

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672
8380 SENATE LABOR & COMMERCE

FISCAL NOTE

No. 15
 Bill Version: SB 99
 (S) Publish Date: 2/5/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

BILL 1

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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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FN: Labor
 Sec. 44-6, 48

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.

Bill Version: SB 99

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO (S) Publish Date: 2/5/93

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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. 18

Bill Version: SB 99

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL N (S) Publish Date: 2/5/93

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						
TOTAL OPERATING	25.0	25.0	25.0	25.0	25.0	25.0

CAPITAL						
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REVENUE	25.0 *	25.0 *	25.0 *	25.0 *	25.0 *	25.0 *
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	25.0	25.0	25.0	25.0	25.0	25.0
1006 GF/MHTIA						
Other						
TOTAL	25.0	25.0	25.0	25.0	25.0	25.0

POSITIONS:

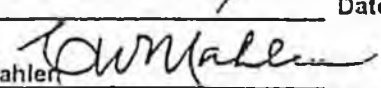
FULL-TIME						
PART-TIME						
TEMPORARY						

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. 15

STATE OF ALASKA
1993-LEGISLATIVE SESSION

BILL 1

Bill Version: SB 99

(S) Publish Date: 2/5/93

Revision Date: _____

Department Affected: Labor

Title: An act relating to the improve-
ment of state finances....sec. 48

BRU: Labor Standards & Safety

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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 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. 5

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL

Bill Version: SB 99

(S) Publish Date: 2/5/93

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)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/Mr: TIA						
Other						
TOTAL	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 *Rod R. Mourant* Phone: 465-2300
 Division: Commissioner's Office Date: 1/13/93
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: 1/13/93
 Agency: Revenue

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FN: Revenue
Sec. 1-32, 72

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: CSSB 99(L&C)

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act relating to the improvement of BRU: Alaska Police Standards Council
State Finances" Component: Alaska Police Standards Council
 Sponsor: Senate Labor & Commerce
 Requestor: Senate Labor & Commerce 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						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE FUND SOURCE: 1005	11.4	12.0	12.5	13.1	13.8	14.5

FUNDING: (Thousands of Dollars)

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

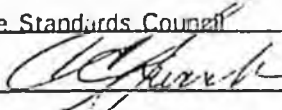
POSITIONS:

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: 3/3/93
 Approved by Commissioner:  Date: 3/4/93
 Agency: Richard L. Burton, Dept. of Public Safety

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Analysis:

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 228 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

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSE 99(L&C)

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... Component: Alcohol Beverage Control Board
 Sponsor: Senate Rules by Request of the Governor
 Requestor: Senate L&C 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						
TOTAL OPERATING	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						
TOTAL	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 *Rod Mourant* Phone: 465-2300
 Division: Commissioner's Office Date: 3/5/93
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel Rexwinkel* Date: 3/5/93
 Agency: Revenue

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSB 99 (L&C)

Revision Date: _____
Title: "An Act relating to improvement of State finances
through reduction of operating costs . . ."
Sponsor: (S) Rules
Requestor: _____

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	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 if necessary.)

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

Phone: 274-1684
Date: _____

Approved by Commissioner: Nancy Bear Usura
Agency: Administration

Date: 3/4/93

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO : CS SB 99 (L&C) Sec. 45

Revision Date: _____
 Title: Financial Administration of State
Government
 Sponsor: Rules Committee
 Requestor: _____

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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, CSP, Director Phone: 465-6003
 Division: Labor Standards & Safety Date: 3/3/93
 Approved by Commissioner: Charles W. Mahlen
 Agency: Department of Labor Date: 3/3/93

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Fiscal Note Analysis for:

Financial Administration of State Government

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 45 through 47 of this bill concern fees and certification time periods for departmental programs. Section 49 would increase an existing fee set by statute and change to a biennial licensing requirement.

In anticipation of new fees and fee increases, 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 \$26.8 expenditure authorization to cover the costs of services provided.

Section 45:

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.

Regulations establishing a \$25 application and examination fee are 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

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO : CS SB 99 (L&C)

Sec. 47

Revision Date: _____
 Title: Financial Administration of State
Government
 Sponsor: Rules Committee
 Requestor: _____

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	24.3	24.3	24.3	24.3	24.3	24.3
TRAVEL						
CONTRACTUAL						
SUPPLIES	2.5	2.5	2.5	2.5	2.5	2.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	26.8	26.8	26.8	26.8	26.8	26.8

CAPITAL						
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REVENUE	26.8 *	26.8 *	26.8 *	26.8 *	26.8 *	26.8 *
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	26.8	26.8	26.8	26.8	26.8	26.8
1006 GF/MHTIA						
Other						
TOTAL	26.8	26.8	26.8	26.8	26.8	26.8

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, CSP, Director Phone: 465-6003
 Division: Labor Standards & Safety Date: 3/3/93
 Approved by Commissioner: Charles W. Mahlen
 Agency: Department of Labor Date: 3/3/93

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Fiscal Note Analysis for:

Financial Administration of State Government

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 45 through 47 of this bill concern fees and certification time periods for departmental programs. Section 49 would increase an existing fee set by statute and change to a biennial licensing requirement.

In anticipation of new fees and fee increases, 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 \$26.8 expenditure authorization to cover the costs of services provided.

Section 47:

This section would establish fees for an application/examination and for duplicate certificates of fitness for electricians and plumbers. Section 47 would also increase fees for certificates of fitness and for renewals of certificates.

No application/examination fee is currently charged; a \$50 application/examination fee would generate approximately \$23.8 annually in program receipts. This fee reflects the cost of providing these services.

No fee is currently charged for duplicate certificates; a \$25 fee for duplicate certificates of fitness would generate approximately \$3.0 annually in program receipts. The \$25 fee reflects the cost of providing the duplicate certificate.

Currently, \$40 is charged for a one year certificate and \$75 is charged for a three year certificate. 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--is proposed. These fee changes are expected to generate \$93.5 annually. The revenue associated with this charge 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

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO : CS SB 99 (L&C) Sec. 49

Revision Date: _____
 Title: Financial Administration of State
Government
 Sponsor: Rules Committee
 Requestor: _____

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE	0.7	(0.1)	0.7	(0.1)	0.7	(0.1)
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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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, CSP, Director Phone: 465-6003
 Division: Labor Standards & Safety Date: 3/3/93
 Approved by Commissioner: Charles W. Mahlen
 Agency: Department of Labor Date: 3/3/93

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Fiscal Note Analysis for:

Financial Administration of State Government

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 45 through 47 of this bill concern fees and certification time periods for departmental programs. Section 49 would increase an existing fee set by statute and change to a biennial licensing requirement.

In anticipation of new fees and fee increases, 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 \$26.8 expenditure authorization to cover the costs of services provided.

Section 49:

Section 49 of this bill raises the fee for an employment agency license from \$10 to \$100 and establishes the license as a biennial license. 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 biennially 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

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO : CS SB 99 (L&C) Sec. 46

Revision Date: _____
 Title: Financial Administration of State
Government
 Sponsor: Rules Committee
 Requestor: House State Affairs

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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, CSP, Director Phone: 465-6003
 Division: Labor Standards & Safety Date: 3/3/93
 Approved by Commissioner: Charles W. Mahlen
 Agency: Department of Labor Date: 3/3/93

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Fiscal Note Analysis for:

Financial Administration of State Government

The Department of Labor is affected by four sections of this bill. Separate fiscal notes have been prepared for each section. Sections 45 through 47 of this bill concern fees and certification time periods for departmental programs. Section 49 would increase an existing fee set by statute and change to a biennial licensing requirement.

In anticipation of new fees and fee increases, 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 \$26.8 expenditure authorization to cover the costs of services provided.

Section 46:

Section 46 would change time periods for certificates of fitness for plumbers and electricians from a one- or three-year certificate to two-year certificates. The department would have the authority to phase in the two-year certificates over an expected three year period.

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

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSB99 (L&C)

Revision Date: _____
Title: Omnibus Bill, Sec. 36-38
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Alaska Commission on Postsecondary Education
BRU: _____
Component: Student Loans
COMPONENT, SERIAL NO. 212/213

Expenditures/Revenues:

(Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEDUS						
TOTAL OPERATING						

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

REVENUE FUND SOURCE:	1022	1022	1022	1022	1022	1022
-----------------------------	------	------	------	------	------	------

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 Corportation Receipts	500.0	500.0	500.0	500.0	500.0	500.0
TOTAL						

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: 465-2962, Ext. 143
Date: 3/3/93
Date: _____

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSB99 (L&C)

Revision Date: _____
Title: Omnibus Bill, Sec. 39-43
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Alaska Commission on Postsecondary Education
BRU: Student Loans
Component: Student Loan Operations
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						
TOTAL OPERATING						
CAPITAL						
REVENUE FUND SOURCE:	1022	1022	1022	1022	1022	1022

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 Corporation Receipts	13.0	13.0	13.0	13.0	13.0	13.0
TOTAL						

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: 465-962, ext. 143
Date: 3/3/93
Date: _____

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FISCAL NOTE

No. 9

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SB 99

(S) Publish Date: 2/5/93

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
TOTAL OPERATING	75.3	39.1	39.1	39.1	39.1	39.1

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

REVENUE						
FUND SOURCE: 1005		700.0	703.0	704.0	707.0	710.0

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
TOTAL	75.3	39.1	39.1	39.1	39.1	39.1

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(ics).

FN: DEC
Sec. 65 & 66

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 USC 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 Regulations Specialist II		No. of Positions 1	Range / Step 16A	Barg. Unit GGU
Time Status .5FTE	Staff Months 6	Location Juneau		Election District H:3 S:B
TYPE OF EXPENDITURE		Amount		
Salary	18.2			
Benefits	7.5			
Premium Pay				
Other				
Total Personal Services	25.7	25.7		
Travel				
Contractual		1.0		
Commodities		.5		
Equipment		5.0		
Other				
Total Cost		32.2		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1001	32.2		
FA Receipts	1007			
CH Receipts	1061			
Other				
		Justification		
		<p>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.</p> <p>Unless regulations are developed and adopted, the Department cannot exercise its program receipt authority and collect user fees.</p> <p>An initial expenditure for equipment, supplies and contractual services are anticipated position support costs.</p>		

**Request For
New Position**

AGENCY Environmental Conservation
 BRU Administration
 COMPONENT Commissioner's Office

FY 94

Page 1 of 2

Revised Date: _____

Position Title Accounting Clerk III		No. of Positions 1	Range / Step 10	Org. Unit GCU
Time Status 1 FTE	Staff Months 12	Location Juneau		Election District II:3 S:B
TYPE OF EXPENDITURE		Amount		
Salary	24.7			
Benefits	11.9			
Premium Pay				
Other				
Total Personal Services	36.6	36.6		
Travel				
Contractual		1.0		
Commodities		.5		
Equipment		5.0		
Other				
Total Cost		43.1		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G. E. Match	1003			
General Fund	1004	43.1		
IA Receipts	1007			
GP Receipts	1061			
Other	Program receipts			
<p>Justification</p> <p>An additional staff person is essential for receiving, recording, and depositing fees collected under the expanded user fee program. This position would also issue invoices, track receipts and reports on collections to program staff. During FY94, staff would aide in planning document flow and record keeping system/database.</p> <p>An initial expenditure for equipment, supplies and contractual services are anticipated position support costs.</p>				

**Request For
New Position**

AGENCY Department of Environmental Conservation

BRU Administration
Administrative Services

COMPONENT

FY 94

Page 2 of 2

Revised Date:

FISCAL NOTE

No. 10

Bill Version: SB 99

(S) Publish Date: 2/5/93

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
TOTAL OPERATING	0.0	1882.0	2252.0	2550.3	1681.8	1681.8

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

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						
TOTAL	0.0	1882.0	2252.0	2550.3	1681.8	1681.8

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: *CM Underwood*
Christine Underwood, Administrative Officer
Division: Administrative Services

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

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

Date: 1/13/93

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

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 managed by less than 22 staff. Permitting staff will be charged with development and review 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 to 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.

2/18/93 (S)L&C committee

Present: Sen. T. Kelly (chair), S. Reiger
due to lack of quorum the meeting was a worksession

.....cont from the previous meeting

DOL

Sec 45-48

Sen. Kelly: For all sections, provide proposed fee schedule. **FU required.**

Sec 45

Sen. Kelly: would you be opposed to biennial instead of two years? **DOL** needed to research applications so that they could be evenly spaced over a transition period and while in effect. Would research. **FU required.**

Sec 47

Sen. Kelly: Come up with reasonable fee or drop section. **FU required.** /

Sec 48

Why so large an increase (10 to 100)? **FU required.**

DMV

Sec 54

Person from DMV gave overview of changes. Sen. Kelly was concerned about a senior citizen couple with two cars and the limitation as it applies. Sen. Kelly: Would they be able to register one car in one name and one in the other and that be ok? Ans: yes.
No FU necessary.

Sec 55

Opportunity to waive \$10 fee in some cases; no FU necessary.

Sec 57,58,68 deal with RVs. Sen. Reiger: What is criteria for exemption from vehicle registration? Ans: when there are less than 499 traffic vehicles per road. Sen. Reiger: How does this affect his neighborhood? Ans. DMV would provide list to Sen. Reiger. **FU required.**

DOA-Risk management(?)

Sec 59,60,61

DOA not present. **FU is required** to provide explanation and detail on these sections.

Sec 62. Who and What ????? **FU required.**

DNR

Sec 63, 69

DNR person was able to answer some questions, more procedural in nature. Sen. Kelly: What does annual pass buy you? Ans: Don't know. **FU required.** Sen. Kelly: Are you able to walk into a park w/o a fee? Ans: don't know. **FU required.**

Comment: user fees are one thing but I want residents to be able to enjoy out of doors. **FU required** to draft new language.

DEC

Sec 64

Sen. Kelly: On all subsections of this section, who makes the determination when to make an inspection? ans: don't know. **FU required.**

Sen. Kelly: what are "public accommodations and facilities"? Ans: don't know. **FU required.**

Sen. Kelly: Can you answer any questions on any other points in this section? Ans. No **FU required.**

Sec 65

Sen. Reiger: What is the fiscal note on clean air act? **FU required.**

HHS

Sec 66,67

Individuals from Medical Assistance and Family & Youth Services were present.

Sen. Kelly: What are the GF dollars involved? Ans: % of dollars for subsidized medical care are now available for reimbursement by Feds.

Sen Reiger: New expense?

Office of Public Advocacy Budget Transfer

Letter Report No. 02-88

January 1991
Division of Audit and Management Services

OMB

STATE OF ALASKA

STAFF PAPERS AND REPORTS

OFFICE OF MANAGEMENT AND BUDGET

Office of Public Advocacy Budget Transfer

No compelling evidence exists to indicate that transferring OPA's budget from the Department of Administration to the Court System or any other state agency would be in the best interests of the state or OPA clients. OPA's recurring fiscal shortfalls are not directly related to its organizational position. Other factors are much more significant.

- OPA is under legal mandate to accept a variety of clients per court instruction. Court appointment of OPA is also governed by various laws.
- Indigent defense services across the country, no matter how they are provided or who has authority over them, are underfunded.
- GAL funding is lagging behind exploding case growth, partly because it is a new approach to dealing with a newly recognized problem.

Nor does it appear OPA's budget problems are the result of serious operational shortcomings. Many other agencies providing similar services in a variety of ways face similar difficulties. Past experience indicates that the court system could not provide similar service levels for the same budget. Two fundamental tenets should determine who has authority over OPA: 1) independence to consider each case on its own merits and 2) freedom from conflict of interest. Those points also militate against placing OPA under court jurisdiction.

Since OPA was created partly to reduce costs, which it has done on a per case basis, it seems unlikely that a return to the prior Court System approach, court-appointed counsel, is what the legislature desires. The Court, however, feels this approach will ensure independence and freedom from conflict of interest, but costs per case would likely rise, without any guarantee that present service levels would be maintained.

What are the alternatives? Court systems elsewhere use private non-profit agencies, mostly on the local or county level, to preserve independence and freedom from conflict of interest. OPA already makes extensive use of private contractors (65 percent of its FY 1991 budget). No single entity could assume OPA's services because they are so different and the state so large. Some local organizations would bid to provide services; whether the interest would be sufficient to cover OPA's in-house caseload is unknown.

New Legislation on the Payment of Legal Services and Related Costs Incurred for Indigent Clients

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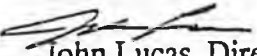
MEMORANDUM

State of Alaska

OFFICE OF THE GOVERNOR
Division of Audit and Management Services
465-3568

January 28, 1990

TO: Honorable Walter Hickel, Governor

FROM: 
John Lucas, Director

SUBJECT: Office of Public Advocacy budget transfer

The 1990 legislature adopted intent language, reproduced below, in the budget bill requesting study of the transfer of the Office Public Advocacy (OPA).

It is the intent of the legislature that the governor review and make recommendations to implement the transfer of the Office of Public Advocacy budget to the Court System budget.

This memorandum outlines the full range of options for relocating OPA, not just transfer to the Court System. Using similar agencies elsewhere for examples, we assess whether alternative OPA placement could be expected to alleviate chronic budget shortfalls without affecting service levels. In theory, any of the options reviewed could be managed by the Court System.

Office of Public Advocacy: Structure and Functions

OPA is an agency of the Department of Administration, supervised by the deputy commissioner for services to the public. Headquartered in Anchorage, the agency has staff in Fairbanks and Juneau. The staff consists of civil and criminal attorneys, public guardians, and administrative personnel. The Public Advocate directs OPA and networks of volunteer and contract attorneys and volunteer guardian ad litem which augment staff efforts. AS 44.21.410 assigns OPA three major functions:

- Representing abused and neglected children. Guardian ad litem represent the best interests of children during court proceedings.
- Representing indigent criminal defendants the Public Defender Agency cannot represent because of conflicts of interest.
- Acting as public guardian and conservator for wards of the court.

Prior to 1984, these functions were the responsibility of the Court System, which contracted with private attorneys to provide services. The Court System advocated the creation of OPA in order to rid itself of duties it defined as non-adjudicative in nature. It also claimed that the possibility for conflict of interest existed so long as it controlled the appointment and compensation of attorneys.

Alternatives to the Status Quo

In the body of this memorandum, we review the means by which other states provide the services described above. Because no other state combines any two of these functions under the same roof, we consider each separately.

- (3) Quality of service is largely dependent on the size of an agency. The smaller, the better in the judgment of a ranking national expert. He recommends that agencies serve no more than 500 wards and that the ward to staff ratio be thirty to one. These standards, along with the first two, favor the county or local government model of service provision.

Meaningful national information concerning the comparative cost efficiencies of these administrative options is scarce. We do know that OPA has provided public guardianship services more cost effectively than did the Court System. Reverting to court administration would be likely to reduce cost efficiency, barring radical departure from the means previously employed by the courts to deliver services. The Court System has indicated that it would offer guardianship via assigned counsel, as it did previously, to ensure independence and minimize conflict of interest.

OPA's organizational status seems tailored to the first two assessment criteria. It also partially meets the third standard; as a consequence of Alaska's small population, OPA does serve fewer than 500 wards. The ward to staff ratio is over twice the suggested ratio, however. That is a resource issue and is not directly related to organizational hierarchy.

Indigent Defense

Every state provides legal representation for indigent criminal defendants, as required by a variety of U.S. Supreme Court decisions. The OPA criminal defense section is akin to a public defender's co-defendant or conflict unit. Co-defendant units may be separate entities, like OPA, or be a "shielded" section of the main public defender agency. These units are shielded from the rest of the agency because they represent one client in multiple defendant cases. The defenses of individual clients in a multiple defendant case often conflict and must be separate as a result.

Structure and administration are two separate aspects of the issue at hand. Different jurisdictions combine the common options differently. Many states dispense indigent defense services through a combination of two or more alternatives. The basic structural and administrative types are as follows:

- Statewide public defense agency - About one-third of the states have a public agency staffed with attorneys to defend indigent clients. These are usually executive branch agencies. Independent commissions, with members appointed by the executive, legislature, and judiciary, govern some public defenders. In only two instances do state courts administer a statewide indigent defense agency. Nationally, as the size of a jurisdiction increases, the likelihood that indigent defense will be delivered by a public defender agency increases.
- County/Local public defense agency - Just about half of the states deliver indigent defense services in most counties through county public defender offices, according to a 1986 survey. Most often the county government oversees indigent defense offices, but it is not uncommon for a county court to supervise the office. Independent commissions regulate county public defenders in some cases. Private, non-profit corporations contract with state or local governments to operate county public defender programs, as well.
- Assigned counsel systems - About twenty states provide most indigent defense services through assigned private counsel programs. Assigned counsel systems frequently operate in tandem with public defense agencies to handle overflow or conflict cases. How private bar members are assigned to cases varies widely from state to state. In jurisdictions in which assigned counsel provides indigent defense, it is most common to have counsel appointed by judges. Court administrators or public defender chiefs also appoint counsel.

- Contract counsel system - The most recently adopted means of providing indigent defense is the contract system. As the title suggests, private legal firms contract to provide services. While contract defense is the least common delivery vehicle (just over ten percent of 1986 services), it is also the fastest growing type. Contracts are overseen by public defenders, judges or court administrators, independent commissions, or other public officials.

While other states occasionally house public guardian and guardian ad litem services in agencies offering other services, no other state links indigent defense with other unrelated services for disadvantaged citizens in a single agency.

Standards used to assess the aptness of indigent defense administration are similar to those used to evaluate public guardian agencies. The accepted benchmarks include the following:

- (1) Public defenders must be independent of outside influence. Indigent defense services should be based on the best interests of clients, free of considerations other than law and ethics. American Bar Association standards state that lawyers representing indigent clients "should be free from political interference and should be subject to judicial supervision only in the same manner and to the same extent as are lawyers in private practice." The National Legal Aid and Defender Association has adopted a similar standard. Another ABA standard asserts that "(s)election of the chief defender and staff by judges should be prohibited." Several studies and court decisions have recommended that indigent defense systems be independent of both the executive and judicial branch.
- (2) Conflict of interest must be avoided in indigent defense operations. Court-administered systems face potential conflict because of the judiciary's involvement with the defense function. Court system heads, whether administrators or chief justices, must make budgetary decisions which affect indigent defense. They must determine how much to spend on individual cases and on indigent defense overall. In theory, only the interests of clients should guide these decisions, but the court administrative chief must manage a larger budget affected by specific and general indigent defense needs.

On another level, an individual judge may end up presiding over a case argued by a lawyer appointed by the same judge. The possibility for patronage may exist depending on how lawyers are assigned. If judges determine fee awards, the behavior of both judge and attorneys could be influenced. No court would consider assuming the same roles for the prosecution.

OPA's present niche in the state organizational chart protects it from court intrusion into its operations. The question is whether its position as an agency subordinate to a larger executive branch agency has been or could be a problem. Political interference into OPA activity has never been alleged. OPA certainly has experienced the clash of budget priorities that subunits of larger state entities regularly experience. That could change only if OPA were a completely independent agency.

Information concerning operating costs for indigent defense systems is available both from Alaskan and national sources. Analyses by the Office of Management and Budget and the Court System prior to OPA's creation indicated that OPA could provide legal services at lesser cost than could the Court System. OPA's overall costs per case have proven to be less, according to recent OPA figures. The Court System concurs that OPA's multi-faceted menu of service providers has been more cost effective. Nationwide, lawyers on the public payroll provide the least costly defense and OPA's network of contract and volunteer lawyers also works at below market rates.

Office of Public Advocacy Budget Transfer

No compelling evidence exists to indicate that transferring OPA's budget from the Department of Administration to the Court System or any other state agency would be in the best interests of the state or OPA clients. OPA's recurring fiscal shortfalls are not directly related to its organizational position. Other factors are much more significant.

- OPA is under legal mandate to accept a variety of clients per court instruction. Court appointment of OPA is also governed by various laws.
- Indigent defense services across the country, no matter how they are provided or who has authority over them, are underfunded.
- GAL funding is lagging behind exploding case growth, partly because it is a new approach to dealing with a newly recognized problem.

Nor does it appear OPA's budget problems are the result of serious operational shortcomings. Many other agencies providing similar services in a variety of ways face similar difficulties. Past experience indicates that the court system could not provide similar service levels for the same budget. Two fundamental tenets should determine who has authority over OPA: 1) independence to consider each case on its own merits and 2) freedom from conflict of interest. Those points also militate against placing OPA under court jurisdiction.

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and Guardian Ad Litem Appointments at Public Expense), Appellate Rule 209 (Appeals at Public Expense), and Criminal Rule 39 (Appointment of Counsel). For example, Administrative Rule 12(c)(2) states that "a person is indigent if the person's income does not exceed the maximum annual income level established to determine eligibility for representation by the Alaska Legal Services Corporation."

The legislation proposed by the Court System in the 1990 legislative session addressed their concern that the present statute -- AS 18.85.120(c) -- prohibited the Court from allowing for the recovery of legal costs from court appointed defendants. The final version of the bill incorporates the following provisions:

- the court can enter a judgement requiring the person to pay for the costs of their defense upon conviction
- execution of the judgement starts three years after the person's release from jail
- payments can be made under a payment schedule upon a showing of financial hardship.

The Court System in amending the Rules of Court regarding the recovery of costs must balance the development of fair and enforceable procedures to implement the changes made in statute with a person's right to counsel and a fair trial.

Accomplishing the Transfer

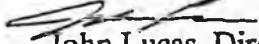
If it remains the intent of the legislature to transfer the Office of Public Advocacy functions from the executive branch to the Alaska Court system, this could be accomplished by repealing AS 44.21 and amending that title to state that all functions performed by OPA are transferred to the Alaska Court System. If the Court system accepts the transfer of OPA as it currently operates within the Department of Administration, the transfer can take place effective July 1, 1991 or immediately upon passage of the legislation.

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Public Guardianship

About three-quarters of the states provide public guardianship services. The definition of public guardianship varies substantially. Independent agencies provide services in some states, while in others only a legal framework exists. In general, public guardianship agencies fall into four major types, based on how they are situated within a state's organizational hierarchy.

- A state court office - The latest comprehensive information, dating from 1981, indicates that six states situate their public guardian in the state courts. This was the case in Alaska prior to the 1984 establishment of OPA. A court system's administrator may double as the public guardian. In other cases, the public guardian is a separate position.
- Independent executive branch agency - Perhaps five states have created independent agencies. These may be under the direct control of the governor or supervised by an independent board appointed by the governor and/or other officials from other branches of state government.
- Division of an executive branch agency - The public guardian may be a separate office or part of a larger entity such as that in charge of mental health or aging. Most of the states providing guardianship services in 1981 delivered them through units of their health or social services agencies.
- County or local agency - In this instance public guardianship may be a function of a county probate court or a county or local social services agency. Some portion of funding may originate with the state. Ten states use this method.

Under each of the above forms, some states employed court appointed, or assigned, counsel to act as guardians or conservators. Some notable variations from these themes exist. Several states contract with private non-profit corporations for public guardianship services. One has a system of private fiduciaries that handles the financial and personal affairs of state wards.

How does one evaluate these options? Experts in the field agree on some basic standards. These include the following:

- (1) Conflict of interest must be avoided. When the public guardian is part of the state social services agency, conflict is conceivable on more than one front. If an agency is both the petitioner for a finding of incompetence and the guardian, it has the power to control its overall caseload. Limiting or expanding the client base could hinge on factors other than the needs of the client population. When a public guardian is part of a social services agency, overall agency policy may constrain its courses of action. The guardian may not have complete freedom to challenge the quality and extent of services provided by other components of the agency.

When the public guardian is a state court function, the court system could face balancing its own interests, in the form of budgetary restrictions, against the interests of actual and potential clients.

- (2) Independence is crucial to the proper functioning of a public guardian. A public guardian free from external control, other than regular court review to ensure that it is performing as intended, may challenge any agency providing services to wards. If states fund guardianship services provided by local governments or private organizations, there must be clear limits on the extent of oversight powers.

1986 statistics show that Alaska had the second highest costs per case for indigent defense at \$468, about twice the national average. OPA's cost per case for all adult cases was \$476 during FY 1990, well below costs for contract (\$671) and court appointed attorneys (\$814).

The limited national research comparing case outcomes provides little support for the notion that delivery system types have any perceptible effect on the final outcome of cases. Staff lawyers are usually able to become specialists in criminal defense, adept at procedures and requirements. Cases usually are more quickly resolved with less severe sentences. The same may not be true for assigned counsel, often arbitrarily selected without regard to expertise or assigned too infrequently to develop any expertise. Contracting attorney firms may change regularly, also preventing the development of competence.

OPA has had to request supplemental appropriations annually the past several years. The agency has been underfunded and unable to meet the contract and volunteer attorney billings generated by rising caseloads without supplementals. A March 23, 1990 Ombudsman's report details OPA's problems meeting its obligations to outside attorneys (whether for indigent defense or other services). However, the Court System was also forced to seek supplementals when it was responsible for these functions. In fact it is common for indigent defense programs nationwide to suffer budget shortfalls, no matter what their position on a state's organizational chart. Public defense systems generally are at the bottom of criminal justice budget priority lists.

Guardian Ad Litem

Public recognition of the extent and seriousness of child abuse and neglect spans less than three decades. State responses to the needs of victims have only begun to take shape over the last fifteen years since the federal government established funding eligibility guidelines. These included the requirement that every child facing a court proceeding in an abuse or neglect case be provided a guardian ad litem (GAL). The federal guidelines are not specific as to what constitutes a guardian ad litem, however. While attorneys have been favored, people with other skills and concerns are increasingly being called upon to protect children's interests in court.

Some of the plans adopted across the country are relatively new. Judgments of the effectiveness of various approaches in meeting the best interests of the child have yet, therefore, to converge on a consensus. As do indigent defense and public guardianship services, guardian ad litem services take multiple forms. These can be grouped into a few basic types, but variations on each exist.

- Assigned counsel systems - these GAL systems operate similarly to programs supplying guardianships and indigent defense. Private attorneys are appointed, either on an ad hoc basis or from a panel of interested and/or qualified lawyers. Rarely are training or experience in child abuse or neglect cases required. A few assigned counsel systems (the panel variety) are accorded staff support by court systems. Usually the juvenile court judge on a case makes the appointment. Assigned counsel systems are preponderant, used by over 80 percent of court jurisdictions. Prior to the creation of OPA, court appointed counsel served as GALs in Alaska.
- Court Appointed Special Advocates - CASA organizations are the latest response to the mushrooming growth of child abuse and neglect cases. A CASA is, in essence, a volunteer guardian ad litem. CASAs may be lawyers, social workers, or lay people committed to helping children. CASAs are sometimes appointed in tandem with attorneys as GALs; the appointing judge usually assigns these CASAs specific and limited duties. When appointed sole GAL, a CASA is free to pursue the full range of inquiry and action the CASA believes to be in a child's best interests. A CASA/GAL will have attorneys to provide supervision, consultation and legal representation. CASA entities are used in about 13 percent of court jurisdictions nationally and

their use is increasing. All twelve state sponsored CASA entities, with the exception of OPA, are administered by the courts. A large number of local CASA organizations are private non-profit corporations.

- Independent Agencies - OPA is one of a few independent state agencies providing GAL services. Independence here means that the agency is not associated with state, county, or local courts or social services agencies. Some local government agencies and private non-profit organizations also fit this description. Public defender agencies or legal services offices in some communities serve as GAL providers. Elsewhere staff attorneys or social workers act as GALs or work in conjunction with volunteer GALs. OPA's organization follows the latter model.

Some other administrative structures are of note. A number of law schools operate clinics with third year law students acting as GALs. In some places, legal or social work consultation for GAL entities are provided by contractors. Several Canadian provinces have an Office of Official Guardian which is dedicated to protecting the rights and interests of children. Staff include both lawyers and social workers.

The basic criteria determining GAL agency placement in the government hierarchy are similar to those discussed earlier. GAL duties blur the demarcation between social and legal work, so the need for independence and freedom from conflict of interest reflect a mixture of the concerns felt in public guardianship and indigent defense. So long as institutional safeguards protect against the appearance or actuality of conflict and the erosion of independence, a GAL agency can serve the best interests of children in a variety of settings.

- (1) GALs must be independent of the court system and the agency providing children's services. The fundamental purpose of a GAL is to act in the best interests of the child. That position often does not coincide with the interests of the parents, the service agency, or the courts. The GAL must be free, on behalf of the child, to "fight" the bureaucracy or to file motions with the court. Parents and their legal counsel may be fighting criminal charges. The court must remain impartial, and thus cannot advocate for abused and neglected children. Social services agencies usually are the petitioners for the placement of children into one or more agency programs. Their perspective is necessarily circumscribed by this purpose. The independent GAL is not self-interested, constrained, or limited except by the responsibility to be the child's voice in court. The independence of a GAL is fundamental to the ability to link disparate interests and mediate differences.
- (2) GALs must not be subject to conflicts of interest. The situation here is quite similar to that described for public guardianship. The interests of children should not be subordinated to transitory policy, fiscal, or other concerns unrelated to a GAL organization's accountability to a higher authority to fulfill its mission. The direct appointment of GAL's by judges, which is the most common procedure nationwide, is a practice identified as inviting conflict or its appearance in the administration of indigent defense, for example.

Locating OPA in the Department of Administration purposefully sets it apart from the Court System and the Department of Health and Social Services. That being said, the great majority of GAL systems in the country are administered by state, county, or local courts. That is not perceived as a problem by most GAL agencies or analysts. The implications for court assigned counsel have been discussed previously. Barring proper distancing of the courts from the GAL providers, the same reservations hold true. The practice of sponsoring private non-profit agencies is one way of lessening the opportunities for conflict and restraints on independence. There is no indication that the Alaska Court System would chose this course on its own voition, rather there is every indication that it would fall back on its previous means of delivery, assigned counsel.

A recent study performed for the federal Administration for Family, Youth and Children assessed the effectiveness of GAL delivery systems. It is by far the most comprehensive probe of the question to date (an expanded version of the same study will be completed in 1991). The typical assigned counsel system was rated the least desirable means of providing GAL services. Assigned counsel had little training or experience in child abuse and neglect proceedings, devoted relatively little time to each case, and relied almost exclusively on the recommendations of social service agencies. Systems relying on CASAs were highly recommended, with staff attorney models also recommended, although less strongly. CASAs developed independent reports more likely to recommend appropriate services, effectively mediated differences between parties to the process, moved cases to a quicker resolution, and stayed with each child until a final outcome was achieved. Much of this is a direct result of two things: (1) the commitment of volunteers to aiding children and (2) the low caseload of individual CASAs. OPA's present GAL program conforms closely to the approach the study rated best.

The cost efficiency issue tilts decisively toward a CASA approach. The simple fact that the bulk of services are supplied by volunteers rather than attorneys suggests substantial cost advantages. In North Carolina, GAL volunteers provided services that would have cost the state over \$1,000,000 had non-program attorneys supplied them. The state reimbursed volunteers \$20,000 for expenses. The cost of non-program attorneys dropped by two-thirds following the institution of the GAL program. Caseloads and service expanded during the same period. Nationally, a federal study estimated average hourly attorney costs at \$42.00 (in-court) and \$35.00 (out of court), compared to \$5.00 to \$10.00 to maintain a CASA volunteer. Another federal report stated that "...an approach which relies on lay volunteers with easy access to...attorneys...offers the most comprehensive representation at minimal cost."

Finally, analyses of the cost of legal services prior to the creation of OPA also examined GAL services. Both OMB and the court system concluded that OPA would be more cost efficient than the courts. Subsequent events confirmed those analyses. The initiation of the OPA volunteer GAL program was a significant cost efficiency. Unless the Court System's current position that it would supply these services principally via assigned counsel changed, there is no reason to believe that OPA's cost efficiencies could be matched by the courts. Retention of the volunteer GAL system by the courts would probably significantly reduce any potential cost differential, however.

Summary

No compelling evidence exists to indicate that transferring OPA's budget from the Department of Administration to the Court System or any other agency would be in the best interests of the state or OPA clients. It is unlikely that OPA's recurring fiscal shortfalls are directly related to its organizational position. Three external phenomena probably are much more significant.

- OPA is under legal mandate to accept a variety of clients per court instruction. Court appointment of OPA is also governed by various laws. As long as these laws are in force, neither institution has much latitude to alter the present situation.
- Indigent defense services across the country, no matter how they are provided or who has authority over them, are often underfunded. They are usually the lowest priority in the justice system, despite the fact that need has grown in recent years.
- GAL funding is lagging behind exploding case growth, partly because it is new approach to dealing with a newly recognized problem. The volume of child abuse and neglect cases has been rapidly growing and probably will continue to do so for some time.

OPA's budget problems do not appear to be a function of how it discharges its responsibilities. Many other agencies providing the same services in a variety of ways face budget and service delivery difficulties. Past experience indicates that the court system could not provide similar service levels at the same budget. Two fundamental tenets should determine who has authority over OPA: 1) independence to consider each case on its own merits and 2) freedom from conflict of interest. These also militate against placing OPA under court jurisdiction. In fact, on those points, it is unlikely that relocation of OPA would produce any significant benefits.

The three major OPA services are provided separately in other states. However, breaking up the three OPA functions would eliminate some economies of scale, possibly reducing cost efficiency.

Since OPA was created to reduce costs, which it has done on a per case basis, it seems unlikely that a return to the prior Court System approach, assigned counsel, is what the legislature intends. That, however, is exactly what courts feel are appropriate, according to the system administrator and the chief justice, to ensure independence and freedom from conflict of interest. Unless an alternate approach were mandated, costs would likely rise rather than be controlled, without any guarantee that present service levels would be maintained.

Whatever delivery method were selected, one thing is certain. The Court System would be saddled with functions it had previously worked hard to rid itself of. It would likely have to manage them in a form with which it had no experience and a high degree of discomfort if it sought to maintain the level of services now delivered by OPA.

What are the alternatives? Many court systems have turned to funding private entities, non-profit or otherwise, to preserve independence and ensure freedom from conflict of interest. These have mostly been local or county-wide organizations. OPA already makes extensive use of private contractors (65 percent of its \$5.8 million FY 1991 budget is targeted for professional services). The attached FY 1991 and 1992 budget pages (p.17 and p.21) show in some detail how a large and growing portion of OPA's budget has been going to a variety of outside providers since FY 1989. In addition, the budget (page B3/B4) indicates that the portion of the caseload going to private providers is expected to increase from the FY 1990 level of 65 percent. Page C300 shows cost breakdowns by case for staff and outside cases. Under present circumstances, OPA costs per case are less.

It is likely that a number of local entities would be interested in a proposal to provide OPA's services. Because these services are so different, the state is so large, and most providers are local in scope, it is likely that several contractors would be required to cover the caseload now handled in-house. There do appear to be organizations capable of providing most of the services that now provided by OPA that would be interested in bidding on contracts. What is unknown is whether all of OPA's functions could be efficiently and coherently assumed by the private sector and how long it would take for such a process to be completed. There would still have to be some centralized coordination and evaluation of service provision. Fragmentation of service delivery could mean a loss of the economies of scale the state now realizes by combining services in a single office.

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The Court System presently reviews and makes a determination of indigence when requested by the person appearing before the Court. The factors the Court must consider in determining indigence are outlined in AS 18.85.120 and include the person's "income, property owned, outstanding obligations, and the number and ages of dependents." The Alaska Rules of Court provide additional guidance on the issue of indigence: Administrative Rule 10 (Exemption from Payment of Fees - Determination of Indigency), Administrative Rule 12 (Procedure for Counsel and Guardian Ad Litem Appointments at Public Expense), Appellate Rule 209 (Appeals at Public Expense), and Criminal Rule 39 (Appointment of Counsel). For example, Administrative Rule 12(c)(2) states that "a person is indigent if the person's income does not exceed the maximum annual income level established to determine eligibility for representation by the Alaska Legal Services Corporation."

The legislation proposed by the Court System in the 1990 legislative session addressed their concern that the present statute -- AS 18.85.120(c) -- prohibited the Court from allowing for the recovery of legal costs costs from court appointed defendants. The final version of the bill incorporates the following provisions:

- the court can enter a judgement requiring the person to pay for the costs of their defense upon conviction
- execution of the judgement starts three years after the person's release from jail
- payments can be made under a payment schedule upon a showing of financial hardship.

The Court System in amending the Rules of Court regarding the recovery of costs must balance the development of fair and enforceable procedures to implement the changes made in statute with a person's right to counsel and a fair trial.

Accomplishing the Transfer

If it remains the intent of the legislature to transfer the Office of Public Advocacy functions from the executive branch to the Alaska Court system, this could be accomplished by repealing AS 44.21 and amending that title to state that all functions performed by OPA are transferred to the Alaska Court System. If the Court system accepts the transfer of OPA as it currently operates within the Department of Administration, the transfer can take place effective July 1, 1991 or immediately upon passage of the legislation.

Memorandum

OFFICE OF
MANAGEMENT & BUDGET

Alaska Court System

JAN 23

Arthur H. Snowden, II
Administrative Director

January 22, 1991

~~AUDIT AND MANAGEMENT~~
SERVICES

To: John L. Lucas, Director
Division of Audit & Management
Services
Office of Management & Budget

Subject: Court System Response
to Legislative Intent
Proposing to Transfer
OPA from the Department
of Administration to
the Court System

A. Analysis

You have asked for the court system's view and comment on the following intent language included within the FY 1991 operating budget for the Department of Administration:

It is the intent of the legislature that the governor review and make recommendations to implement the transfer of the Office of Public Advocacy budget to the Court System Budget.

The court system opposes any proposal to eliminate the Office of Public Advocacy and to place within the court system responsibility for appointment and compensation for state-funded attorneys, guardians ad litem, public guardians and conservators. Such a proposal will not result in any cost-saving to the State of Alaska and will create inefficiencies and conflicts which will denigrate the functions of state government.

Cost

No cost savings will result if these functions are returned to the court system. The court system estimates that such a transfer will result in increased costs to the state.

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 (raised below), the court system would be less able to rely on staff resources and would rely more heavily on contract awards or a conscription system should this responsibility be transferred. 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

John L. Lucas
January 22, 1991
Page 2

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 administers a system 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

John L. Lucas
January 22, 1991
Page 3

the ability of the court to resolve disputes fairly is not placed in jeopardy. If OPA functions are placed within the court, this careful separation begins to deteriorate.

For the above reasons, the court system opposes any proposal to transfer responsibility for Office of Public Advocacy functions to the court system.

B. Budget

The attached budget documents reflect the change in the court's FY 92 budget request which would be necessitated by a transfer of OPA functions to the court.

Attachment

Stephanie Cole
for Art Snowden

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Category	Office of Public Advocacy		Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget	Schedule
	FY 91 Authorized	FY 92 Base	Add	Delete		
	Personal Services	1,838.3	1,911.5	72.7		
Travel	131.0	131.0	0.0	38.1	92.9	<i>bb</i>
Contractual	3,033.7	3,033.7	3,563.3	58.0	6,539.0	<i>cc</i>
Supplies	19.8	19.8	0.0	0.0	19.8	<i>dd</i>
Equipment	0.0	0.0	0.0	0.0	0.0	<i>ee</i>
Other	30.0	30.0	0.0	0.0	30.0	<i>ff</i>
Total	5,052.8	5,126.0	3,636.0	1,760.9	7,102.4	

Estimated increased costs from proposed transfer	1,976.4
--	---------

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Personal Services		Office of Public Advocacy			Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget
Position		Location	Type	FY 92 Base	Add	Delete	
0	Attorney VI	Anchorage	Admin	107,002			107,002
1	Administrative Assistant III	Anchorage	Admin	59,476			59,476
2	Legal Secretary I	Anchorage	Legal	37,828		37,828	
3	Legal Secretary I	Anchorage	Legal	43,143		43,143	
4	Associate Attorney II	Anchorage	Legal	67,128		67,128	
5	Associate Attorney II	Fairbanks	Legal	83,371		83,371	
6	Attorney IV	Fairbanks	Legal	110,727		110,727	
7	Attorney IV	Anchorage	Legal	88,317		88,317	
8	Attorney V	Anchorage	Legal	94,057		94,057	
9	Attorney III	Anchorage	Legal	75,949		75,949	
10	Attorney III	Anchorage	Legal	83,050		83,050	
11	Attorney IV	Fairbanks	Legal	110,727		110,727	
12	Attorney III	Anchorage	Legal	75,949		75,949	
13	Legal Secretary I	Anchorage	Legal	38,038		38,038	
14	Attorney IV	Fairbanks	Legal	110,726		110,726	
15	Legal Secretary I	Anchorage	Legal	36,777		36,777	
20	Accounting Technician I	Anchorage	Admin	40,816			40,816
21	Chief Public Guardian	Anchorage	Legal	73,175		73,175	
22	Public Guardian	Anchorage	Legal	51,996		51,996	
23	Public Guardian	Anchorage	Legal	60,865		60,865	
25	Public Guardian	Anchorage	Legal	60,865		60,865	
26	Public Guardian	Fairbanks	Legal	61,172		61,172	
27	Public Guardian	Juneau	Legal	60,865		60,865	
30	Associate Attorney II	Anchorage	Legal	61,054		61,054	
31	Clerk Typist III	Fairbanks	Admin	36,180			36,180
32	Accounting Clerk III	Anchorage	Admin	38,732			38,732
33	Clerk Typist III	Anchorage	Admin	33,191			33,191
34	Associate Attorney II	Anchorage	Legal	62,960		62,960	

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Personal Services		Office of Public Advocacy			Changes with Pro- posed Transfer to Court System		Court System Revised FY 92 Operating Budget
Position	Location	Type	FY 92 Base	Add	Delete		
35	Public Guardian	Anchorage	Legal	51,996		51,996	
36	Attorney III	Anchorage	Legal	78,179		78,179	
37	Associate Attorney II	Anchorage	Legal	62,960		62,960	
38	Accounting Technician II	Anchorage	Admin	48,732			48,732
New	Accounting Clerk III	Anchorage	Admin		38,038		38,038
New	Accounting Clerk III	Anchorage	Admin		38,038		38,038
	Total			2,106,003	76,076	1,741,874	440,205
	Vacancy				3,365	77,043	19,470
	Net Personal Services				72,711	1,664,831	420,735

Notes:

- 1) Legal staff and legal-support staff eliminated. All legal representation provided by contractual professional services.
- 2) All administrative staff retained to administer contracts, pay bills, etc.
- 3) Two accounting positions added for bill paying.

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Travel		Office of Public Advocacy		Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget
		FY 91 Authorized	FY 92 Base	Add	Delete	
72240	Field Transportation	27.9	25.0		25.0	0.0
72270	Administrative Transportation	6.5	20.0			20.0
72390	Non-employee Transportation	61.2	41.0			41.0
72500	Per Diem	35.4	45.0		13.1	31.9
	Total	131.0	131.0	0.0	38.1	92.9

Notes:

- 1) Field transportation for staff attorneys and public guardians eliminated.
- 2) Per diem reduced by ratio of field transportation to total transportation.

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Contractual		Office of Public Advocacy		Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget
Category		FY 91 Authorized	FY 92 Base	Add	Delete	
73100	Professional Services	2,901.7	2,901.7	3,528.2		6,429.9
73253	DP Chargeback	6.0	6.0			6.0
73300	Communications	74.0	74.0		58.0	16.0
73400	Transportation	6.0	6.0			6.0
73500	Advertising, Printing & Binding	20.0	20.0			20.0
73700	Minor Repair and Maintenance	11.0	11.0			11.0
73800	Space Rental			35.1		35.1
73860	Equipment Rental	15.0	15.0			15.0
	Total	3,033.7	3,033.7	3,563.3	58.0	6,539.0

Notes:

- 1) Additional professional services costs due to conversion from staff legal representation to contractual representation. See Schedule gg.
- 2) Eliminate current office space. Funding assumed to be in General Services budget. Add rent for 1,300 square feet for administrative staff in Anchorage at \$2.25 a square foot. The court system includes space rental costs in its budget.
- 3) Communications reduced to reflect elimination of staff legal and legal-support positions and increased for new clerical positions.

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Supplies		Office of Public Advocacy		Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget
		FY 91 Authorized	FY 92 Base	Add	Delete	
74220	Office Supplies	19.3	19.3			19.3
74560	Data Processing Supplies	0.5	0.5			0.5
	Total	19.8	19.8	0.0	0.0	19.8

Notes:
 1) No change.

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Equipment		Office of Public Advocacy		Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget
		FY 91 Authorized	FY 92 Base	Add	Delete	
76050	Office Furniture	0.0	0.0			0.0

Notes:

- 1) No change.
- 2) Furniture from deleted positions used for new clerical staff. Remaining furniture surplus.

Alaska Court System

Preliminary Estimate of Operating Budget for Public Advocacy Function

FY 92

Grants		Office of Public Advocacy		Changes with Proposed Transfer to Court System		Court System Revised FY 92 Operating Budget
		FY 91 Authorized	FY 92 Base	Add	Delete	
Category						
77440	Grants to Other Agencies	30.0	30.0			30.0

Notes:

- 1) No change.

Alaska Court System
Preliminary Estimate of Operating Budget for Public Advocacy Function
FY 92

Caseload Costs								
Category	Class	FY 90 Avg. Cost	Percent Billed in FY 90	Projected FY 92 Cases	Case Category Percentage	OPA Total Case Costs FY 92	Projected Cost of Existing Contractual Services	Conversion of Staff Representation to Contractual Representation
OPA Adult	Normal	\$476.89	10.0%	1,288		61,423		
OPA Child	Normal	149.57	3.2%	1,473		7,050		
Contract Adult	Normal	670.79	73.0%	3,174	58.91%	1,554,234	1,554,234	371,547
Contract Child	Normal	450.54	81.0%	1,101	48.50%	401,796	401,796	260,713
Flat Fee Cases	Normal	438.61	100.0%	896		392,995	392,995	
No Contract Adult	Normal	814.00	77.1%	2,214	41.09%	1,389,493	1,389,493	332,147
No Contract Child	Normal	585.50	64.4%	1,169	51.50%	440,785	440,785	286,037
OPA Adult	Extraordinary	8,588.19	100.0%	11		94,470		
OPA Child	Extraordinary	2,259.43	100.0%	2		4,519		
Contract Adult	Extraordinary	17,497.17	100.0%	3	30.00%	52,492	52,492	57,741
Contract Child	Extraordinary	0.00	100.0%	0	0.00%	0	0	0
No Contract Adult	Extraordinary	23,334.00	100.0%	7	70.00%	163,338	163,338	179,672
No Contract Child	Extraordinary	15,633.00	100.0%	1	100.00%	15,633	15,633	31,266
Total						4,578,228	4,410,766	1,519,123
FY 92 Base							2,901,720	
Estimated Additional Costs for Existing Contract Attorneys							1,509,046	1,509,046
Estimated Additional Professional Services Costs for Public Guardian Cases								500,000
Estimated Total Additional Professional Services Costs for Court System								3,528,169

Notes:

- 1) Estimated case costs equal Percent Billed in FY 90 times Projected FY 92 Cases times FY 90 Average Cost times Case Category Percentage, as applicable.
- 2) Contractual cost of representation in public guardian cases estimated by court system.
- 3) Caseload information obtained from OPA FY 92 Operating Budget Request, Form C300, page 2.

SB

105

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/8/93

FURTHER: JUDICIARY

Date of 5-Day Notice: 2/18/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/25/93

L&C Committee considered SB 105

"An Act relating to motor vehicle dealers and to agents for motor vehicle buyers; and providing for an effective date."

and recommends:

replace with _____ CS _____ ()

same title
 new title
 technical title change
(HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
PUBLIC SAFETY	2/23/93	✓	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

Peace - No Rec
Steve Hughes No Recommendation
J. E. Salo - No Rec.
[Signature] NR

Tom Kelly - Do Pass
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: SB 105

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act relating to motor vehicle dealers and agents" BRU: Motor Vehicles
 Component: Field Services
 Sponsor: Senator Taylor
 Requestor: Senator Taylor 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						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

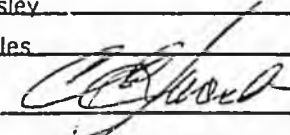
POSITIONS:

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 (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact upon the Division of Motor Vehicles is anticipated.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 2/23/93
 Approved by Commissioner:  Date: 2/23/93
 Agency: Richard L. Burton, Dept. of Public Safety

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For f _____ Office

Alaska State Legislature

Senate Majority Leader
Chair, Judiciary Committee
Vice Chair, Community &
Regional Affairs

Member, State Affairs Committee
Committee on Committees
Western States Legislative Forestry Task Force
Legislative Council



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
(907) 225-8008
Fax: (907) 225-0713

Senator Robin L. Taylor

SPONSOR STATEMENT

SENATE BILL 105

Before the Senate Labor and Commerce Committee

February 25, 1993

Mr. Chairman:

On January 3rd of this year, the Ketchikan office manager for a Seattle-based auto broker got a message on her answering machine. "Don't go into the office tomorrow, we're closed".

Thus began the saga of an automobile broker who went out of business without notice, leaving at least 30 people in southern Southeast either without the car they thought they had purchased or without legal title to a vehicle that had been delivered. Many were out dollars.....some were stuck in a nightmare that had started with the dream of owning their first new car.

That part of the saga will eventually be settled in the bankruptcy or criminal courts. The legislation before you today is an attempt to see that the saga is never repeated.

SB105 establishes a new definition in state law, that of a buyer's agent. It would regulate the activities of such an agent and define the difference between such an agent and a licensed dealer. The bill offers real protection in its requirement that any fees collected by the agent be held in escrow until the vehicle is delivered. The buyer's agent is required to maintain complete records of each sale, including evidence of delivery. Criminal penalties are provided.

I ask for your support of Senate Bill 105.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

Alaska State Legislature

Senate Majority Leader
Chair, Judiciary Committee
Vice Chair, Community &
Regional Affairs

Member, State Affairs Committee
Committee on Committees
Western States Legislative Forestry Task Force
Legislative Council



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Fax: (907) 225-0713

Senator Robin L. Taylor

FOR IMMEDIATE RELEASE

February 10, 1993

Contact: Joe Ambrose
465-4906

TAYLOR PROPOSES CONSUMER PROTECTION BILL

Senator Robin L. Taylor this week introduced legislation aimed at regulating the activities of auto brokers and insuring they do not misrepresent the nature of their transactions.

Senate Bill 105 was introduced February 8 and referred to the Senate Labor and Commerce Committee and the Judiciary Committee.

Taylor said the bill was prompted by horror stories he has heard from constituents left holding the bag when a Seattle-based auto broker abruptly ceased business in January.

"SB 105 would prohibit a broker, defined as a buyer's agent, from doing business in the state unless that person has a written contract with the buyer", Taylor said. "That contract would have to have a description of the specific services to be provided by the buyer's agent, including a description of any fee the buyer is to pay before a motor vehicle is delivered"

"The most important provision, however, is that a buyer's agent would have to hold any fees in a trust account until the vehicle is delivered", Taylor said.

The new law would clearly define the difference between a motor vehicle dealer and a buyer's agent.

"Its the dealer who must have a current sales and services agreement with the manufacturer of new cars", Taylor said. "That should serve as a warning

SENATOR TAYLOR'S
PRESS RELEASE

Taylor News Release -SB 105
2/10/93
Page Two

to consumers who are told that the "new" car they buy from an agent is covered by a warranty."

Taylor said there was nothing in his bill that would restrict Alaskans from buying a new vehicle outside Alaska from an authorized dealer and shipping it north.

"Sales and service agreements cross state lines", Taylor said. "A purchase from an authorized dealer down south would still be honored by dealers in Alaska.

Anyone violating the new provisions could be charged with a Class B misdemeanor and subject to a fine of \$1,000.

Taylor said he expects a companion bill to be introduced in the House soon.



BOB HALLINEN / Anchorage Daily News

or vice president and chief financial officer of GCI, answers
 news conference to announce the purchase of GCI stock by MCI.
 executive vice president of GCI, is at right.

to buy stake in GCI

ce company hopes to bolster finances

porter
 one company General
 announced Friday
 30 percent of itself to
 s Corp. for \$13.3 mil-

the deal will bolster
 health and allow it
 a Chicago bank that
 ay up early.

downplayed the se-
 nancial troubles Fri-
 ever feared the bank
 and possibly drive

President Wilson
 ever, he had feared
 uire GCI to increase
 he company to boost

anager of the stock
 Morgan Securities,
 a welcome one for
 ome investors because the
 kely boost competi-

more viable competitor by allaying po-
 tential customers' fears about the compa-
 ny's staying power and by allowing it to
 offer new services.

Under the tentative agreement an-
 nounced Friday, GCI customers will be
 able to sign up for at least some of MCI's
 service plans, which allow people to save
 money by customizing their service. MCI
 is one of the nation's largest long-distance
 phone companies.

Since GCI began operating in Alaska
 about 10 years ago, the company has been
 struggling — first to get permission to
 enter the state's long-distance markets,
 then to gain a foothold against
 well-heeled Alascom Inc. Before the
 smaller company initiated its challenge,
 Alascom had a monopoly, and rates were
 higher.

The battle has been costly, with GCI
 spending millions on legal and regulatory
 fights. It was that drain on resources,
 plus a bad year in 1991, that pushed the
 company over the edge and into technical

Car broker may face charges

The Associated Press

JUNEAU — Criminal charges may be
 filed against a Seattle-based car and truck
 broker who closed shop recently, leaving
 some customers without cars or cash, a state
 investigator said Friday.

A lawyer for United Auto Exchange
 contacted the Alaska attorney general's of-
 fice Thursday to say he and a bankruptcy
 attorney had been retained by broker Wil-
 liam Edmondson.

"The attorney said he wasn't optimistic
 anyone who's lost (money) as a result of
 these dealings is going to recover anything,"
 said Jerry Williams, an investigator for the
 attorney general's office in Anchorage.

Alaska and Washington authorities and
 the FBI launched investigations this week
 after customers complained they had paid
 Edmondson for vehicles but had not re-
 ceived them yet.

Jim Forbes, an assistant Alaska attorney
 general, said his office has received dozens
 of calls from Alaskans worried about their
 recent dealings with United Auto Exchange.

"It appears to be mainly a criminal case
 by the sheer number of people that seem to
 have been defrauded in such a short peri-
 od," Forbes said.

Seattle car dealers reported there were
 cars and trucks on their lots, promised to
 Alaska customers, but that nobody had paid
 for the vehicles. Some Alaskans had re-
 ceived the cars they had ordered from
 Edmondson, but not the titles and other
 legal paperwork.

The company had offices in Seattle,
 Ketchikan and Juneau. Edmondson had
 done business in Alaska since 1989 with few
 problems. Only transactions performed
 within about the last three months seem to
 be at issue, Williams said.

Williams said the broker's lawyer told
 him customers of United Auto Exchange
 would be informed, in writing, of their
 status by Monday.

Alaska USA Federal Credit Union, mean-
 while, said anyone who got a loan for a
 United Auto Exchange vehicle and who has
 not received the car may not have to repay
 the loan.

"We are not going to require people to
 repay those loans; we're going to deal with
 the auto exchange ourselves through attor-
 neys we've retained in Seattle," said Tom
 Greene, vice president for consumer lending.

Chuck Hosack, deputy director of the
 Alaska Division of Motor Vehicles, said
 DMV offices are issuing temporary permits
 to those who have bought cars through the
 broker but have not received their titles.

Auto dealer closes: Buyers out cars, cash, titles?

By JENNIFER STRINER
Daily News Staff Writer

Ketchikan and area residents who recently bought cars from the United Auto Exchange might have problems getting their money back, or their titles, or clear title to the car they have, owing to recently laid off UAB worker Syd Yoder.

Yoder has been working as a car dealer in Ketchikan, buying cars for local residents through dealers in Seattle. His office in Ketchikan is closed, and its office in Seattle has an answering machine that disconnects callers.

Yoder, the office manager for the Ketchikan office for the last year and a half, said she was told Sunday that she was out of a job and that the company was closed by owner Bill Edmondson —

by her answering machine.

"Bill called and left a message on my answering machine and said 'don't go into the office tomorrow. We're closed.'"

Yoder said she hasn't been able to get in touch with anyone from UAB since then and said the people who have bought cars within the last 90 days might be in trouble.

"It's bad. It's real bad. There's going to be people out there who are going to lose their cars," Yoder said. "If (people) did buy a car within the last 90 days, they're not going to get it."

Yoder said that is generally true for people who have paid cash, although she said the dealers in Seattle understand the situation and are trying to work with the people.

As an example, she said, somebody in Ketchikan who paid cash for a car will



The sign on the door notwithstanding, United Auto Exchange workers were told not to report to work this week as the Seattle-based dealer reportedly went out of business.

Staff photos by Hal Anderson

likely lose the cash and the car. Somebody else who paid cash for the car, and

indicates that UAB did not pay the dealer in Seattle for the car. Dealers hold title to the cars until they are paid.

In that case, the dealer may work with the person, but they may also reclaim the car, again leaving the customer cash and car-less.

"People who paid cash for their cars are really in trouble," Yoder said.

She said she is trying to get in touch with the people who will be having problems and stressed that she is not trying to avoid them, although she isn't sure what she can do for them.

"I am available. I want to talk to them," Yoder said. "The sad thing is I don't have a job."

Yoder said that she doesn't have an exact number of people who will be affected by the closure, but estimated based on past business, there will be

about 30 to 35 people who will "suffer financially" in the Ketchikan area, including Prince of Wales Island and Metlakatla.

Yoder said she still has been unable to contact anyone from UAB.

According to Diane Blake of the Better Business Bureau in Seattle, the listing for the company was changed to out of business Tuesday.

Blake said the change meant either the mail for the business is being returned or the phone has been disconnected.

Blake said she had gotten calls about the company Tuesday, but said since it is listed as out of business, there is nothing the bureau could do.

Blake said anyone with any further inquiries about the company or anyone about the company or anyone

See 'Auto exchange,' page A-1

The Weather

Local Almanac	
Tuesday High Temperature.....	28
Tuesday Low Temperature.....	16
Tuesday Precipitation.....	0.00
Normal High.....	37
Normal Low.....	28
Record High.....	52 - 1901
Record Low.....	5 - 1982
Wednesday Sunrise.....	8:08 a.m.
Wednesday Sunset.....	3:26 p.m.
Thursday Sunrise.....	8:08 a.m.

and vicinity:
chance of rain. Light snow. Wednesday night, a 50. Lows in the lower 30s. of rain and snow. Highs

Local Tides	
TUESDAY	
Low	3:24 a.m. 5.4 FT
High	9:50 a.m. 15.5 FT
Low	4:28 p.m. 0.0 FT
High	11:04 p.m. 13.0 FT
WEDNESDAY	
Low	4:27 a.m. 4.7 FT
High	10:41 a.m. 16.5 FT
Low	3:23 p.m. -1.3 FT
High	11:49 p.m. 14.2 FT

east Alaska:
of rain and snow. Light snow. Wednesday night, of snow. Lows in the

(Weather information provided by the National Weather Service on Alaska Island Precipitation, High and

Ketchikan Daily News

Wednesday, January 6, 1993

Local

A-3

Auto exchange

who has lost money to the company, should contact the Washington State's Attorney General's office.

Former UAB salesman Vinnie Williams said he was called on Sunday by Edmondson and told he was out of a job.

"Hebessically said about two more words to me and then hung up," he said. Williams is very upset by the sudden closure, saying most of his customers were friends. Some were even his in-laws.

"It's very upsetting to me," he said. Like Yoder, Williams said he didn't have any number through which he could get in touch with the company.

Williams, who worked for the company about a month, said he didn't have any idea the company was in trouble

until late last week, when a friend who had bought a car through the company, said the car he traded in was never paid off.

The car is still in his friend's name, Williams said, so his friend is having to continue the car payments on his old car, and his new car.

Yoder said she was familiar with the case, adding the car was since sold to someone in Juneau who paid for the car but hasn't received it.

Yoder said she would suggest to anyone who paid for a car, to get in touch with the dealer the car was bought from for information about whether the cars has been paid off. And if the car was financed through the credit union her

company was using, Alaska USA Federal Credit Union, she suggested the person get in contact with the credit union.

Peter Jensen of Ketchikan had just bought a 1993 Subaru through the company. Jensen had given UAB a down-payment of \$4,800 in a money order that was cashed Dec. 11 for a \$16,800 1993 Subaru.

Jensen said his wife had been assured by Edmondson that the car would arrive by Boyer Barge Jan. 4.

However when the couple went to pick up the car, they were told by Boyer that no such car existed.

Jensen said when he contacted the dealer the company had bought the car

from, he was told by one of the salesmen that the car was still on the lot, and couldn't be shipped until it was paid for. Jensen said the dealer also said that there are two cars currently in Ketchikan that were shipped, but which don't have titles.

Jensen said he has reported the case to the police in Ketchikan and has a call in to the Attorney General in Alaska.

Jensen said the dealer in Washington did offer to sell the car to him for about \$1,000 less than the original deal through UAB, but said he would have to find more money for a down payment.

As it is, Jensen said he didn't know if or when he would see his original down payment.

Continued from page A-1

Taylor

reduced that will be the first time in the history of the state," Taylor said.

Reducing the budget and reorganiz-

But Taylor said he had his concerns about Hickel.

He was elected as a conservative

Other legislative activities will include a bill Taylor is sponsoring that would allow seniors to leave Alaska for

afford to pay for poor women to have them.

On health care, he said he would

rosy glow of three red light bulbs, a million and a half honeybees seem to hum contentedly in their wooden boxes.

At closer inspection, however, it's not the buzz-buzz of 86 hives of bees but a whirring bathroom fan. Air circulation is crucial to the "overwintering" bee barn that Petersen has been perfecting for three years.

Unlike most Alaska beekeep-

Several other local beekeepers have cut costs in half with Petersen's overwintering technique. They hope overwintering will let them import from southern states fewer hives that carry diseases and breed bees to withstand arctic winters.

"We don't grow palm trees up here — they're not winter-hardy,"

Please see Page C-6, **BEES**

stocks were big movers Thursday, with the share price of virtually every carrier jumping, some by more than 4 percent.

On a day when the Dow Jones industrial average tumbled more than 36 points, the Dow transportation average leaped more than 12 points, driven almost exclusively by the excitement for airlines.

For an industry that has

plagued for years by problems that have kept red ink flowing.

But the hoopla over airline stocks is not just Wall Street foolishness. It is a sign that investors are finally coming to believe that airline executives are prepared to shelve their egos and salvage their floundering.

Please see Page C-6, **STOCK**

Auto broker serving Alaska under investigation

The Associated Press

JUNEAU — Customers in Alaska may be out several thousands of dollars after the abrupt closure of a Seattle-based automobile broker, and FBI agents on Thursday were trying to track down the owner.

The attorneys general and Better Business Bureaus of Alaska and Washington, and Seattle-area police departments also had launched investigations into United Auto Exchange.

The company closed its doors in Juneau, Ketchikan and Seattle this week, leaving many customers without cars and trucks they had paid for or without titles to the automobiles they had bought. The company also served the Anchorage area.

Investigators say at least 20 people in Southeast and about a dozen car dealerships in Seattle may have lost hundreds of thousands of dollars.

FBI Special Agent Jeff Glover in Juneau said Thursday it was unclear what happened to owner Bill Edmondson. Phone calls to the company's offices in Alaska and Seattle were answered by a machine.

"Right now we're trying to find him. If we do, then we look at the matter of his intent," said Glover. "He seems to have been a legitimate businessman who apparently fell into financial problems. What happened after that we can't comment on yet."

Glover said the FBI is involved because a

federal credit union was used to wire money for some of the company's transactions.

Diane Blake, of the Seattle Better Business Bureau, said the company has been brokering cars in Alaska since 1989 with few complaints. Problems began with people who gave Edmondson money within the last three months.

For almost four years, Edmondson traveled throughout Alaska, taking orders for vehicles he later located in the Seattle area for his Alaska customers.

Alaskans sent payments to Edmondson's Seafirst Bank account or had their banks or credit unions wire money. Edmondson paid

Please see Page C-6, **AUTO**

Japanese hope to top U.S. with world's biggest mall

By **SALLY APGAR**
Minneapolis-St. Paul Star Tribune

BLOOMINGTON, Minn. — Relentlessly, the Japanese have taken U.S. innovations such as cars, computers and VCRs and raised them to new technological heights. Now a group of Japanese

dent of Kiku Enterprises, a Japanese business and travel consulting firm that has worked with the Mall of America and IMI.

The Bloomington mall has been a popular draw for Japanese tourists; estimates are that as many as 200,000 Japanese will visit the me-



AUTO: Broker sought in investigation

Continued from Page C-1

Washington dealerships for the cars and had them shipped to Alaska.

Edmondson told customers he could charge less money than an Alaska dealership because he did not have to pay for car lots and other overhead costs.

A Juneau couple, Nathan and Kelly Reddekopp, paid Edmondson for a Ford Explorer that never arrived.

"I feel violated and abused," said Kelly Reddekopp. "We have a new baby, we can't afford something like this. We just gave this guy \$25,524."

Dealers in the Seattle-Tacoma area said dozens of new cars on their lots were promised to Alaska customers but have not been paid for by Edmondson and will not be

released.

"We're not trying to make this hard on the customer," said Jim Sterling of Rose Sterling Honda in Longview, Wash. "Both the customer and the dealerships are victims. We'd like to try and work something out."

Paula Sells, an assistant attorney general in Washington, said Edmondson may file for bankruptcy.

It's unclear whether dealers that have already sent cars to Alaska without receiving payment from Edmondson have the right to repossess the vehicles, since Edmondson is not licensed in Washington as a new car dealer.

Investigators said people who feel they have been cheated should contact the Alaska attorney general's office.

ropolitan area would fall. But Tokyo Disneyland attracts more than 10 million visitors a year.

"So there is a successful precedent for a project located far from (Tokyo)," Katagiri said.

To suit Japanese tastes and lifestyles, the Mall of Japan would differ from the Mall of America.

"No food courts," Katagiri said. He said the mall would feature expensive gourmet restaurants and perhaps a few moderately priced ones.

Another big difference would be the three combination brewery and exhibition halls.

before settling at sat. 87.5 cents.

Even small business... 52-week high of \$46. fore closing at \$46 a up \$1.75.

Jan. 19th
MBTI Worksh
\$39.00

"Understanding
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Differences"

Dick LaFever
Dr Terry Stims

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258-7002 / FAX 258-7

ZERO DOWN AND LOW MONTHLY PAYMENTS. ENOUGH SAID!

Competition key in auto sales

By KATE RIPLEY
THE JUNEAU EMPIRE

Buying a new car? Should you do business with a local dealer or a Lower 48 broker?

Dealers say that overall, they offer the better value in terms of price and service.

Brokers say they offer lower prices.

Buying a car is more affordable for Juneau consumers these days because of increased competition and a buyer's market, local car dealers say.

"The general climate in Juneau with respect to automobile dealers is extremely competitive," said Steve Allwine, part-owner of Mendenhall Auto Center, 8725 Mallard St.

"A person living in Juneau has a tremendous opportunity in buying a car, either from a dealer in town or in the Seattle metropolitan area," Allwine said.

New dealerships contribute to the competitive atmosphere in town, including the arrival of Lewis Motors over a year ago, and Allwine's dealership two years ago.

"I think the competition has been good for the consumer locally because I think the retailers have been more competitive in recent years, providing the consumer with a better selection of vehicles and better quality service," said John Holmquist, owner of Evergreen Ford, 8895 Mallard St.

People have a perception that buying a car from a dealer in Juneau is more expensive than buying elsewhere, Holmquist said.

Although that might have been true in the past, it's not anymore, said Jim Carter, a salesman for Honda Huf and Team Toyota, 8602 Teal St.

"I can understand the reluctance



of people here," Carter said. "In the past it may not have been as competitive as it is now. It's a buyer's market, not a seller's market, even here in Juneau."

"Car companies have equalized freight and pricing so that a car in Detroit costs the same as a car in Hawaii," said Harley Lewis, owner of Lewis Motors, 5245 Glacier Highway. Dealer markups in Juneau are usually about \$1,000 - the same as most dealer markups in Seattle, he said.

"People should at least give the local car dealers a chance, rather than assume they can get a better deal in Seattle," said Carter. "If you're going to live here and make your living here, why not support the local area?"

Car brokers - who aren't authorized from the factory to sell new cars - buy cars from dealerships and then sell them to consumers, usually at a reduced price.

"What dealers don't like about brokers is simply they can undersell the dealer in most cases," Carter explained.

Brokers usually buy from large dealerships outside Alaska that are overstocked in a particular make, Carter said. The dealership increases sales volume but doesn't have to service the customer's car later on, since brokers generally sell to someone from a different state or

area.

Though brokers may be able to offer lower prices, there are some drawbacks for the consumer.

"The biggest problem we had as a brokerage was getting the factory to be responsible for the warranty," said Todd Collins, the Southeast Alaska salesman for Bayside Auto Group in Seattle, a dealership that used to be a brokerage.

For instance, in smaller communities such as Angoon, a dealer can arrange with the local garage to do repairs under warranty, where a broker doesn't usually care enough to bother, he said.

"The broker is really a one-man operation who buys a car and then sells a car," Collins said. "He may or may not really care. With a dealer, somebody who has a franchise, we have to care by law."

A consumer who buys from a broker might actually be considered a second owner with some warranties, he said.

"As far as the consumer is concerned, it's very vague - some warranties are more concrete than others," Collins explained. "It depends on how the warranty is written by the manufacturer."

When a person buys one make from a broker, for instance, he or she is then considered a second owner and may not have full warranty coverage. Some warranties, though, will transfer, he said.

Regardless of where someone buys a car, if a franchised dealer carries the make, the business legally has an obligation to service the car, Carter said.

"If we had two cars in for servicing at the same time and one person bought that car here, we'd probably service that car first," said Carter, a car salesman for about 17 years. "We're under obligation to service the other also, but after we've taken

care of our customer."

Sen. Jim Duncan, D-Juneau, recently introduced a bill to the Alaska Legislature requiring dealers to be manufacturer-authorized to sell and perform warranty repairs on new cars.

According to a file note explaining the bill, SB 349, factory-authorized dealers in Alaska "typically end up holding the bag by honoring warranty agreements" for people who've bought a new car from a broker.

In addition to being beneficial to dealerships, though, the bill also aims at consumer protection - especially for safety recalls.

As a former broker, Collins said he knows brokers usually don't keep records "because they're not required to by law."

"The broker could really get the recall notice and ash can it," Collins said. He pointed out that other states, including Washington, have similar laws to the one Duncan is proposing.

The competition from brokers irritates local dealers, said Dan Hudson, salesman for Edmondson United Auto Exchange, a brokerage in Seattle that sells cars in Juneau.

"Our prices are better," Hudson said. "They (dealers) just don't like us coming up there."

It's a matter of customer convenience when considering whether or not to buy a new car locally and from an authorized dealer, Holmquist explained.

"If you've got a problem with your new car that you bought locally, you don't have very far to go to solve it. Anyone who values their business reputation will try to keep their customers coming back," Holmquist said.

The Senate Labor and Commerce Committee already approved SB 349 this week. It will go before the Finance Committee next.

SB

106

Alaska State Legislature



FEB 16 1993

Official Business

Speaker of the House of Representatives

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3720

MEMORANDUM

TO: Members of the Alaska State Senate

FROM: Representative Ramona Barnes
Speaker of the House *Ramona Barnes*

DATE: February 15, 1993

RE: History of the Railbelt Energy Fund

Attached are copies of two documents from my files, which I would like to share with you. These two documents will provide you a history of the Railbelt Energy Fund.

I hope this information is helpful to you. If you would like additional information, please give me a call and I will be happy to talk with you.

SPEECH

RURAL ALASKA POWER ASSOCIATION

OCTOBER 15, 1991

REP. RAMONA BARNES

It is a pleasure to be invited to speak to your organization. I know you've already been welcomed to Anchorage, but I'd feel neglectful if I didn't add my voice to the chorus, and tell you I hope you'll enjoy being here and come back often.

I want to congratulate the Rural Alaska Power Association on the two years of its existence, and commend its efforts and the success with which they have met. The role of your group is an especially important one, because a unified voice is so vital to you. Clearly, your combined efforts can be more effective than all your separate strivings, and take it from one who knows, a Legislature can hear better when many voices speak as one.

I consider it an honor to be invited to speak before you today, and I hope I may rightly take it as acknowledgement of the work I have done in the legislature in recent years to support the interests of your association. I don't mean to suggest that I have worked exclusively for the members of RAPA, but neither have I worked only for Anchorage, or the Railbelt, or any other regional interest. For those of you who are not familiar with the creation of Power Cost Equalization and the Railbelt Energy Fund, I would like to provide a little history.

In 1981, Senate Bills 25 & 26 created the energy plan for Alaska. This plan included the 4 Dam Pool, Power Cost Equalization and a clause that was known as the blackmail clause. This clause in essence said that the grants that were given to the 4 Dam Pool would be paid back to the state, plus interest, if by the year 1991 there was less than \$1 billion to construct

Susitna/Watana Dam and an intertie system for the railbelt.

In 1984, the representatives of the 4 Dam Pool came back to Juneau seeking to have the blackmail clause removed from the statutes due to cost overruns that would require additional funds. Their claim was that unless the state gave them another outlay of cash they would not be able to bond at a favorable rate due to the existence of the blackmail clause in statute.

At that time, Senator Frank Ferguson, in my opinion one of the best senators to ever serve in the Alaska Legislature, and I were appointed by our respective bodies of the legislature to negotiate the removal of the blackmail clause from the statutes and come up with something more equitable for the railbelt.

What was finally agreed on by the legislature and the administration, was the removal of the blackmail clause in exchange for \$200 million per year to be appropriated in the same manner as the Senior Citizens Longevity Bonus, as an example. In addition to that appropriation, there was to be \$100 Million deposited into the Bradley Lake Dam account. At that time, we also increased the per kilowatt amount to be subsidized by Power Cost Equalization.

This then, became law. Although this continuing appropriation was no different from any other that is required annually, the environmental community took it to court and a ruling was made that one legislature could not bind another, even though it was no different than numerous other annual appropriations. That first \$200 Million plus the \$100 Million for Bradley Lake Dam

were the only funds ever deposited into the energy account.

In 1990, a deal was cut to raid the fund and approximately \$ 123 million was spent on various capital projects, very few of which had anything to do with energy. There is currently \$100 million in an intertie reserve account, but there are some legislators working very hard to spend this money on anything but interties. The southern intertie from Anchorage to the Kenai Peninsula needs very badly to be improved and upgraded for reliability. Everytime there is an avalanche or an ice storm in Turnagain Arm, parts of this intertie are lost, resulting in a loss of power to many small communities between Anchorage and Soldotna. The completion of the Bradley Lake Hydroelectric project will alleviate the power losses to Kenai and Homer to some extent, but a reliable source of power between Anchorage and the Peninsula is vital.

It is perceived by many citizens of Alaska that members of the legislature from Anchorage, Fairbanks and most of Southeast Alaska only have the interests of their areas in mind. It is supposed that the credo of urban legislators is "on my honor I will do my best, to take what I can and to heck with the rest". I suppose over the years I've known a few members who thought that way, but I submit to you that they were not paying very close attention. What is in the interests of Tanana and Egegik and Nome is in the interests of Anchorage; and what benefits Gustavus and Fort Yukon and Barrow benefits Fairbanks; and Southeast Alaska's interests are no further separated from rural Alaska than any others. Economic activity in any part of the state is to the advantage of all parts of the state --- in

differing degrees, of course ---- but we function essentially as a single economic entity.

It is for that reason that I continue to support major power projects in the state including generation facilities and interties. It is for the very same reason that I support the many interties which are on the shelves at the Power Authority. These projects are ready to go as soon as money can be made available. There are also a number of small hydro projects around the state -- in rural Alaska -- waiting to go. In addition, there are waste heat recovery projects, coal generation sites and experimental projects.

Rural Alaska is not being ignored, as witness of course, the P.C.E. program, but do not forget the other efforts being made in your behalf to improve living conditions, business opportunities and health and safety.

Many people suppose that the state had paid entirely for or is paying for power sources elsewhere in Alaska. Not True! The federal government, of course, owns the Snettisham project in southeast, and the consumers are paying to retire the bonds which financed it. Presently the state is in the process of taking over Snettisham to guard against power cost increases in the future should the federal government revise its cost recovery policies. Consumers will continue to pay to retire the bonds which will finance that acquisition. The state will then own that very valuable asset. The request is presently under consideration by the congress, and action could come most any time.

Bradley Lake, near Homer, the most recent addition to the state's power pool, is a good example of the same sort of situation. There were legislative grants for

parts of that project, however, half of it was financed by bond issues, which consumers, through local utilities, will pay to retire. When the bonds are retired, the state will own the project.

On the subject of Bradley Lake, I would like to extend my sincere congratulations to Charlie Bussell and his entire organization. A great deal of credit is due the agency for Bradley's successful completions substantially under budget, but even more on the quality of the project. I was at the project site for the groundbreaking ceremony five years ago, and again last month for the dedication. It's a picturebook project, in a spectacular setting which remains magnificent to see. The agency's and the contractor's meticulous attention to caring for the environment established records and actually enhanced the environment in certain cases. The overall project was such a success that it won the Civil Engineering Achievement of the Year award from the Northwest Section of the American Society of Civil Engineers. It has been nominated by them for the same distinction nationally. Once again, Alaskans can be proud.

I cannot speak for the Energy Authority as to what the future might hold. Although, one cannot fail to be impressed with the amount of money, the share of effort and the number of undertakings dedicated to rural Alaska. At a glance it would almost seem an agency designed solely for rural Alaska. It is not, of course, but the villages are certainly very much a part of its mission and concern. There are very few people in Alaskan villages that have not met one of A.E.A.'s circuit riders, or one of the technicians or engineers or emergency response people representing the Energy Authority. For a relatively small agency, the A.E.A.

reaches and affects more individual Alaskans than almost any other --- and its mission, without exception, is to improve their lot.

The legislature has generally been very supportive of this vital agency. In my efforts on its behalf over the years I have had a lot of company on both sides of the aisle. I see no reason to expect that to change; in fact I anticipate improvement of that support, particularly after the next election. Organizations such as yours, becoming more acutely aware of the role they can play in governmental policies and decisions, will work with local legislators and other individuals of influence, with other associations having shared interests, and with businesses and industries having common goals. Together you will bring your influence to bear, and draw attention to the everyday needs and uncommon urgencies which can only be attended by your government.

I commend your activity and urge your participation. You may be assured that my office doors are always open --- both here and in Juneau --- and I often don't know when a person comes through one of those doors whether he lives in my district or not. He is a constituent, in either case. He is a constituent of the Alaskan Government, and I am one of its servants.

I hope the remainder of your meeting is a success, and that you'll all enjoy your stay in Anchorage.



OFFICIAL BUSINESS

Alaska State Legislature

House of Representatives

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RAMONA L. BARNES
DISTRICT 14

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POSITION PAPER

RAILBELT ENERGY

APRIL 10, 1991

The following summary compares the existing power demand for the various areas of the railbelt to the existing generating capacity and transfer capability.

The existing interties between Anchorage and Fairbanks consist of a 138KV line between Anchorage and Wasilla, a 345KV line between Wasilla and Healy, and a 138KV line between Healy and Fairbanks.

It is important to understand that the amount of electricity that is put into the line is not the same amount that comes out on the other end. Fairbanks has been purchasing approximately 70MW from Chugach Electric in Anchorage which provides them with about 62MW by the time the power gets to Fairbanks. Therefore, at peak times Fairbanks must fire up its oil generation. The increased cost to the consumer in Fairbanks is approximately 1 cent per kilowatt hour. Assuming an average residential consumer uses 100,000 kilowatts per month, this equates to about \$10.00 per month increase in cost for the Fairbanks residential consumer.

The peak demand for the Fairbanks area is 115 - 120 MW. Fairbanks has two utility companies - Golden Valley Electric and Fairbanks Municipal Utility.

Golden Valley Electric has a coal fired generation plant at Healy capable of generating 25MW of power plus oil fired generation of approximately 150 MW.

Fairbanks Municipal Utility has a 20MW coal fired plant in Fairbanks plus oil fired generation.

This is a total of 45MW of coal fired generation available to