of permanent regulations.	FY 94 costs of 76.0 includes instelling 18 fee collection stations and the design/production of fee collection envelopes and the fee stations. Revenues of 150.0 are estimated in FY 94 and increase in future years.	150.0	76.0
72	Revenue	Provides the time table for implementing the biennial issuance of liquor licenses by the Alcoholic Beverage Control Board.			
73 thru 77	Multiple	Effective dates			
<b>Total</b>				<b>8,645.8</b>	<b>2,042.3</b>

# FISCAL NOTE

No. 18  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

**STATE OF ALASKA  
 1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Improvement of state finances through reduction of operating costs BRU: Alcohol Beverage Control Board  
costs of certain state agencies and establishment of certain fees... sec. 1-32, 72 Component: Alcohol Beverage Control Board  
 Sponsor: House Rules by Request of the Governor  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 100

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

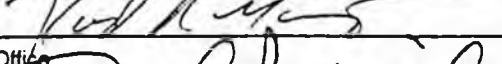
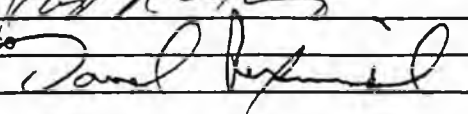
**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0.00

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

The administrative efficiencies and savings that will result from biennial licensing will assist the board in its attempt to maintain adequate performance in spite of budget reductions which total 71% for FY93.

Prepared by: Rod R. Mourant  Phone: 465-2300  
 Division: Commissioner's Office Date: 1/13/93  
 Approved by Commissioner: Darrel J. Rexwinkel  Date: 1/13/93  
 Agency: Revenue

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# FISCAL NOTE

No. 17  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

**STATE OF ALASKA  
 1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Department Affected: Labor  
 Title: An act relating to the improve- BRU: Labor Standards & Safety  
ment of state finances...Sec. 45 Component: Mechanical Inspection  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 346

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
FUND SOURCE:	PR #1005	PR #1005	PR #1005	PR #1005	PR #1005	PR #1005

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

See attached

Prepared by: Don Study, Director Phone: 465-4855  
 Division: Labor Standards & Safety Date: 1/13/93  
 Approved by Commissioner: Charles W. Mahlen   
 Agency: Department of Labor Date: 1/13/93

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Fiscal Note Analysis for:

"An Act relating to ... establishment of certain fees ..."

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 44 through 46 of this bill would allow the department to establish certain fees and certification time periods by regulation. Section 48 would increase an existing fee set by statute.

In anticipation of new fees and fee increases to be set by regulation, a fund source change from general funds to program receipts was included in the department's FY 94 budget submittal. Because the \$93.5 in fee income is reflected in the department's operating budget, it is excluded from this fiscal note.

The net fiscal impact of the sections of this bill (and associated regulations) relevant to this department is the general fund gains \$94.6, and the department gains \$25.0 expenditure authorization to cover the costs of services provided.

Section 45:

Section 45 would give the department the authority to set time periods for certificates of fitness for plumbers and electricians by regulation. This would allow the department to shift from a one- or three-year certificate to two-year certificates. This bill would have no fiscal impact other than stabilizing revenues to the department.

For purposes of calculating fiscal impact, an effective date of July 1, 1993 is assumed.

# FISCAL NOTE

No. 16  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

**STATE OF ALASKA  
 1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: An Act relating to the improvement of state  
finances. . . sec. 59  
 Sponsor: Rules Committee  
 Requester: Governor

Dept Affected: Administration  
 BRU: Retirement & Benefits  
 Components: Retirement & Benefits

COMPONENT SERIAL NO. 64

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>REVENUE FUND SOURCE:</b>	0.0	0.0	0.0	0.0	0.0	0.0
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**Funding:** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	***	***	***	***	***	***
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other:	***	***	***	***	***	***
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions:**

Full-Time	0.0	0.0	0.0	0.0	0.0	0.0
Part-Time	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY93) impact: none

ANALYSIS: (attach a separate page if necessary)

\*\*\* This bill changes approximately 683.0 the BRU receives for administering certain group insurance programs from program receipts to other state funds. The funding source change is reflected in the Governor's FY94 Budget Request.

Prepared By: Robert F. Stalnaker, Director *R. Stalnaker* Phone: 465-4470  
 Division: Retirement and Benefits Date: 1/13/93  
 Approved By Commissioner: Nancy Bear Usura *NBU* Date: 1/13/93  
 Agency: Administration

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies)

FISCAL NOTE

No. 15  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: 'An Act relating to improvement of state  
finances through reduction of operating ...' Sec. 60-61  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Administration  
 BRU: Finance  
 Component: Finance  
 COMPONENT SERIAL NO. 59

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	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

Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Don Wanie, Director *DW 1/13*  
 Division: Finance

Phone: 465-2240  
 Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usara *NBU*  
 Agency: Administration

Date: 1/13/93

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FISCAL NOTE

No. 14

Bill Version: HB 65

(H) Publish Date: 1/15/93

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

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

Department Affected: Administration

Title: 'An Act relating to the improvement of state finances...' Sec. 60-61

BRU: Risk Management

Sponsor: Rules Committee

Component: Risk Management

Requestor: Governor

COMPONENT SERIAL NO. 71

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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
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REVENUE FUND SOURCE: GF/PRG 1005	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Don Hitchcock, Director  
Division: Risk Management

Phone: (907) 465-2180  
Date: 1-13-93

Approved by Commissioner: Nancy Bear Usura  
Agency: Administration

Date: 1/13/93

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# FISCAL NOTE

No. 13  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Commission on  
 Title: An Act relating to the improvement of BRU: Postsecondary Education  
state finances...sec. 36-38 Component: Student Loans  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 212/213

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE:</b>	<b>1022</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Doug Hanon, Finance Officer Phone: 465-6757  
 Division: Alaska Commission on Postsecondary Education Date: 1/12/93  
 Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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# FISCAL NOTE

No. 12  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

**STATE OF ALASKA  
 1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Commission on  
 Title: An act relating to the improvement of BRU: Postsecondary Education  
state finances...sec. 39-43 Component: Student Loan Operations  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 213

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:	1022	13.0	13.0	13.0	13.0	13.0
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**FUNDING:**

(Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>						

**POSITIONS:**

	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

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

Prepared by: Doug Hanon, Finance Officer  
 Division: Alaska Commission on Postsecondary Education  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Phone: 465-6757  
 Date: 1/12/93  
 Date: \_\_\_\_\_

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# FISCAL NOTE

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

NO.         
Bill Version: HB 65  
(H) Publish Date: 1/15/93

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An act relating to the improvement BRU: Alaska Police Standards Council  
 of state Finances ... sec. 47 Component: Alaska Police Standards Council  
 Sponsor: Rules  
 Requestor: Governor COMPONENT SERIAL NO. 519

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND	8.5	8.9	9.4	9.8	10.3	10.9
SOURCE: 1005						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary.)  
  
See attached.

Prepared By: Jack W. Wray Phone: 465-4378  
 Division: Alaska Police Standards Council Date: 1/13/93  
 Approved by Commissioner: *Richard L. Burton* Date: 1/13/93  
 Agency: Richard L. Burton, Dept. of Public Safety

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**COMMITTEE COPY**

No. 11  
HB 65

Department of Public Safety  
Fiscal Note Analysis  
Lawlog 93-0020  
Page 2 of 2

Passage of this legislation will allow the Council to amend their regulations to include a fee schedule for the issuance of police, probation, parole, and correctional officer certificates and police and correctional instructor certificates.

Estimated revenue amounts are based on the Council's issuance of 170 non-State employee police, probation, parole and correctional officer certificates and police and correctional instruction certificates during FY 92. Charge per certificate is calculated at \$50.00 per certificate and the yearly increase in revenue is based on a 5% population increase and a corresponding increase in number of officers and instructors.

# FISCAL NOTE

No. 10  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Labor  
 Title: An act relating to the improve- BRU: Labor Standards & Safety  
ment of state finances....sec. 48 Component: Wage & Hour  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 345

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	0.7	0.7	0.7	0.7	0.7	0.7
FUND SOURCE:	PR #1005	PR #1005	PR #1005	PR #1005	PR #1005	PR #1005

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

See attached

Prepared by: Don Study, Director Phone: 465-4855  
 Division: Labor Standards & Safety Date: 1/13/93

Approved by Commissioner: Charles W. Mahlen   
 Agency: Department of Labor Date: 1/13/93

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No. 2  
H.S. 65

Fiscal Note Analysis for:

"An Act relating to ... establishment of certain fees ..."

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 44 through 46 of this bill would allow the department to establish certain fees and certification time periods by regulation. Section 48 would increase an existing fee set by statute.

In anticipation of new fees and fee increases to be set by regulation, a fund source change from general funds to program receipts was included in the department's FY 94 budget submittal. Because the \$93.5 in fee income is reflected in the department's operating budget, it is excluded from this fiscal note.

The net fiscal impact of the sections of this bill (and associated regulations) relevant to this department is the general fund gains \$94.6, and the department gains \$25.0 expenditure authorization to cover the costs of services provided.

Section 48:

Section 48 of this bill raises the fee for an employment agency license from \$10 to \$100. This fee has not been increased since 1953. This increase reflects the costs of review performed by the department for these operating permits.

The eight licensed employment agencies operating in the state will pay a total of an additional \$0.7 annually for licensing. The department will continue to absorb the cost of reviewing and issuing these permits and the \$0.7 additional revenue collected will be deposited into the general fund.

For purposes of calculating fiscal impact, an effective date of July 1, 1993 is assumed.

# FISCAL NOTE

No. 9

Bill Version: HB 65

(H) Publish Date: 1/15/93

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: An Act relating to the improve-  
ment of state finances...sec. 44  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Mechanical Inspection

COMPONENT SERIAL NO. 346

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	0.4	0.4	0.4	0.4	0.4	0.4
FUND SOURCE:	PR #1005	PR #1005	PR #1005	PR #1005	PR #1005	PR #1005

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

See attached

Prepared by: Don Study, Director Phone: 465-4855  
 Division: Labor Standards & Safety Date: 1/13/93  
 Approved by Commissioner: Charles W. Mahlen Date: 1/13/93  
 Agency: Department of Labor Date: 1/13/93

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Fiscal Note Analysis for:

"An Act relating to ... establishment of certain fees ..."

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 44 through 46 of this bill would allow the department to establish certain fees and certification time periods by regulation. Section 48 would increase an existing fee set by statute.

In anticipation of new fees and fee increases to be set by regulation, a fund source change from general funds to program receipts was included in the department's FY 94 budget submittal. Because the \$93.5 in fee income is reflected in the department's operating budget, it is excluded from this fiscal note.

The net fiscal impact of the sections of this bill (and associated regulations) relevant to this department is the general fund gains \$94.6, and the department gains \$25.0 expenditure authorization to cover the costs of services provided.

Section 44:

This section would allow the department to adopt regulations establishing fees for administering special inspector examinations and processing applications for special boiler and pressure vessel inspector commissions. The department currently performs these functions without charge.

This section of the bill would have no fiscal impact on the department. Regulations establishing a \$25 application and examination fee is anticipated. This would generate approximately \$0.4 annually in receipts to the general fund.

For purposes of calculating fiscal impact, an effective date of July 1, 1993 is assumed.

# FISCAL NOTE

No. 8

Bill Version: HB 65

(H) Publish Date: 1/15/93

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An act relating to the improvement of state finances....Sec. 07-cb BRU: PURCHASED SERVICES  
 Sponsor: \_\_\_\_\_ Component: FOSTER CARE  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0252

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

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-35.4 *	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(35.4) *</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE</b>						

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(35.4) *	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(35.4) *</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$0.0

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

See attached analysis for more.

These sections are covered by this fiscal note and analysis. \*The fiscal impact of this bill has not been considered within the FY94 budget, but will be included in the budget amendment process.

Prepared by: Deborah R. Wing, Director Phone: 465-3191  
 Division: FAMILY & YOUTH SERVICES Date: 1/13/93  
 Approved by Commissioner: Theodore A. Mala, MD, MHB Date: 1/15/93  
 Agency: Department of Health and Social Services

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Fiscal Note Analysis continuation

An Act relating to the improvement of State financing through reduction of operating costs.

The Division of Family and Youth Services currently pays a direct monthly subsidy to adoptive parents of hard-to-place children. A hard-to-place child is a child who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these.

The monthly subsidy is considered a reimbursement for costs of supporting hard-to-place children. AS 25.23.190 provides for continuation of the subsidy if necessary to assure placement of a hard-to-place child. The subsidy covers many ongoing maintenance costs including, food, shelter, clothing, school supplies, recreation and transportation costs, counseling or other types of therapy, as well as medical costs.

The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate.

Future subsidy agreements for hard-to-place children will allow for the Medicaid coverage available under the bill. Subsidy agreements already in force, however, do not provide for an offset for the cost of medical care that may be paid under the bill. For this reason the fiscal note only considers the coverage available for future adoptions of hard-to-place children with special medical needs.

The experience under the program shows that the number of new subsidy agreements have begun to lessen. For FY91 new agreements for children with special medical needs totaled 46. After FY92 there have been 14 placements that have special medical needs. The projected number of special needs placements and the associated medical cost is anticipated to show only slight growth in future years.

A December 1992 review of DFYS files established a FY 93 base year average medical cost per child of \$2,400. The current medical inflation rate of 5.5% is assumed to continue. Medical costs for FY94 are calculated to be 35.4. (14 placements x \$2,400 x 1.055 medical inflation rate =\$35,448.) There will be a one time transfer of funding for medical costs associated with subsidized adoptions.

FISCAL NOTE

No. 7  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: 'An Act relating to the  
improvement of state finances...' sec. 33-35, 49, 64, 69  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Administration  
 BRU: Office of Public Advocacy  
 Component: Office of Public Advocacy

COMPONENT SERIAL NO. 43

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	(100.0)	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	(100.0)	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE: GF/PRG 1005	0	50.0 - 200.0	50.0 - 200.0	50.0 - 200.0	50.0 - 200.0	50.0 - 200.0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	(100.0)	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	(100.0)	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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared by: Brant McGee, Public Advocate  
 Division: Office of Public Advocacy

Phone: (907) 274-1684  
 Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usura  
 Agency: Administration

Date: 1/13/93

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. 65

ANALYSIS: (continued)

Sec. 33-35, 69: This bill proposes an amendment to the Public Guardian statute that would allow the Commissioner of Administration to establish regulations under which the Office of Public Advocacy could collect fees from the wards and conservatees it serves. No revenue is projected for FY 94 due to the time required to develop and implement regulations. FY 95 - 99 projections are very difficult to do until the fee structure is developed.

Sec. 49 and 64: The purpose of this section is to limit Office of Public Advocacy's statutory mandate to cases where the court appointment is constitutionally required or where it is judged to be particularly crucial to fair adjudication.

Deletion of these Office of Public Advocacy responsibilities would result in a savings of at least \$100.0 in contractual costs, as well as cause a reduction in staff workload, primarily because of elimination of the guardian ad litem appointment required in custody cases.

# FISCAL NOTE

No. 6

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

Bill Version: HB 65  
(H) Publish Date: 1/15/93

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An act relating to the improvement BRU: Motor Vehicles  
of state finances...Sec. 50-58, 70 Component: Field Services  
 Sponsor: Rules  
 Requestor: Governor COMPONENT SERIAL NO. 502

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	60.0	60.0	60.0	60.0	60.0	60.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>

CAPITAL						
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REVENUE FUND	2750.4	2750.4	2750.4	2750.4	2750.4	2750.4
SOURCE: 1005						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	60.0	60.0	60.0	60.0	60.0	60.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ none

ANALYSIS: (Attach a separate page if necessary.)  
SEE ATTACHED

Prepared By: Charles R. Hosack Phone: 269-5559  
 Division: Motor Vehicles Date: 1/13/93  
 Approved by Commissioner: *Richard L. Burton* Date: 1/13/93  
 Agency: Richard L. Burton Dept. of Public Safety

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Department of Public Safety  
Fiscal Note Analysis  
Page 2 of 4

This fiscal note will address only those sections that have an impact on the Division of Motor Vehicles. Each section's impact will be addressed separately below and the cover sheet will reflect a summary of the total impact of all sections.

SECTION 50

This is a technical amendment to reflect the current computer technology in use. The Department of Public Safety uses a relational database in the Alaska Public Safety Information Network (APSIN). With this type of database there is no separate file or database that could be called "the vehicle register". The creation of such a list for sale to user has historically been done for more than 20 years and this amendment clarifies this sale as an electronic service. This protects over \$100,000 in revenue from those vendors who argue that this list should be provided at no charge. There is no fiscal since this amendment clarifies the current situation.

SECTION 51

This section allows the Division to design special plates and charge a one-time fee of \$30.00 for their issuance. This is similar to the existing fee structure for personalized plates and these fees would be in addition to the normal registration fees and taxes. This analysis assumes that 10,000 plates would be issued annually.

Contractual cost - 10,000 plates @ \$6	\$60,000
Revenue - 10,000 plate fees @ \$30	\$300,000

SECTION 52

This section would place Alaska in compliance with uniform federal regulatory guidelines for the issuance of handicap plates. These standards limit the plates and the use of special parking places to those persons with mobility handicaps. Current Alaska law allows those with other than mobility handicaps to obtain the plates. Revenue estimates are based on the assumption that 15% or 480 of the 3200 persons with these plates would not qualify and would have to pay regular fees.

Revenue - 480 registrations @ \$35	\$16,800
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No. 6  
Hrs 65

Department of Public Safety  
Fiscal Note Analysis  
Page 3 of 4

SECTION 53

This amendment closes a loop hole in the current law that allows dealers to misuse the dealer plate and prevents further loss of revenue. Since only one dealer was known to have misused the plates the additional revenue will be negligible.

SECTION 54

This amendment takes away the authority to issue vehicle titles to mobile homes. In almost all cases the mobile homes are permanently mounted in trailer parks and should be classed as real property. A title is usually only required when the mobile home is financed because the banks feel getting a vehicle title is easier than filing a UCC lien or a real property lien. Since the title is optional the division usually cannot guarantee ownership since there is no clear chain of documents normally associated vehicle ownership. There would be a small loss of revenue from the approximately 150 titles issued each year.

Revenue - 150 title and lien fees @ \$10 (\$1,500)

SECTION 55

This amendment improves efficiency by removing ambiguity associated with senior citizen exemptions and eliminating associated problems. Many senior citizens buy and sell several vehicles during the year and try to claim exemptions on each one. The statute only allows one exemption per year. There is no fiscal impact.

SECTION 56

Historically only 25-30% of vehicle owners use the mail to renew vehicle registrations. The remainder, over 300,00, come in person to a DMV office adding to the long lines when there is no need to do so. This section charges an additional \$10 for those who do not use the mail service. This approach was taken over giving a discount to those who use the mail because it is a revenue generator rather than a revenue loss. It places the cost directly on those who are creating the efficiency loss. Even with this incentive it is estimated that 200,000 owners will still come in person to renew their vehicles.

Revenue - 200,000 @ \$10 \$2,000,000



## FISCAL NOTE

### STATE OF ALASKA 1993 LEGISLATIVE SESSION

BILL NO. HB 65

Revision Date 1/29/93 Department Affected: Natural Resources  
 Title: "An Act Relating to Financial Administration of State Government" BRU: Park & Recreation Management  
 Components: Park Management  
 Sponsor: Rules Committee  
 Requestor: Governor Hickel Component Serial No. 452

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	38.2	19.0	15.0	15.0	0.0	0.0
TRAVEL						
CONTRACTUAL	27.0	15.0	12.0	12.0	0.0	0.0
SUPPLIES	10.8	6.0	5.0	5.0	0.0	0.0
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>76.0</b>	<b>40.0</b>	<b>32.0</b>	<b>32.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE fund source:	150.0 PR	200.0 PR	300.0 PR	400.0 PR	400.0 PR	400.0 PR
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	76.0					
1005 GF/Program Receipts		40.0	32.0	32.0	0.0	0.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>76.0</b>	<b>40.0</b>	<b>32.0</b>	<b>32.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY93) impact: \$ No fiscal impact anticipated

ANALYSIS: (Attach a separate page if necessary)  
 See Attached

Prepared by: Neil C. Johannsen Phone: 762-2600  
 Division: Parks & Outdoor Recreation Date: 1/29/93  
 Approved by Commissioner: Glenn A. Olds Date: 2/3/93  
 Agency: Department of Natural Resources

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Department of Natural Resources

HB 65 Bill Analysis

The state park fee program to be funded by this fiscal note consists of the design, construction and installation of fee collection stations at approximately 44 locations in the state park system. Each fee station is estimated to cost \$4,000, including labor, supplies and contractual expenses.

The fee stations would be installed in phases, over a four year period. Eighteen stations would be installed in FY94, and ten stations installed in FY95. Eight stations would be installed in both FY96 and FY97. First year costs include design and production of fee collection envelopes and annual pass decals, as well as design and production of standard drawings and plans for the fee stations. These one-time costs are estimated at \$4,000.

No new positions would be required by this legislation. Additional administrative and management costs would be absorbed by existing staff.

The estimate of revenue to be produced by this bill is based on visitation records for selected park units, as well as financial records for the existing camping fee program. In the fourth year of implementation, this new fee program is expected to generate annual revenues of approximately \$400,000. Potential revenues to the state from this program exceed the state's costs in each of the four year implementation period. In subsequent years, these user fees would help offset increased park maintenance and operating costs as well as possible general fund budget reductions. The net financial effect of this program would be positive, with fee revenues greater than operating costs.

The fiscal note provided by the Division of Parks addresses both sections 63 and 71 of the bill. The fiscal impact of section 71, which provides statutory authority for temporary fees in state parks, is reflected under FY94. The fiscal impact for FY95 and thereafter is in connection with section 63 of the bill, and is based on regulations which will be promulgated during FY94.

# FISCAL NOTE

No. 4  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: An act relating to the improve-  
ment of state finances...Sec. 46  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Mechanical Inspection  
 COMPONENT SERIAL NO. 346

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	22.5	22.5	22.5	22.5	22.5	22.5
TRAVEL						
CONTRACTUAL						
SUPPLIES	2.5	2.5	2.5	2.5	2.5	2.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE:</b>	25.0 * PR #1005	25.0 * PR #1005	25.0 * PR #1005	25.0 * PR #1005	25.0 * PR #1005	25.0 * PR #1005
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt	25.0	25.0	25.0	25.0	25.0	25.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

See attached

Prepared by: Don Study, Director Phone: 465-4855  
 Division: Labor Standards & Safety Date: 1/13/93

Approved by Commissioner: Charles W. Mahler   
 Agency: Department of Labor Date: 1/13/93

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Fiscal Note Analysis for:

"An Act relating to ... establishment of certain fees .."

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 44 through 46 of this bill would allow the department to establish certain fees and certification time periods by regulation. Section 48 would increase an existing fee set by statute.

In anticipation of new fees and fee increases to be set by regulation, a fund source change from general funds to program receipts was included in the department's FY 94 budget submittal. Because the \$93.5 in fee income is reflected in the department's operating budget, it is excluded from this fiscal note.

The net fiscal impact of the sections of this bill (and associated regulations) relevant to this department is the general fund gains \$94.6, and the department gains \$25.0 expenditure authorization to cover the costs of services provided.

Section 46:

This section would remove an existing fee structure from statute and enable the department to establish by regulation the fees for an application and examination, certificate of fitness, renewal or duplicate certificate for electricians and plumbers.

This section of the bill would have no direct fiscal impact, however, the department anticipates changing the fee structure by regulation. No application/examination fee is currently charged; a \$50 application and examination fee would generate approximately \$23.8 annually in program receipts. This fee reflects the cost of providing these services.

A regulation establishing a \$10 fee for duplicate certificates of fitness would generate approximately \$1.2 annually in program receipts. The \$10 fee reflects the cost of providing the duplicate certificate.

\* Regulations establishing a \$160, two-year certificate of fitness fee--with an \$80, one-year certificate of fitness issued for a three year period until the current three-year certificates are phased out--are anticipated. These fee changes are expected to generate \$93.5 annually. The revenue associated with this change is included in the department's operating budget submittal as program receipts. Two points are relevant: 1) the general fund gains \$93.5 and 2) the fiscal note does not reflect the receipt of the revenue because it is in the operating budget.

For purposes of calculating fiscal impact, an effective date of July 1, 1993 is assumed.

# FISCAL NOTE

No. 3

Bill Version: HB 65

(H) Publish Date: 1/15/93

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An act relating to the improvement of state finances...sec. 67-68 BRU: Medial Assistance  
 Sponsor: \_\_\_\_\_ Component: Medicaid Non Facility  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0229

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	35.4 *	40.2	43.0	48.2	53.2	58.2
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>35.4 *</b>	<b>40.2</b>	<b>43.0</b>	<b>48.2</b>	<b>53.2</b>	<b>58.2</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	17.7 *	20.1	21.5	24.1	26.6	29.1
1003 GF Match	17.7 *	20.1	21.5	24.1	26.6	29.1
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>35.4 *</b>	<b>40.2</b>	<b>43.0</b>	<b>48.2</b>	<b>53.2</b>	<b>58.2</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$0.0


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

See attached for more.

\*The fiscal impact of this bill has not been considered within the Governor's original FY94 budget. An adjustment may be included as a budget amendment after further consideration.

Prepared by: Kimberly B. Busch, Director   
 Division: Medical Assistance

Phone: 907-465-3355  
 Date: 1/13/93

Approved by Commissioner: Theodore A. Mala, MD, MPH   
 Agency: Department of Health and Social Services

Date: 1/13/93

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Fiscal Note Analysis continuation

An Act relating to the improvement of State financing through reduction of operating costs.

The Division of Family and Youth Services currently pays a direct monthly subsidy to adoptive parents of hard-to-place children. A hard-to-place child is a child who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these.

The monthly subsidy is considered a reimbursement for costs of supporting hard-to-place children. AS 25.23.190 provides for continuation of the subsidy if necessary to assure placement of a hard-to-place child. The subsidy covers many ongoing maintenance costs including, food, shelter, clothing, school supplies, recreation and transportation costs, counseling or other types of therapy, as well as medical costs.

The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate.

Future subsidy agreements for hard-to-place children will allow for the Medicaid coverage available under the bill. Subsidy agreements already in force, however, do not provide for an offset for the cost of medical care that may be paid under the bill. For this reason the fiscal note only considers the coverage available for future adoptions of hard-to-place children with special medical needs.

The experience under the program shows that the number of new subsidy agreements have begun to lessen. For FY91 new agreements for children with special medical needs totaled 46. After FY92 there have been 14 placements that have special medical needs. The projected number of special needs placements and the associated medical cost is anticipated to show only slight growth in future years.

A December 1992 review of DFYS files established a FY 93 base year average medical cost per child of \$2,400. The current medical inflation rate of 5.5% is assumed to continue. These costs for future placement of special medical need children and the federal offset available under the bill are shown in the table on the following page.

Calculation of Medical Costs for New Placements under the Bill  
and  
Anticipated Federal Revenue to Offset General Fund Spending.

	New Place- ments	X	Base Year Medical Cost	X	Medical Infla- tion Rate	=	Total Annual Medical Costs	÷ 2 =	New Federal Revenue & GF Offset
FY 94	14	X	\$2,400	X	1.055	=	\$35,448	÷ 2 =	\$17,724
FY 95	16	X	\$2,400	X	1.055	=	\$40,512	÷ 2 =	\$20,256
FY 96	17	X	\$2,400	X	1.055	=	\$43,044	÷ 2 =	\$21,522
FY 97	19	X	\$2,400	X	1.055	=	\$48,108	÷ 2 =	\$24,054
FY 98	21	X	\$2,400	X	1.055	=	\$53,172	÷ 2 =	\$26,586
FY 99	23	X	\$2,400	X	1.055	=	\$58,236	÷ 2 =	\$29,118

Cross ref: Fiscal note by the Div. of Family and Youth Services

# FISCAL NOTE

No. 2

Bill Version: HB 65

(H) Publish Date: 1/15/93

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: An act relating to the improvement  
of state finances...sec. 66  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Environmental  
Conservation  
 BRU: Environmental Quality  
 Component: Air Quality Management

COMPONENT SERIAL NO. 1428

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0.0	1,618.0	1,962.2	2,235.4	1,572.8	1,572.8
TRAVEL	0.0	109.0	211.8	229.4	63.5	63.5
CONTRACTUAL	0.0	20.0	20.0	20.0	20.0	20.0
SUPPLIES	0.0	25.5	35.5	45.5	25.5	25.5
EQUIPMENT	0.0	109.5	22.5	20.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>1882.0</b>	<b>2252.0</b>	<b>2550.3</b>	<b>1681.8</b>	<b>1681.8</b>

CAPITAL						
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REVENUE						
FUND SOURCE: 1005	0.0	3747.1	4117.1	4421.8	3742.6	3742.6

**FUNDING:**

1002 FEDERAL RECEIPTS						
1003 GF MATCH						
1004 GF						
1005 GF/PROGRAM RECPT	0.0	1882.0	2252.0	2550.3	1681.8	1681.8
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	<b>0.0</b>	<b>1882.0</b>	<b>2252.0</b>	<b>2550.3</b>	<b>1681.8</b>	<b>1681.8</b>

**POSITIONS:**

FULL-TIME	0.0	22.5	27.0	31.0	21.8	21.8
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$

ANALYSIS: (Attach a separate page if necessary.)

see attachment

Prepared by: Christine Underwood, Administrative Officer  
 Division: Administrative Services

Phone: 465-5010  
 Date: 1/13/93

Approved by Commissioner: Janice Adair, Assistant Commissioner  
 Agency: Department of Environmental Conservation

Date: 1/13/93

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).  
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ATTACHMENT  
DEC Analysis Section 66

Title V of the 1990 Clean Air Act(CAA) requires the US Environmental Protection Agency to develop a uniform, nationwide permitting program for selected sources of air contaminants. Congress also directed each state or local air management authority to develop and manage an approvable permit program under the direction of EPA. The executing regulations, presented in 40 CFR Part 70, establish specific criteria for an EPA-approvable local or state permitting program. This permit program (referred to as Title V permits) will provide an improved administrative framework to maintain healthful air in areas currently meeting federal air quality standards and to improve air quality in areas not meeting federal air quality standards.

The CAA mandates that permit fees cover both the direct and indirect costs of the mandated air quality program. Section 66 contains language necessary to the Department for expanded fee collection authority.

The fiscal note reflects additional operating expenses beginning FY95, which level off by FY99. These increased costs will bring in an estimated \$3,747.1 in program receipts in FY95, with the amounts varying until a stabilization point is reached near FY99. It is important to note that the fees collected will not exceed the total operational costs of the expanded air quality program mandated by the Federal CAA.

Based on a Permittee Search Project, between 425 and 450 Alaska sources will be required to obtain a Title V permit. There are currently 175 permitted sources within the State handled by less than 22 staff. Permitting staff will be charged with development and issuance of construction and operating permits. The Compliance Assurance Group is charged with the responsibility of assuring that all permitted sources within the State are in an optimal state of compliance. The Group will perform all facility inspections and reporting activities statewide, and will train inspectors. The Act requires each state to develop a Small Business Assistance Program (SBAP) to help small businesses comply with the complex provisions of the CAA. The primary focus of the SBAP will be to provide technical assistance to non-major sources subject certain provisions of the CAA. The Program Planning and Development Group is slated to review and comment on proposed federal regulations as they may apply to facilities in Alaska, revise Alaska's air quality control regulations as necessary to meet federal requirements, develop procedures to implement Alaska's regulations as well as provide guidance to permit applicants and the public. The Administrative Group will establish and maintain the complex cost recovery and permit fee tracking system. Accounting staff will assess, bill, and collect fees from permitted facilities. The Monitoring/Modeling Group will continue to review the ambient air quality demonstrations of complex permitting activities.

# FISCAL NOTE

No. 1  
 Bill Version HB 65  
 (H) Publish Date: 1/15/93

STATE OF ALASKA  
**1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: An act relating to the improvement  
of state finances... sec. 65  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Environmental/  
Conservation  
 BRU: see attachment  
 Component: \_\_\_\_\_

COMPONENT SERIAL NO. attached | |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	62.3	36.6	36.6	36.6	36.6	36.6
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	2.0	2.0	2.0	2.0	2.0	2.0
SUPPLIES	1.0	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	10.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>75.3</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>

CAPITAL						
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REVENUE						
FUND SOURCE: 1005		700.0	703.0	704.0	707.0	711.0

FUNDING:

1002 FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF MATCH	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	75.3	0.0	0.0	0.0	0.0	0.0
1005 GF/PROGRAM RECPT	0.0	39.1	39.1	39.1	39.1	39.1
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
OTHER		0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>75.3</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>

POSITIONS:

FULL-TIME	1.5	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ NONE

ANALYSIS: (Attach a separate page if necessary.)

see attachment

Prepared by: Christine Underwood, Administrative Officer  
 Division: Administrative Services

Phone: 465-5010  
 Date: 1/13/93

Approved by Commissioner: Janice Adair, Assistant Commissioner  
 Agency: Department of Environmental Conservation

Date: 1/13/93

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

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Projected Revenues/Program Receipts from expanded authority to collect user fees:

Since these proposals would have to be implemented through the adoption of regulations, there would be no program receipts realized until FY95. In future fiscal years, DEC would like to see a funding source shift from general funds to program receipts.

BRU ENVIRONMENTAL HEALTH

**Sanitation Component (#650)**

Program receipt authority to collect fees for sanitation permits would generate an estimated 11.6 in revenue. The type of facilities affected include: swimming pools, spas, daycare/preschools, public accommodations, campgrounds, hotel/motels, liquor stores, barber/beauty shops, public toilets, showers, laundromats, and compressed air providers.

**Palmer Lab Component (#651)**

Revenue from pesticide product registration and drinking water lab certification and training is estimated to be 155.0.

BRU SPILL PREVENTION AND RESPONSE

**Program Development Component (#1814)**

The Department would be authorized to collect fees from businesses which are required to report information about hazardous substances to the State Emergency Response Commission under SARA Title III [42.U.S.C. 11001-11050]. Projected revenues raised through such a fee structure will depend on its design. The final fee structure would be established by regulation after further study. Estimated program receipts start at 5.0 for FY95 and increase to 15.0 in FY99. **Personal services** would need an increase in FY94 of 25.7 for a 0.5 FTE, **Regulations Specialist II** to promulgate the needed regulations under the auspices of the Department's paralegal in the Commissioner's Office.

BRU ENVIRONMENTAL QUALITY

**Wastewater and Water Treatment Component (#1426)**

Estimated receipt of 37.5 for subdivision plan reviews.

**Hazardous Waste Management (#1427)**

For the one permit issued, 50.0 is estimated in program receipts. An estimated one or two facility sitings per year would generate approximately 15.0 in revenue.

**Water Quality Management Component (#645)**

For the 401 permits issued, 30.7 is estimated in program receipts.

**Solid Waste Management Component (#1427)**

By placing a surcharge on each ton of waste 375.0 in program receipts is expected.

**Monitoring and Laboratory Support (#643)**

Drinking water certifications would generate 20.2 in program receipts.

**OPERATING EXPENDITURES****Commissioner's Office Component (#633)**

A 0.5 FTE Regulations Specialist II (R-16) at a cost of 25.7 for FY94 only, would be needed to develop a fee structure and regulations for the Program Development Component of the SPAR Division. This position would also assist the Division of Environmental Quality in developing their needed regulations. An initial equipment cost of 5.0, .5 in supplies, and 1.0 in contractual services are anticipated position support costs.

**Administrative Services Component (#635)**

A FTE Accounting Clerk III (R-10) at an annual cost of 36.6 would be necessary to handle billing procedures and collection of the user fees. This position would begin in FY94 to aide in program development and recordkeeping procedures. An initial equipment cost of 5.0, .5 in supplies, and 1.0 in contractual services are anticipated position support costs.

Position Title <b>Regulations Specialist II</b>		No. of Positions <b>1</b>	Range / Step <b>16A</b>	Barg. Unit <b>CGU</b>
Time Status <b>.5FTE</b>	Staff Months <b>6</b>	Location <b>Juneau</b>		Election District <b>H:3 S:B</b>
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	<b>Justification</b>  This position is needed to develop a fee structure and regulations for the Program Development Component of the SPAR Division. This position would also assist the Division of Environmental Quality in developing their needed regulations. The position would be limited to 6 months during FY94 and would be working under the auspices of the Department's paralegal in the Commissioner's Office.  Unless regulations are developed and adopted, the Department cannot exercise its program receipt authority and collect user fees.  An initial expenditure for equipment, supplies and contractual services are anticipated position support costs.	
Salary	<b>18.2</b>			
Benefits	<b>7.5</b>			
Premium Pay				
Other				
<b>Total Personal Services</b>	<b>25.7</b>	<b>25.7</b>		
Travel				
Contractual		<b>1.0</b>		
Commodities		<b>.5</b>		
Equipment		<b>5.0</b>		
Other				
<b>Total Cost</b>		<b>32.2</b>		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	<b>1002</b>			
G. E. Match	<b>1001</b>			
General Fund	<b>1004</b>	<b>32.2</b>		
FA Receipts	<b>1007</b>			
CF Receipts	<b>1061</b>			
Other				

**Request For  
New Position**

AGENCY Environmental Conservation

BRU Administration

COMPONENT Commissioner's Office

**FY** 94

Page 1 of 2

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



# FISCAL NOTE

No. 4  
 Bill Version: HB 65  
 (H) Publish Date: 1/15/93

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Department Affected: Labor  
 Title: An act relating to the improve- BRU: Labor Standards & Safety  
ment of state finances...Sec. 46 Component: Mechanical Inspection  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 346

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	22.5	22.5	22.5	22.5	22.5	22.5
TRAVEL						
CONTRACTUAL						
SUPPLIES	2.5	2.5	2.5	2.5	2.5	2.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>
<b>CAPITAL</b>						
<b>REVENUE</b>	<b>25.0 *</b>	<b>25.0 *</b>	<b>25.0 *</b>	<b>25.0 *</b>	<b>25.0 *</b>	<b>25.0 *</b>
<b>FUND SOURCE:</b>	<b>PR #1005</b>	<b>PR #1005</b>	<b>PR #1005</b>	<b>PR #1005</b>	<b>PR #1005</b>	<b>PR #1005</b>

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt	25.0	25.0	25.0	25.0	25.0	25.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

See attached

Prepared by: Don Study, Director *Don Study* Phone: 465-4855  
 Division: Labor Standards & Safety Date: 1/13/93  
 Approved by Commissioner: Charles W. Mahler *Ch Mahler*  
 Agency: Department of Labor Date: 1/13/93

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1305

Fiscal Note Analysis for:

"An Act relating to ... establishment of certain fees ..."

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 44 through 46 of this bill would allow the department to establish certain fees and certification time periods by regulation. Section 48 would increase an existing fee set by statute.

In anticipation of new fees and fee increases to be set by regulation, a fund source change from general funds to program receipts was included in the department's FY 94 budget submittal. Because the \$93.5 in fee income is reflected in the department's operating budget, it is excluded from this fiscal note.

The net fiscal impact of the sections of this bill (and associated regulations) relevant to this department is the general fund gains \$94.6, and the department gains \$25.0 expenditure authorization to cover the costs of services provided.

Section 46:

This section would remove an existing fee structure from statute and enable the department to establish by regulation the fees for an application and examination, certificate of fitness, renewal or duplicate certificate for electricians and plumbers.

This section of the bill would have no direct fiscal impact, however, the department anticipates changing the fee structure by regulation. No application/examination fee is currently charged: a \$50 application and examination fee would generate approximately \$23.8 annually in program receipts. This fee reflects the cost of providing these services.

A regulation establishing a \$10 fee for duplicate certificates of fitness would generate approximately \$1.2 annually in program receipts. The \$10 fee reflects the cost of providing the duplicate certificate.

\* Regulations establishing a \$160, two-year certificate of fitness fee--with an \$80, one-year certificate of fitness issued for a three year period until the current three-year certificates are phased out--are anticipated. These fee changes are expected to generate \$93.5 annually. The revenue associated with this change is included in the department's operating budget submittal as program receipts. Two points are relevant: 1) the general fund gains \$93.5 and 2) the fiscal note does not reflect the receipt of the revenue because it is in the operating budget.

For purposes of calculating fiscal impact, an effective date of July 1, 1993 is assumed.