

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9028 SENATE STATE AFFAIRS

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 19

Revision Date: _____
 Title: An Act relating to the location of the
convening of the legislature in regular session; and effective date.
 Sponsor: Senator Phillips
 Requester: _____

Dept. Affected: Fish and Game
 BRU: CFMD, SUB. HAB, SF, WC, ADM, BOS
 Component: FISHMGT/DBV, SUB. HAB
SF, WC, ADM, BOS
 COMPONENT SERIAL NO. 1841 1142 464 473 477
478 482 483 486 471

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	15.3	15.9	18.8	17.3	18.1	18.9
TRAVEL	81.4	84.5	88.2	92.1	96.1	100.4
CONTRACTUAL	36.0	37.4	39.0	40.7	42.5	44.4
SUPPLIES	3.6	3.7	3.9	4.1	4.3	4.4
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	136.3	141.6	149.8	154.2	161.0	168.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	6.9	7.2	7.5	7.8	8.1	8.5
1003 GF Match		0.0	0.0	0.0	0.0	0.0
1004 GF	123.5	128.2	132.9	137.7	142.9	147.3
1005 GF/Program Receipts		0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA		0.0	0.0	0.0	0.0	0.0
Other	8.3	7.2	7.5	7.8	8.1	8.5
TOTAL	137.7	142.6	147.8	152.6	161.1	166.3

Estimate of any current year (FY95) cost: 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Margie Baptista
 Division: Division of Administration
 Approved by Commissioner: Frank...
 Agency: _____

Phone: 465-0077
 Date: 1-23-95
 Date: 1-24-95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 19

Revision Date: 1/25/95 Dept. Affected: Fish and Game
 Title: An Act relating to the location of convening the BAU: Commercial Fisheries (Limited) Entry Commission
legislative session Component: Limited Entry Program Administration
 Sponsor: Senator Phelps
 Requester: Senator Phelps COMPONENT SERIAL NO. 047

(Thousands of Dollars)

EXPENDITURES/REVENUES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL				57.9	60.4	63.1
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	57.9	60.4	63.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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(Thousands of Dollars)

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts	00	00	00	57.9	60.4	63.1
1006 GF AD/ITA						
Other						
TOTAL	00	00	00	57.9	60.4	63.1

Estimate of any 1 year (FY95) cost: 00

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Full Time						
Part Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary.)

The CFEC would send one person, the legislative contact for the agency, to cover the legislative session. Additional staff would be sent for budget presentation and bill testimony.

Prepared By: Roger Kildan Phone: 309-0100
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 1/25/95

Approved by Commissioner: [Signature] Date: 1/25/95
 Agency: Commercial Fisheries (Limited) Entry Commission

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SS 5019

Revision Date: _____
 Title: An Act relating to the location of the
convening of the legislature in regular session
 Sponsor: Senator Phillips
 Requestor: Senate STA

Dept. Affected: Health and Social Services
 BRU: Administrative Services
 Component: Commissioner's Office
 COMPONENT SERIAL NO: 317
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	120.0	124.2	128.5	133.0	137.7	142.5
TRAVEL	40.0	41.4	42.9	44.4	45.9	47.5
CONTRACTUAL	380.0	310.9	321.4	322.6	344.3	356.4
SUPPLIES	20.0	21.0	22.1	23.2	24.4	25.6
EQUIPMENT	240.0	42.0	43.5	45.0	46.6	58.2
LAND & STRUCTURES						
GRANTS CLAIM.						
MISCELLANEOUS						
TOTAL OPERATING	770.0	529.1	558.4	578.2	598.9	630.2

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

F002 Federal Receipts						
F003 Of Match						
F004 Of	770.0	529.1	558.4	578.2	598.9	630.2
F005 Of Program Receipts						
F006 Of MHTA						
Other (Specify Identifiers)						
TOTAL	770.0	529.1	558.4	578.2	598.9	630.2

POSITIONS

FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

Estimate of any current year (FY96) cost: 10.0

ANALYSIS

(Attach a separate page if necessary)

This fiscal note only addresses Sections 1 and 6 of the bill. Department costs are consolidated within the Commissioner's Office. To prepare for the start of legislative sessions as identified in Section 6, activities in FY98 must include that enhance telecommunications abilities and establish a new set of protocols of communication between the Department of Health & Social Services and the Legislature.

These protocols must deal with the regulations dealing with paper flow, use of telecommunications for testimony by departments, and coordination with the Office of the Governor. The actual costs listed to determine unit communications operations are estimated but will include telecommunications upgrades, housing costs for a minimal number of staff, and travel expenses for adequate representation of the Department at selected legislative hearings. inflation is assumed at 2.5%. Costs are representative but not based on specific calculations.

Prepared by: Richard Baxinger
 Division: Administrative Services

Phone: 664-3198
 Date: 01/28/95

Approved by Commissioner: [Signature]
 Agency: Department of Health & Social Services

Date: 1-24-95

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ANALYSIS (cont.):

Description	FY96	FY97	FY98	FY99	FY00	FY01
Line 100 - Personal Services						
2 Data/Communications Positions	120.0	124.2	128.5	133.0	137.7	142.5
Line 200 - Travel						
Adjustment for current travel	80.0 (40.0)	82.8 (41.4)	85.7 (42.8)	88.7 (44.3)	91.8 (45.9)	95.0 (47.5)
Line 300 - Contractual Services						
Increased communications costs	338.3	298.9	309.4	320.2	331.4	343.0
Office space rental	9.2	9.5	9.8	10.1	10.5	10.9
Communications & other support	2.3	2.1	2.2	2.3	2.4	2.5
Line 400 - Supplies						
Increased communications costs	2.0	2.1	2.2	2.3	2.4	2.5
Line 500 - Equipment						
Purchase of personal computer and other basic equipment for two positions.	19.0	2.0	0.0	0.0	0.0	10.0
Additional telecommunications	320.0	42.0	43.5	45.0	46.0	48.2

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SSSB 19

Revision Date _____
Title: Legislative sessions to be in
Anchorage
Sponsor: Senato, Phillips
Requestor: Senate State Affairs

Department Affected: Labor
BRU: All
Component: All
COMPONENT SERIAL NO. 140

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL			55.4	58.2	61.1	64.1
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00*	00*	55.4*	58.2*	61.1*	64.1*

CAPITAL						
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CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 OF Match						
1004 OF			55.4	58.2	61.1	64.1
1005 OF Program Receipt						
1006 OF MDTLA						
Other						
TOTAL	00*	00*	55.4*	58.2*	61.1*	64.1*

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

We estimate that departmental employees would make a total of 48 trips to the Municipality of Anchorage to testify at finance committee meetings and hearings on department legislation. At an average cost of \$643 per trip (\$514 air fare and \$129 food & lodging), we estimate the total travel costs would be \$32,864 per year. It is assumed that other legislation which may require department testimony will be done telephonically. In addition, the Department's Legislative Liaison would have to be stationed in Anchorage at a cost of \$22,800 for food, lodging and transportation. This fiscal note assumes an effective date of July 1, 1997. (* Costs were calculated at current rates plus a 5% annual inflation increase.)

Prepared by: Arbe Williams, Director Phone: 465-4901
Division: Administrative Services Date: 1/24/95
Approved by: Tom Caahan, Commissioner
Agency: Department of Labor Date: 1/24/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SSSB 19

Revision Date: _____	Dept. Affected: <u>Department of Law</u>
Title: <u>"An Act relating to the convening of the legislature in regular session."</u>	BRU: <u>Prosecution, Legal Services</u>
Sponsor: <u>Senator Phillips</u>	Component: <u>Prosecution - Criminal Justice Litigation</u>
Requester: <u>Senator Phillips</u>	<u>Legal Services - Operations</u>
	COMPONENT SERIAL NO. <u>0089/0093</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES			69.2	69.2	69.2	69.2
TRAVEL			76.4	76.4	76.4	76.4
CONTRACTUAL			84.9	84.9	84.9	84.9
SUPPLIES			28.2	28.2	28.2	28.2
EQUIPMENT			60.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	318.7	258.7	258.7	258.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF			318.7	258.7	258.7	258.7
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	318.7	258.7	258.7	258.7

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME	0.0	0.0	3.0	3.0	3.0	3.0
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill amends Title 24 to provide that all regular sessions of the legislature shall convene in the Municipality of Anchorage, instead of Juneau, the State Capital. We believe that this change in the legislative venue will have a substantial impact on the Department of Law. This is because the department's Juneau-based staff spend a considerable part of their time providing legal advice and assistance to legislators and legislators' staff, during each regular legislative session. At the legislature's request, they attend committee and sub-committee meetings, testify on pending legislation, and offer legal opinions and analyses when they are requested to do so. This is a constant, interactive process involving dozens of daily contacts between the legislature and the department.

For the department's part, these contacts begin with the attorney general and continue down through division chiefs, section heads, and individual attorneys who specialize in specific areas of law. Because of their expertise, these same individuals are also responsible for advising policy makers throughout all executive branch agencies and departments. On the one hand, our staff will be required to provide assistance to the legislature

Prepared by: Richard I. Peoues, Director
 Division: Administrative Services Division
 Approved by Commissioner: Ricardo M. Botelho, Attorney General
 Agency: Department of Law

Phone: 466-3672
 Date: 1/24/95
 Date: 1/24/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. __ SSSB 19

ANALYSIS CONTINUATION:

when it meets in the Municipality of Anchorage and, on the other hand, our staff must also continue advising agencies in the Capital. Consequently, some extraordinary communications efforts, including extensive travel, will be required to carry out these concurrent duties simultaneously.

An analysis of the department's "sign out" logs, telephone logs, and appointment schedules indicate the following recorded legislative contacts took place during the 1992, 1993 and 1994 legislative sessions. The number of contacts shown below represents a minimum number because not all contacts are recorded and many occur informally, without any prior notification.

1. The attorney general received an average of 50 telephone calls from individual legislators each month. The majority of these calls resulted in meetings between the attorney general and legislators. The attorney general meets with legislators three or four times daily in both formal and informal settings. It should also be noted that the number of calls that were logged were incoming calls only. Outgoing calls to legislators are not logged.
2. The attorney general testified at at least 30 committee hearings during each of the past three legislative sessions.
3. The deputy attorney general, civil division, also meets with legislators on a daily basis and testifies before legislative committees about once a week.
4. The assistant attorney general in the criminal division who handles criminal legislation for our department attended 100 to 125 committee meetings annually and was called upon to testify on a regular basis. The deputy attorney general of the criminal division testified at 50 committee meetings. The department's senior corrections attorney attended or testified at 25 committee meetings, each session.
5. The department's legislation and regulations attorney is in daily contact and has a necessary continuing working relationship with key legislative staff. This attorney is the overall coordinator of our department's legislative activities.
6. On average, fifteen other civil attorneys attended another 75 hearings on a variety of pending legislation and testified at about 50 of those hearings. Literally hundreds of contacts take place between the Department of Law's senior legal staff and legislators' staff, outside of the normal hearing setting, in the course of formulating the state's statutory policies, during a legislative session.
7. The department's administrative services director is in daily contact with legislative staff and attended or testified at hearings on 15 occasions. The director also prepares and submits more than 100 fiscal notes during a legislative session.

The foregoing summary demonstrates the extent to which the department must focus its activities on legislative matters of concern to the Administration and the department's client agencies. We therefore believe that locating the legislature in the Municipality of Anchorage will require the department to establish, equip, and staff an interim legislative liaison office in close proximity to the legislature when it is in regular session. At a minimum, we would have to move the legislation and regulations attorney and the attorney responsible for criminal legislation to the interim office during legislative sessions. These two attorneys would also have to return to Juneau to carry out their other duties every two weeks. Although these other responsibilities will suffer due to their absence, particularly in respect to regulations review, this other work cannot be totally abandoned. It will also be necessary for both the attorney general and the deputy attorney general to travel to the Municipality of Anchorage about 12 times each, during a regular session. The combined travel for the director of the criminal division and the senior corrections attorney, combined, will average one two-day trip per week during a regular session, or about 16 trips in total.

Although about 15 civil attorneys are requested to attend 75 hearings each year, we believe that future legislative requests for our attendance at committee meetings will be sharply curtailed because of the costs that would be involved. Nonetheless, we expect at least 40 trips of two days duration will be required. Teleconferencing can reduce travel costs, and we hope it will substitute in part for our existing level of testimony. However, this form of communication sometimes inhibits the give and take of a frank face-to-face discussion that is often a necessary element of the deliberative part of the law making process. This is why we are still predicting a substantial amount of travel for this process.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. __ SSSB 19

ANALYSIS CONTINUATION:

Travel for the administrative services director to attend budget hearings will be five two-day trips. This estimate is predicated on the assumed availability of teleconferencing for most finance subcommittee meetings.

Last, a substantial cost will be incurred for long distance telephone calls and telecopier transmissions. Funds will also be needed to lease space and purchase equipment for an interim office and to pay for a three-person clerical staff. Based on the foregoing analysis, we believe that the following fiscal note funds will be required.

Personal Services

Legal Secretary I (6 months)	23,901.43
Legal Secretary I (6 months)	23,901.43
Administrative Clerk II (6months)	<u>21,379.28</u>
	69,182.14

Travel

Legislation & Regulations Attorney	
90 days per diem @ \$70.00/day	6,300.00
7 trips @ \$444.00/each	3,108.00

Criminal Legislation Attorney	
90 days per diem @ \$70.00/day	6,300.00
7 trips @ \$444.00/each	3,108.00

Attorney General	
24 days per diem @ \$95.00/day	2,280.00
12 trips @ \$444.00/each	5,328.00

Deputy Attorney General, Civil Division	
24 days per diem @ \$95.00/day	2,280.00
12 trips @ \$444.00/each	5,328.00
24 days car rental @ \$25.00/day	600.00

Deputy Attorney General, Criminal Division & Senior Corrections Attorney	
32 days per diem @ \$95.00/day	3,040.00
16 trips @ \$444.00/each	7,104.00
32 days car rental @ \$25.00/day	800.00

Various Assistant Attorneys General	
80 days per diem @ \$95.00/day	7,600.00
40 trips @ \$444.00/each	17,760.00
40 days car rental @ \$25.00/day (assumes sharing transportation)	1,000.00

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SSSB 19

ANALYSIS CONTINUATION:

Administrative Director	
10 days per diem @ \$95.00/day	950.00
5 trips @ \$444.00/each	2,220.00
10 days car rental @ \$25.00/day	250.00
Miscellaneous (gasoline, parking, etc.) - all	<u>1,000.00</u>
Total Travel	76,356.00
Contractual	
Office rent: 2400 sq.ft. @ \$1.98 x 12 months	57,024.00
Telephone 300 minutes or thirty 10 minute calls per day @ .60 x 300 minutes x 120 days	21,600.00
Miscellaneous - \$200/mo x 7 FTE x 4.5 months	<u>6,300.00</u>
Total Contractual	84,924.00
Supplies	
Legal Reference Library (one time) (\$5,000 per year on-going)	25,000.00
Desk top - \$100/mo x 7 FTE x 4.5 months	<u>3,150.00</u>
Total Supplies	28,150.00
Equipment	
Computers, copier, fax, desks, etc.	<u>60,000.00</u>
Total Equipment	60,000.00

Summary of Costs for SSSB 19

Personal Services	69,182.14
Travel	76,356.00
Contractual	84,924.00
Supplies	28,150.00
Equipment	<u>60,000.00</u>
Total	318,612.14

01/23/95

09:19:30.4

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE:

2

DEPARTMENT OF LAW

SCENARIO: 2

COMPONENT #: 9701010101 NAME: OPERATIONS (GF)

BRU NAME: LEGAL SERVICES

PCN	UNAUTH PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B S C U	R&S MOS BUDG	SALARY	PREM PAY	DENES	PER.SERV. COSTS	G. F. AMOUNT
03#027		LEGAL SECRETARY I	P	ANCHORAGE	A GG 2A 10A	6	12378	5715	5808	23901.43	

**** JUSTIFICATION:

This position is part of a three-person clerical staff that will be needed to support staff who will have to travel to the Municipality of Anchorage to attend legislative sessions. This includes the Attorney General, the Deputy Attorney General, the director of the Criminal Division, a variety of senior legal staff, and the Administrative Services director. This position will assist with communications to and from the department and legislative staff and help prepare written communications provided to the legislature.

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	0.00	
SUPPLIES COSTS	0.00	
EQUIPMENT COSTS	0.00	
OTHER COSTS	0.00	
TOTAL COSTS	23901.43	23901.43

*** FUNDING DETAIL:

1004 GENERAL FUND RECEIPTS	23901.43
TOTAL FUNDING	23901.43

03#028		LEGAL SECRETARY I	P	ANCHORAGE	A GG 2A 10A	6	12378	5715	5808	23901.43	
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**** JUSTIFICATION:

This position is part of a three-person clerical staff that will be needed to support staff who will have to travel to the Municipality of Anchorage to attend legislative sessions. This includes the Attorney General, the Deputy Attorney General, the director of the Criminal Division, a variety of senior legal staff, and the Administrative Services director. This position will assist with communications to and from the department and legislative staff and help prepare written communications provided to the legislature.

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	0.00	
SUPPLIES COSTS	0.00	
EQUIPMENT COSTS	0.00	
OTHER COSTS	0.00	
TOTAL COSTS	23901.43	23901.43

*** FUNDING DETAIL:

1004 GENERAL FUND RECEIPTS	23901.43
TOTAL FUNDING	23901.43

03#029		ADMINISTRATIVE CLERK II	P	ANCHORAGE	A GG 2A 0BA	6	10998	5076	5305	21379.28	
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**** JUSTIFICATION:

This position is part of the three-person clerical staff that will be needed to support staff who will have to travel to the Municipality of Anchorage to attend legislative sessions. This includes the Attorney General, the Deputy Attorney General, the director of the Criminal Division, a variety of senior legal staff, and the Administrative Services director. This position will assist with communications to and from the department and legislative staff and help prepare written communications provided to the legislature.

TRAVEL COSTS	0.00	
CONTRACTUAL COSTS	0.00	
SUPPLIES COSTS	0.00	
EQUIPMENT COSTS	0.00	
OTHER COSTS	0.00	
TOTAL COSTS	21379.28	21379.28

*** FUNDING DETAIL:

1004 GENERAL FUND RECEIPTS	21379.28
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01/23/95

09:19:38.5

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE:

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DEPARTMENT OF LAW

SCENARIO: 2

COMPONENT #: 9701010101 NAME: OPERATIONS (GF)

BRU NAME: LEGAL SERVICES

ON	UNAUTH PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B S C U	R&S MOS BUDG	SALARY	PREM PAY	DEHES	PER.SERV. COSTS	G. F. AMOUNT
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TOTAL FUNDING 21379.28

COMPONENT TOTALS:

FULL TIME NEW POSITIONS	0	TOTAL PERSONAL SERVICES	69182.14
PART TIME/SEASONAL NEW POSITIONS	3	TOTAL COSTS INC. ASSOC COSTS	69182.14
NON PERMANENT NEW POSITIONS	0		
OTHER.....	0		

=====

NUMBER OF NEW POSITIONS IN COMPONENT:

3

FUNDING DATA: G.F. & G.F. MATCH:	69182.14
OTHER FUNDS:	0.00
	=====
TOTAL FUNDING:	69182.14

FISCAL NOTE

BILL NO. SS SB 19

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: 1/24/95 Dept. Affected: Military and Veterans Affairs
 Title: Location of the convening of the Legislature BRU: Alaska National Guard
 in regular session _____ Component: Commissioner's Office
 Sponsor: Sen Phillips
 Requestor: Sen Phillips COMPONENT SERIAL NO. 414

Expenditures Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL	0.0	8.0	8.0	8.0	8.0	8.0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	8.0	8.0	8.0	8.0	8.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	8.0	8.0	8.0	8.0	8.0
1005 GF, Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	8.0	8.0	8.0	8.0	8.0

Estimate of any current year (FY95) cost: \$ _____

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would move the convening of the legislative session from Juneau to Anchorage, starting with the 20th legislative session (January 1997). The fiscal impact of this action would be felt initially in FY97. This fiscal note estimates the additional cost to DMVA to provide the testimony and consultation to legislators and staff that would be required from such a move. The Commissioner's Office and all division directors in DMVA are located in Anchorage, except the director of the administrative and support services division (ASSD). No other department employees would have additional travel requirements as a result of this legislation, as their offices would be driving distance from the legislative session. The savings on other budgets would be negligible, as the Commissioner and other directors need to make periodic trips to the state capital regardless of the location of the legislative session.

The director, ASSD, is the department's primary staff contact for budgetary matters, and would be required to travel frequently to the legislative session in that capacity. It is assumed that the ASSD Director would be required to make an additional 10 trips during the session, with an average duration of 3 days. Travel for 10 trips (at normal coach fare of \$444 each trip) totals \$4440. Per diem for 30 days (at about \$100 per day) totals \$3000. Other expenses are estimated at \$80 per trip, for a total of \$600. The total impact would be \$8040 annually.

Prepared by: Jeff Morrison, Director *Morrison* Phone: 465-4730
 Division: Administrative Support Services Division Date: 1/24/95
 Approved by Commissioner: Morrison for MG Jake Lestonkol Date: 1/24/95
 Agency: Military and Veterans Affairs

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FISCAL NOTE

STATE OF ALASKA

BILL NO. SB19

1995 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: An Act relating to the location of the convening BRU: Management & Administration
of the legislature in regular session; and providing for an effective date Component: Commissioner's Office
 Sponsor: Senator Phillips
 Requestor: _____ Component Serial No. 423

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY96	FY97	FY98	FY99	FY00	FY01
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(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

Estimate of any current year (FY95) cost: \$ None

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Increased travel from Juneau to Anchorage will be offset by savings in travel from Anchorage to Juneau. The Commissioner and his staff are located in Juneau, the Division Directors are located in Anchorage. Internal adjustments within the DNR budget will result.

Prepared by: Nico Bus, Acting Legislative Liaison Phone: 465-2408
 Division: Support Services Date: 20-Jan-95
 Approved by Commissioner: Nico Bus for M. Luther Ford, Acting Com. Date: 1/20/95
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO: SB 19

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to the location of the BRU: Statewide Support
convening of the legislature. Component: Commissioner's Office
 Sponsor: Sen. Phillips
 Requestor: Sen. Phillips COMPONENT SERIAL NO. 523

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

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL			43.0	43.0	43.0	43.0
CONTRACTUAL			6.8	6.8	6.8	6.8
SUPPLIES			1.0	1.0	1.0	1.0
EQUIPMENT			12.0	1.0	1.0	1.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING			62.8	51.8	51.8	51.8

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF			62.8	51.8	51.8	51.8
1005 GF/Program Receipts						
1006 GF/IMNTLA						
Other						
TOTAL			62.8	51.8	51.8	51.8

Estimate of current year (FY 95) impact: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: K Leo Blachoff Phone: 465-4328
 Division: Administrative Services Date: 1/21/95
 Approved by Commissioner: Ronald L. Otte Date: _____
 Agency: Ronald L. Otte, Dept. of Public Safety

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Commissioner's Office Component

This bill would move the legislative sessions to the Municipality of Anchorage. As the DPS headquarters are in Juneau, this Fiscal Note reflects the estimated costs of temporarily assigning the department's legislative liaison (a Special Assistant) and an Administrative Assistant to Anchorage for the duration of the session. It also includes the cost of periodic trips to the legislature by the Commissioner and Deputy Commissioner.

The cost for the Director of Administrative Services is contained in a separate Fiscal Note because it is in a separate budget Component.

The Directors of the other DPS Divisions are located in Anchorage

TRAVEL/PER DIEM

Legislative Liaison (Special Assistant)

120 days in Anchorage

Long Term Per Diem	\$45/day	
Meal Allowance	\$12/day	
Total	\$57/day x 120 =	\$6,840

airfare: 5 round trips @ \$300 to/from Juneau -	1,500
for consultation with supervisor and to perform other assigned work.	

120 days car rental @ \$25/day =	3,000
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Administrative Assistant

120 days in Anchorage

Long Term Per Diem	\$37/day	
Meal Allowance	\$12/day	
Total	\$49/day x 120 =	\$5,880

airfare: 3 round trips @ \$300 to/from Juneau -	900
for consultation with supervisor and to perform other assigned work.	

120 days car rental @ \$25/day =	3,000
----------------------------------	-------

Commissioner

20 days in Anchorage

actual hotel expenses up to \$200 plus meal allowance

Hotel Allowance	\$100/day	
Meal Allowance	42/day	
Total	\$142/day x 20 =	2,840

airfare: 6 round trips @ \$300 to/from Juneau = 1,800

20 days car rental @ \$25/day = 500

Deputy Commissioner:

10 days in Anchorage

actual hotel expenses up to \$200 plus meal allowance

Hotel Allowance	\$100/day	
Meal Allowance	42/day	
Total	\$142/day x 10 =	4,260

airfare: 7 round trips @ \$300 to/from Juneau = 2,100

10 days car rental @ \$25/day = 250

TOTAL TRAVEL/PER DIEM 142,970

CONTRACTUAL

Telephone, fax, etc. \$250/month x 4 = 1,000

postage, DHL, goldstreak, etc. = 500

minor repair, maintenance, etc. = 300

miscellaneous contractual = 2,000

TOTAL CONTRACTUAL 16,800

SUPPLIES

TOTAL SUPPLIES 11,000

EQUIPMENT

Communications:
Phone System 22,000

Data Processing Equipment:
PC, printer, software, work stations 4,000

Furniture/Office Equipment:
file cabinet, bookcase and misc office equipment 4,000

TOTAL EQUIPMENT 112,000

TOTAL FISCAL NOTE 167,970

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO: SB 19

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to the location of the BRU: Statewide Support
location of the legislature Component: Administrative Services
 Sponsor: Sen. Phillips
 Requestor: Sen. Phillips COMPONENT SERIAL NO. 525

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

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL			6.4	6.4	6.4	6.4
CONTRACTUAL			1.0	1.0	1.0	1.0
SUPPLIES			5	5	5	5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING			7.9	7.9	7.9	7.9
CAPITAL EXPENDITURES						
CHANGE IN REVENUES () <small>Revenue Code</small>						

FUNDING (Thousands of Dollars)

1003 Federal Receipts						
1003 CF Match						
1004 CF			7.9	7.9	7.9	7.9
1005 CF Program Receipts						
1006 CF AMT/A						
Other						
TOTAL			7.9	7.9	7.9	7.9

Comments of current year (FY 95) impact: \$ _____

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

Prepared By: Sen. Blaisdell Phone: 485-1338
 Division: Administrative Services Date: 1/25/95
 Approved by Commissioner: [Signature] Date: _____
 Agency: Robert L. Ott, Dir. of Public Safety

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Administrative Services Component

This bill would move the legislative sessions to the Municipality of Anchorage. As the DPS headquarters are in Juneau, this Fiscal Note reflects the estimated costs of periodic trips to the legislature by the Director of the Administrative Services Division. The Directors of the other DPS Divisions are located in Anchorage.

The costs for the Commissioner, Deputy Commissioner, Legislative Liaison, and Administrative Assistant are contained in a separate Fiscal Note because they are in a separate budget Component.

TRAVEL/PER DIEM

Administrative Services Director

10 days in Anchorage

actual hotel expenses up to \$200 plus meal allowance

Hotel Allowance	\$100/day	
Meal Allowance	\$42/day	
Total	\$142/day x 10 =	\$4,260

airfare: 7 round trips @ \$300 to/from Juneau =	<u>2,100</u>
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TOTAL TRAVEL	\$6,360
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CONTRACTUAL

Telephone, fax, postage, misc. etc

TOTAL CONTRACTUAL	\$1,000
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SUPPLIES

TOTAL SUPPLIES	\$500
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TOTAL FISCAL NOTE	<u>\$7,860</u>
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FISCAL NOTE

BILL NO. SB19

STATE OF ALASKA 1998 LEGISLATIVE SESSION

Revision Date: 1/20/95 Dept. Affect: _____ Revenue: _____
 Title: LOCATION OF THE GOVERNING OF THE LEGISLATURE BRU: AL
 Sponsor: Sen. Phillips Component: _____
 Requester: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues	(Thousands of Dollars)				
	FY 96	FY 97	FY 98	FY 99	FY 01
OPERATING EXPENDITURES					
PERSONAL SERVICES					
TRAVEL	134.4	139.8	145.4	151.7	157.3
CONTRACTUAL					
SUPPLIES					
EQUIPMENT					
LAND & STRUCTURES					
GRANTS, CLAWS					
MISCELLANEOUS					
TOTAL OPERATING	134.4	139.8	145.4	151.7	157.3
CAPITAL EXPENDITURES					

CHANGE IN REVENUES / 1 1 1 1 1

FUND SOURCE	(Thousands of Dollars)				
	FY 96	FY 97	FY 98	FY 99	FY 01
1002 Federal Receipts	(2.6)	(2.8)	(3.9)	(4.1)	(4.2)
1003 OF MATCH	(1.9)	(1.3)	(2.2)	(2.1)	(2.2)
1004 OF	191.2	195.3	199.5	173.8	118.5
1005 OF Program Receipts	12.6	13.1	13.6	14.2	14.7
1006 OF AMTUA					
Other	26.1	27.1	28.2	29.4	30.5
TOTAL	124.4	129.8	145.4	151.2	157.2

(Estimate of any current year (FY98) cost: \$ _____)

POSITIONS					
FULL-TIME					
PART-TIME					
TEMPORARY					

ADDITIONAL (Attach a separate page if necessary)

One-page analysis attached

Moving of the Legislature would negatively impact staff productivity. Budget response time would be markedly increased

<p>Prepared by: <u>Bill Beattie</u></p> <p>Checked by: <u>Administrative Services</u></p> <p>Approved by: <u>Bill Beattie</u></p> <p>Commissioner: <u>Bill Beattie</u></p> <p>Agency: <u>Legislature of Alaska</u></p>	<p>Phone: <u>466-1312</u></p> <p>Date: <u>1/20/95</u></p>
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Department of Revenue Travel Cost Analysis
 Prepared by: Bob Burdick, Director
 20 Jan 95

5819 - Location of the Convening of the Legislature

Assumptions:
 Alaska Airlines Coach Travel: \$800 AYC-\$800
 Car Rental - State Contract
 Per diem - AYC - hotel actuals plus meals
 Miscellaneous Costs/Supplies
 Days Travel per Trip
 Annual Cost Increase
 Cost per Trip

Leg. Session	Cost per Trip
444	2271
26	912
125	
15	
12	
4%	
9	

Year	Number of Trips per:	Month	Session	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
	Deputy Commissioner, Leg. Liaison	2	02	22,740	23,010	24,043	25,546	26,562	27,620
	Commissioner	3	14	13,680	14,227	14,796	15,388	16,004	16,644
	Deputy Commissioner - Treasury	3	14	13,680	14,227	14,796	15,388	16,004	16,644
	Treasury Computer	4	3	2,736	2,805	2,900	2,978	3,061	3,150
	Admin. Secs. Director	3	20	18,240	18,670	19,120	19,590	20,080	20,590
	IAE Audit Director	3	18	18,000	18,227	18,476	18,746	19,026	19,316
	IAE Audit Staff	2	10	8,420	8,605	8,804	9,016	9,240	9,476
	Charitable Granting Director	3	15	13,680	14,227	14,796	15,388	16,004	16,644
	FRD Director (funding Source 1010)	2	10	8,420	8,605	8,804	9,016	9,240	9,476
	AAH-TA Executive Director	2	10	13,680	14,227	14,796	15,388	16,004	16,644
	State Code Officer	1	1	4,560	4,742	4,928	5,120	5,326	5,544
	Total Legislative Block:			124,008	127,207	131,002	135,279	139,790	144,520
	Number of Days	8		1,042	1,046	1,042	1,036	1,033	1,040
	Legislative Liaison			1,042	1,046	1,042	1,036	1,033	1,040
	Commissioner			1,042	1,046	1,042	1,036	1,033	1,040
	Deputy Commissioner - Treasury			1,042	1,046	1,042	1,036	1,033	1,040
	Admin. Secs. Director			1,042	1,046	1,042	1,036	1,033	1,040
	IAE Audit Director			1,042	1,046	1,042	1,036	1,033	1,040
	Charitable Granting Director			1,042	1,046	1,042	1,036	1,033	1,040
	FRD Director (funding Source 1010)			1,042	1,046	1,042	1,036	1,033	1,040
	AAH-TA Executive Director			1,042	1,046	1,042	1,036	1,033	1,040
	Total Annual Travel Costs			140,129	144,329	148,927	154,009	159,270	164,840

Anchorage Travel Cost Savings
 (CIDA Audit & Investigation, CIDA Inspection, AYC 3 Inspection)

Sea Travel Costs

FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
130,682	134,227	138,796	143,804	148,904	154,004
130,682	134,227	138,796	143,804	148,904	154,004

Note: This does not include the costs associated with the loss of productivity resulting from the impact of any departmental cost reductions.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6-78

Central Microfilm Services
Department of Education
State of Alaska

Department of Revenue Travel Cost Analysis
Prepared by Bob Barabak/Mary Sutton

SB19 - Location of the Convening of the Legislature

20-Jan-95

Assumptions:

	Leg Liaison	Other Personnel
Alaska Airlines Coach Ticket JNU ANC-JNU	444	444
Car Rental - State Contract	26	26
Per diem - ANC - hotel actuals plus meals	125	125
Miscellaneous Costs/Supplies	15	15
Days Travel per Trip	12	3
Annual Cost Increase	4%	0

Cost per Trip	2271	912
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Year			FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Number of Trips per:	Month	Session						
Deputy Commissioner, Leg Liaison	2	10	22,710	23,618	24,563	25,546	26,567	27,630
Commissioner	3	15	13,680	14,227	14,796	15,388	16,004	16,644
Deputy Commissioner - Treasury	3	15	13,680	14,227	14,796	15,388	16,004	16,644
Treasury Computer		3	2,736	2,845	2,950	3,070	3,201	3,329
Admin Svcs Director	4	20	18,240	18,970	19,728	20,518	21,338	22,192
ISE Audit Director	3	15	13,680	14,227	14,796	15,388	16,004	16,644
ISE Audit Staff	2	10	9,120	9,485	9,864	10,259	10,668	11,098
Charitable Gaming Director	3	15	13,680	14,227	14,796	15,388	16,004	16,644
PFD Director (Funding Source 1050)	2	10	9,120	9,485	9,864	10,259	10,659	11,098
AMBTA Executive Director	3	15	13,680	14,227	14,796	15,388	16,004	16,644
State Debt Officer	1	5	4,560	4,742	4,932	5,129	5,335	5,548
		Subtotal	134,886	140,781	145,817	151,728	157,798	164,109
Final Legislative Week:								
Number of Days		8	1,652	1,718	1,787	1,858	1,933	2,010
Legislative Liaison			1,652	1,718	1,787	1,858	1,933	2,010
Commissioner			1,652	1,718	1,787	1,858	1,933	2,010
Deputy Commissioner - Treasury			1,652	1,718	1,787	1,858	1,933	2,010
Admin Svcs Director			1,652	1,718	1,787	1,858	1,933	2,010
ISE Audit Director			1,652	1,718	1,787	1,858	1,933	2,010
Charitable Gaming Director			1,652	1,718	1,787	1,858	1,933	2,010
PFD Director (Funding Source 1050)			1,652	1,718	1,787	1,858	1,933	2,010
AMBTA Executive Director			1,652	1,718	1,787	1,858	1,933	2,010
		Subtotal	13,276	13,745	14,294	14,868	15,461	16,079
Total Juneau Travel Costs			148,162	154,526	160,111	166,596	173,259	180,189
Anchorage Travel Cost Savings								
IO&D Audit 6 Impression, CSE 6 Impression, ANC 3 Impression			(13,680)	(14,227)	(14,796)	(15,388)	(16,004)	(16,644)
Net Travel Costs			134,482	140,299	145,315	151,208	157,255	163,545

Note: This does not include the costs associated with the loss of productivity resulting from the travel of key departmental staff members

FISCAL NOTE

STATE OF ALASKA

BILL NO. SSSB 19

1995 LEGISLATIVE SESSION

Revision Date: 01/23/95 Dept. Affected: DOT&PF
 Title: Legislative Sessions in Anchorage BRU: Office of the Commissioner
 Component: Commissioner's Office
 Sponsor: Phillips
 Requester: _____ COMPONENT SERIAL NO. 530

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL	0.0	0.0	86.9	90.7	94.6	98.8
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	86.9	90.7	94.6	98.8
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()						

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	86.9	90.7	94.6	98.8
1005 GF/Program Receipts						
1006 GF/AMTIA						
Other						
TOTAL	0.0	0.0	86.9	90.7	94.6	98.8

Estimate of any current year (FY95) cost: \$ _____

POSITIONS

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

ANALYSIS:

(Attach a separate page if necessary)

1. All funding is shown for the Commissioner's office even though it affects various components.
2. Does not include value of extra time required for travel in order to attend legislative meetings.
3. Assume funding for direct increased travel and related costs.
4. System staff travel to Anchorage is offset by reduced travel costs for Central and Northern Region Staff.

See Attached

Prepared by: Carol Shoop Phone: 465-8977
 Division: Administrative Services Date: 01/23/95
 Approved by Commissioner: *Joseph Phillips* Date: 1/24/95
 Agency: DOT&PF

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ANALYSIS (cont. from page 1):

Commissioner

20 days in Anchorage @ \$117/day	\$2,340
10 round trips to/from Juneau @ \$444/trip	\$4,440
20 days car rental @ \$25/day	\$500

Deputy Commissioners (2)

40 days in Anchorage @ \$117/day	\$4,680
16 round trips to/from Juneau @ \$444/trip	\$7,104
40 days car rental @ \$25/day	\$1,000

Special Assistant/Legislative Liaison

100 days in Anchorage @ \$117/day	\$11,700
9 round trips to/from Juneau @ \$444/trip	\$3,996
100 days car rental @ \$25/day	\$2,500

Statewide Directors (4)

(Administrative Services, Information Systems Division,
Planning, Engineering & Operations)

34 days in Anchorage @ \$117.00/day	\$3,978
26 days with meals only @ \$36.00/day	\$936
43 round trips to/from Juneau @ \$444/trip	\$19,092
60 days car rental @ \$25/day	\$1,500

Other Staff

24 days in Anchorage @ \$95.00/day	\$2,280
7 days with meals only @ \$36.00/day	\$252
19 round trips to/from Juneau @ \$444/trip	\$8,436
31 days car rental @ \$25/day	\$775

Miscellaneous

(Gasoline, parking, etc.) 251 days @ \$5/day	\$1,255
--	---------

Total \$76,764

With Inflation

FY96	3.86%	\$79,727
FY97	4.38%	\$83,219
FY98	4.38%	\$86,864
FY99	4.38%	\$90,669
* FY00	4.38%	\$94,640
* FY01	4.38%	\$98,785

* Fiscal Note instructions provide inflation factor through FY99
Assumed 4.38% for FY00 and FY01

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

NO. _____
BILL VERSION: SSSB19
PUBLISH DATE: _____

Revision Date: _____
Title: "An Act relating to the location of the
convening of the legislature in regular session."
Sponsor: Senator Phillips
Requestor: Senator Phillips

Department Affected: Legislature
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	395.4	-332.4	-332.4	-332.4
CONTRACTUAL	0	0	2337.8	1715.8	1715.8	1715.8
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0					
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	2733.2	1383.4	1383.4	1383.4

CAPITAL	0.0	0	1400.0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	2733.2	1383.4	1383.4	1383.4
FEDERAL FUNDS						
OTHER FUND SOURCE			1400.0			
TOTAL	0	0	4133.2	1383.4	1383.4	1383.4

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 impact: _____

ANALYSIS: (Attach a separate page if necessary)

See Attachment

Prepared By: Karla Schofield, Deputy Director
Division: Administrative Services

Gordon S. Hamson, Director *GAH* Phone: 465-3852
Legislative Research Agency Date: 1/26/95

Approved By: Pamela A. Vami, Executive Director
Agency: Legislative Affairs Agency

Pamela A. Vami

Date: 1/26/95

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

CONTINUATION OF FISCAL NOTE SSSB 19

SSSB 19 proposes convening the Twentieth Alaska Legislature in the Municipality of Anchorage. This fiscal note was prepared using assumptions and analysis prepared by the Legislative Research Agency and this office.

This analysis is limited to the direct fiscal impact on the state government of moving the Legislature to the Municipality of Anchorage. It does not attempt to evaluate the various socio-economic impacts on either Juneau or the Municipality of Anchorage, nor does it attempt to evaluate the cost of inconvenience and inefficiency associated with the physical separation of the Legislative and Executive Branches of Government or the value of benefits that might be derived from the move.

The estimates presented in this fiscal note are conservative--that is, they may understate the actual expenses that might be incurred if the move were to take place. For example, our estimate of the lease rate for a legislative building assumes that the structure will provide Class A office space, but the requirements for custom-fitted chambers, meeting rooms, and private legislative offices could cause the lease rate to be substantially higher. Also, we have assumed no new furniture would be purchased, nor a computer system. In fact, the Legislature would probably need some of both.

The following assumptions were made in preparing this fiscal note:

- All Legislative offices and positions now permanently located in Juneau will move to the Municipality of Anchorage except a portion of the Juneau Legislative Information Office, Juneau Legislator's offices, a portion of the Ombudsman's Office, and most of the offices of Legislative Budget and Audit. Approximately 100 positions will be transferred to Anchorage to provide data processing, printshop, maintenance, supply, legal, research, personnel and financial support services for the Legislature in an efficient manner.
- The Legislature will lease available commercial office space, as is, without major renovation, in the Anchorage area. At some future date the Legislature or the Municipality of Anchorage may decide to build a new capitol. This fiscal note does not attempt to address these costs.
- State agencies currently leasing privately owned offices in Juneau will relocate to the Capitol to fill state owned space. There will be a one time cost to remodel the Capitol to maximize the use of space.

Personal Services

1. There would be no increased personal services expenditures or savings. There would be a cost shifting of full time positions transferred from Juneau to the Municipality of Anchorage. In addition, session positions currently filled in Juneau would be transferred to Anchorage.

SSSB 19 (Continued)

Travel

2.	Estimated <u>one time</u> transportation costs for moving Agency full-time personnel to the Municipality of Anchorage (estimate 50 people)	727,800
3	Estimated annual savings from decreased legislator moving expenses	-122,209
4	Estimated annual savings due to more Legislators residing within 50 miles of the Capitol (reduced session per diem)	-210,150

Contractual

5	Estimated <u>one time</u> costs to move legislative offices to the Municipality of Anchorage	216,000
6	Estimated <u>one time</u> costs in installing a telephone system and voting machine installation	490,967
7	Estimated annual lease cost of building(s) in the Municipality of Anchorage	3,192,000
	Less existing Anc LIO lease (expires 5/98)	<u>- 436,930</u>
	Total additional annual lease cost	2,755,070
8	Estimated annual savings from consolidation of Juneau Office Space	
	FY 98 -988,196	
	FY 99 -1,039,300	
	FY 00 -1,039,300	
	FY 01 -1,039,300	
	State offices would move as their current leases expire.	
9	Estimated cost of moving Juneau state agencies to Juneau state owned office space FY98 - 136,000	-136,000

Capital

10	Estimated <u>one time</u> cost of renovating Capitol offices	1,400,000
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Legislative Research Agency

Alaska State Legislature



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Phone: (907) 465-3991
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January 26, 1995

MEMORANDUM

TO Pam Varni, Executive Director
Legislative Affairs Agency

FROM Linda J. Snow *L. J. Snow*
Legislative Analyst

RE Cost of Moving the Legislature to Anchorage
Research Request 95 085

This memorandum assesses the cost of moving the legislature from Juneau to Anchorage beginning the second session of the Twentieth Alaska State Legislature (1998)--as proposed in SB 19 and HB 71.

For the purposes of this assessment, we made the following assumptions:

- Either existing commercial office space will be leased, or a new office building suitable for the legislature will be constructed by the local government or a private party, and leased to the state
- All legislative offices and positions now permanently located in Juneau will transfer to the new location except a portion of the Juneau legislative information office, a portion of the Ombudsman's office, and most of the office of Legislative Auditor. We assume 50 of the 85 current employees will transfer
- State agencies currently leasing privately owned offices in Juneau will relocate to fill vacated state-owned legislative office space

In this analysis we estimate the *net* recurring annual costs of leasing sufficient office space in Anchorage. Thus these recurring costs reflect the savings which result from the legislature vacating leased office space in Juneau and from other state agencies currently in leased space moving into vacated state-owned legislative space.

This analysis is limited to the *direct* fiscal impact on the state government of moving the legislature. It does not attempt to evaluate the various socio-economic impacts on either Juneau or Anchorage; nor does it attempt to evaluate the cost of inconvenience and inefficiency associated with the physical separation of the legislative and executive branches of government, or the value of benefits that might be derived from the move.

The estimates presented in this memorandum are conservative--that is they may understate the actual expenses that might be incurred if the move were to take place. For example, our estimate of the lease rate for the new legislative building assumes that the structure will provide class A office space, but the requirements for custom-fitted chambers, meeting rooms, and private legislative offices could cause the lease rate to be substantially higher. Also, we have assumed no new furniture would be purchased, nor computer systems. In fact, the legislature would probably desire some of both.

In addition, we are presently unable to discern how several factors might affect the cost and schedule of reconfiguring Juneau office space. These include Chapter 37, SLA 93, which allows the state to extend current leases for up to five years in exchange for a reduction in lease costs and/or the lessor paying for the renovations necessary for compliance with the Americans with Disabilities Act (ADA), stipulations of the ADA on remodeling generally, and design constraints on remodeling the Capitol under the ADA. To date, seven such leases in Juneau have been extended in return for reduced leasing rates or attainment of ADA compliance. These factors affect the amount of leased office space that could be exchanged for state-owned offices, its cost and the year in which an exchange could be made.¹ Lastly, there are some costs that we cannot estimate without further specifics, such as professional space planning, and rewiring and cabling for electrical and telecommunications purposes.² The estimates are presented in current dollars. The effect of future inflation increases on these estimates will depend on the timing of the relocation.

¹It would not be economical to move offices to state-owned space if the state had a long-term lease agreement in place.

²According to Fay Bain, manager of the leasing and fiscal section with the Department of Administration, professional space planning would be required for a move of this magnitude.

SUMMARY

The annual net cost of relocating the legislature is estimated to be between \$1,907,641 - \$2,828,321 per year. This is shown below

Annual lease cost of new building	\$3,192,000 - \$4,200,000
Annual savings from consolidation of Juneau offices	(952,000) - (1,039,300)
Annual savings from decreased travel and per diem	(332,359)
Net Cost of Annual Lease	\$1,907,641 - \$2,828,321

One-time costs associated with relocating the legislature are estimated to be between \$2,529,845 and \$3,063,255 assuming one-half to two-thirds of the Capitol is useable for office space without major renovation. This estimate is shown below

Moving legislative offices	\$ 216,000
Moving legislative personnel	727,800
Renovating Capital offices	\$ 984,000 - \$1,400,000
Moving Juneau state agencies to state-owned space	111,078 - 142,550
Installing telephone system in new building	490,967 - 576,905
Total One-Time Costs	\$ 2,529,845 - \$3,063,255

The following sections explain the methodology and assumptions used to derive these estimates.

ANNUAL COSTS

In this section, we estimate the recurring annual costs of leasing commercial office space in Anchorage, or of leasing a building which would be constructed by the Municipality of Anchorage or a private party specifically for use by the legislature and leased to the state.

Legislative Building

In 1984, the Department of Transportation and Public Facilities commissioned Jim Steinman and Associates to analyze the space requirements for a proposed new legislative hall in Juneau (see Table A). The report states that the legislature will need approximately 120,000 square feet of space for legislative business by 1995. The legislature currently occupies 107,113 square feet of

space in Juneau, however, most legislators' offices are considered cramped. Also, we assume that office space will be made available in the legislative building for visiting executive branch employees doing business with the legislature. It is likely that a small, permanent governor's office will be located in the building. The building may also include space for the press, and perhaps a cafeteria or other amenities. Therefore, we assume a total of 140,000 square feet will be needed to house the legislative offices.

Two scenarios are presented for the cost of legislative space in Anchorage: 1) the state leases sufficient commercial office space in one or more existing buildings, and 2) the local government or a private party constructs a building to state specifications for the state to lease.

According to the Fall 1994 issue of *Market Watch*, a survey of office space in Anchorage produced by Karabelnikoff and Associates, a private real estate counseling firm, there is not 140,000 square feet of Class A space in any single facility in Anchorage at this time. As a result, we assume that the 140,000 square feet of office space required to house the legislative offices would be located in a number of existing buildings in proximity to each other, which may result in more space being needed.¹ It is also possible that by 1998, a currently existing building of that size could be renovated and ready for the state legislature, or that a private party or the local government would be able to build a legislative building by that time. We assume that the lease for a specially constructed building would be the same as for an existing building with the appropriate renovations.

Discussions with Gail Lamson, real estate analyst with Karabelnikoff and Associates, and with Stuart Bond of Bond, Stephens and Johnson, Anchorage's largest commercial real estate brokerage, revealed that lease prices for Anchorage office space have fallen recently due to economic stagnation and the recent vacating of several buildings. Leases of unimproved, fully serviced class A office space in the Anchorage area are currently priced at a range between \$1.60 to \$1.90 per square foot. However, the state recently renegotiated their lease on the Frontier building in Anchorage, and effective February 1, 1995, they will be paying \$2.15 per square foot for the fully serviced space with no renovations.²

¹According to Fay Bain with the Department of Administration, it is likely that, under this scenario, more space would be required for reception areas, copiers, and conference rooms in each building.

²This is a five-year lease, with no increase until 1997. Beginning in 1997, an escalator of 35 percent of base rent times the increase in the CPI rate will be added to the lease payment each year.

Pam Varni
January 26, 1999
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Since most leases include a "pass-through" escalator where the tenant reimburses the landlord for increases in operating expenses and property taxes each year of the lease, most include "rent steps" which raise the rent each year. Another factor which would increase the lease cost is the extent to which the buildings would have to be renovated to accommodate the legislature. Assuming that renovation would be substantial, those costs would be prorated onto the lease costs. One factor which would lower the cost of the lease is the fact that landlords with the prospect of vacant space may be willing to bid for lower lease rates in return for guaranteed long-term occupancy of a large space. However, by 1998 the market may have improved substantially, and additional costs may need to be added to the lease to entice a landlord to evict current tenants. Assuming substantial renovation costs, a current unrenovated class A space of about \$1.90 per square foot, we assume a renovated cost of \$2.25 to \$2.50 per square foot in current dollars. Thus, the required space of 140,000 square feet will cost between \$3,192,000 for unrenovated space, and \$4,200,000 per year for renovated space, not including the pass through escalator of about \$.10 per square foot per month (about \$168,000 additional per year).

If a new building were to be constructed for lease to the state, we assume that the building owner would charge close to the market rate for the lease. The Alaska Housing Finance Corporation (AHFC) recently decided to construct their own office building after examining all the alternatives, including leasing office space. Nola Cedargreen, Administrative Services Director for AHFC, said that her best lease offer came in at \$2.08 per square foot per month for a ten-year lease. The monthly square foot cost of space if they construct their own building is estimated at \$1.01 over ten years.

If a new building is constructed, it will be built to state specifications, including wiring for telecommunications and data terminals (these are typically provided by the leaseholder), but we assume it will not have telephones or computer systems installed, nor will it be furnished. We assume that a new telephone system will be installed, and the cost of this system will be a one-time cost separate from the building lease costs. Existing computer systems will be moved from Juneau and no new furniture would be purchased. (As a practical matter, some of the existing furniture would not be suitable and have to be replaced and some new computer equipment would be purchased.)

Note that the foregoing estimates may be low because of special design requirements for custom-fitted chambers, meeting rooms, and private legislative offices.

Consolidation of State Offices in Juneau

The cost to the state of leasing a building will be offset by savings from reducing the amount of leased office space in Juneau. These savings will come from two sources: 1) leases of space

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occupied by legislative agencies that will be relocated (522,960), and 2) lessen if space occupied by administrative agencies that can relocate to state-owned offices vacated by legislative agencies (between 562,931 and 5715,311)

The legislature currently leases 20,000 square feet of privately owned space in Helena as an annual cost \$123,900. In the event of a legislative move, these annual lease costs will no longer be necessary.

Currently, the Capitol is not configured to conform to most executive branch office space requirements. Probably only one-half to two-thirds of the space could be utilized as general office space. A renovation plan would doubtless seek to preserve the historical character of much of the building (historical preservation regulations may require it).

If the legislature relocates, approximately 97,510 square feet of state-owned office space in Helena will be vacated: 50,000 from the Capitol, 3,000 square feet from the State Office Building, and 1,410 from the Court Plaza (see Table B).¹ Of that total, 77,510 to 47,510 square feet would be available for other state agency offices, depending on Capitol building renovation. Another 5,000 square feet for storage would be available in the Community and Regional Affairs (CARA) Building. State offices which now lease will be able to move into state-owned office space in a variety to the state government. These savings, however, would be realized only after the current leases expire.

Table C shows hypothetical relocations of state agencies from private, leased offices to the Capitol and to other state-owned offices currently housing legislative offices for the following two scenarios: 1) the Capitol is not completely renovated and two-thirds or 40,000 square feet is available for offices, and 2) the Capitol is not completely renovated and one-half, or 20,000 square feet of space is available. Because it is not possible at this time to get an accurate estimate of the cost to renovate the Capitol locally, we did not attempt to "rehabilitate" agencies into the entire square footage (60,000 square feet). Also, we were unable to completely fill the vacated offices due to a dearth of available space and the square footage currently under lease (this is particularly true of the CARA storage space). (Because of Chapter 7, SLA 9), many of the state's leases have been renegotiated and extended. Therefore, many agencies will not be available to move into space vacated by the legislature in 1998 because they will still be under long-term lease obligations.

¹Each floor of the Capitol has approximately 15,000 square feet of space. We assume that the governor would remain on the third floor, and the ground floor would be used for legislative offices remaining in Helena, leaving four floors available for other state offices.

Annual savings to the state from relocating leased offices to state-owned space could be between \$628,031 and \$715,331. The addition of the savings which occur when the legislature vacates its leased space brings the total savings from consolidation of Bureau office space to between \$942,000 and \$1,070,300 annually. These savings would not, however, be fully realized until the current leases had all expired. Slightly more savings could occur as long-term leases for storage space expire and the space in the basement of the Community and Regional Affairs building is fully utilized.

Travel

It is assumed that the relocation will produce savings from reduced expenditures on legislative travel (excluding moving costs and per diem). Maria Schofield, with the Legislative Affairs Agency, estimated savings from decreased travel and moving expenses for the legislature. Ms. Schofield weighed the decreased travel and moving expenses for Anchorage-area legislators, and decreased expenses of other northern Alaska legislators against the decreased travel and moving expenses of southeastern Alaska legislators. The savings were estimated to be \$122,209. The estimated decreased cost in vehicles per diem was estimated at \$210,150 annually for a total annual savings of \$332,359.

ONE-TIME COSTS

We assume the following one-time costs associated with a legislative move to another location:

- moving judges legislative offices (furniture and equipment);
- moving judicial branch legislative personnel Aashborags;
- partially relocating the Capitol by lowering the lighting, and purchasing dividers and partitions with wiring and storage space;
- moving other state agencies into the Capitol and other state-owned vacated office space; and
- installing telephones and telecommunications equipment into the new legislative office space.

Moving Legislative Offices to Anchorage

According to the staff with the Legislative Affairs Agency, moving all Juneau-based legislative offices (furniture and equipment) from Juneau to the new location would require approximately 30 full-size (27-foot) vans. The cost of each 27-foot van would be approximately \$7,200 (transportation and labor), for a total of \$216,000 for 30 vans. This estimate assumes LAA employees would assist in the dismantling and loading of furniture, equipment and the print shop.

Travel and moving regulations require the state to pay moving expenses of relocated employees. The state pays for shipment of up to 10,000 pounds of household goods, air fare and per diem for the employee and spouse for a house-hunting trip, transportation to the new job location, and up to 15 days per diem after the move to secure permanent lodging. For purposes of this analysis, we assume the average employee who relocates has one spouse and one child under the age of 12 years.

Ship up to 10,000 pounds of household goods (including packing and insurance)	\$10,000
House hunting trip for employee and spouse	
Airfare to Anchorage for two (2 x \$444)	888
Per diem for 3 days	690
Incidental expenses	100
Ferry tickets (2 cars, 2 adults, 1 child) to Haines - winter rate	152
Mileage - 2 cars from Haines (2 X 3 x 785)	471
Per Diem - 10 days	<u>2,265</u>
TOTAL	\$14,556

Doubtless, some Juneau-based legislative employees would choose not to move north. Therefore, we assume that 50 of the 95 employees choose to relocate. Thus the estimate cost of moving 50 employees would be approximately \$727,500.

Renovating Capitol Building Offices

Table C presents hypothetical relocation schemes of state offices to fill vacated legislative space in the event of a move. The Capitol is not currently configured to conform to most executive branch office space requirements. If this space is not renovated, only one-half to two-thirds of the space could be utilized for general office space.

We present two scenarios in this analysis for the Capitol renovation. In 1991, Mr. Rod Wilson, an architect with the Department of Transportation and Public Facilities stated that the building could be partially renovated to create useable space without tearing down any walls.*

Recent communication with Mr. Wilson clarified that this was based on the understanding that work space would be created in the most economical manner possible. In determining the amount of useable space available, we assume that space currently functioning as office space would remain unchanged and that the meeting rooms would be partitioned into separate work stations. Although this would be the most economical, it is not conducive to an optimum work space configuration. In addition, the building has expansive aisles that are likely to reduce the "usable space" even further. Taking all this into account, it is estimated that one-half to two-thirds of the Capitol could be used (30,000 - 40,000 square feet).

The partial renovation would require installing an acoustic ceiling and dropping the lighting down to the new ceiling. The overall lighting cost is estimated at \$10.00 per square foot or \$600,000. In reality this money would be spent predominantly in retrofitting the larger meeting rooms with little retrofitting being done in the existing offices.

The purchase of partitions, shelving and storage would be required for the renovation of meeting rooms into office space. "Demountable" partitions are about \$150 per linear foot and Mr. Wilson estimates that this alone would cost approximately \$3,000 per work station. Another \$1,000 per station would be needed for modular desks and storage units. Depending on the amount of actual useable space (30,000 - 40,000 square feet) and the amount of this space located in meeting rooms (we assume between 40 and 50 percent), there could be between 96 and 200 work stations. At a total cost of \$4,000 per work station, the estimated total is between \$384,000 and \$800,000. Added to the allocation for lighting, partial renovation of the Capitol could cost between \$984,000 and \$1,400,000.

This estimate does not include renovations which may be necessary to comply with the requirements of the ADA, additional costs for plumbing, electrical, and telecommunications renovations (these cannot be made without more specifics), or the cost of complying with requirements and prohibitions that may exist as a result of the Capitol being a historic building.

*Linda Snow, "Fiscal Impact of Moving the Legislature to the Matanuska-Susitna Borough,"
Legislative Research Agency Memorandum 91-208, April 1991.

Moving Juneau State Agencies to State-Owned Office Space

Between 42,280 and 52,280 square feet of offices could be relocated as a result of the move (this includes moving Legislative Audit and the Ombudsman to the ground floor of the Capitol). Another 950 square feet of storage space could also be moved (there would be approximately 5,600 square feet of storage space available, however current leases for storage and warehouse are not conducive to being moved).

The Department of Administration, Division of General Service and Supply, is usually responsible for moving Juneau-based offices from one location to another. In 1991, Fay Bain, section manager for leasing in the Department of Administration stated that, as a rule of thumb, across-Juneau moves cost \$1.50 per square foot plus an additional cost to move large items such as copiers and large computer systems. If the telephone systems are owned by the agency, it would cost about \$100 to move each phone. Another rule of thumb was that each person requires 165 square feet of office space, which would mean between 226 and 290 people (and telephones) would move in the shuffling of Juneau office space. According to Ms. Bain, it was normal for her office to add another 30 percent to the total for contingencies such as moving copiers, large computers, etc., and/or renovating in addition to the previous renovation assumptions. Using 1991 data, the physical move would cost between \$102,000 and \$130,900. Adjusting this figure for 8.9 percent inflation since 1991 increases this cost to \$111,078 - \$142,550. These estimates do not include the additional expenses that may be necessary to bring the buildings into compliance with ADA, or the cost of any rewiring or cabling necessary (these cannot be estimated without further specifics).

Installing Telephones in the New Office Space

We assume that the new office space will be wired for phone systems and data terminals (computers). However, we assume that the space will not be furnished or equipped with a telephone system.

According to John Cameron, telecommunications planner with the Department of Administration, equipment and installation of a phone system suitable for legislative use will cost about \$1,050 per phone station, excluding the phones. Based on the number of phones currently in use, we assume that about 450 phones would be needed for the legislative building(s) at an estimated cost of \$472,500 for the basic set-up. Assuming the same types of phones would be used at the new location, if the phones currently in use by the legislature could be taken to the new location, the total cost would be approximately \$490,967. If however, new phones needed to be purchased, using the current configuration of phone types (display, nondisplay, with and without modules,

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January 26, 1995
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(c) the estimated cost for purchase of the phones only would be approximately \$576,905. The costs for enhanced features such as voice mail, conference call, bridging, automated attendant, announcement services, etc., could increase the cost substantially depending on the specific options purchased.

I hope this information is useful to you. Please call this office if you need further assistance.

Attachments

TABLE A
Space Requirements Data
for Proposed Legislative Hall in Juneau, 1984

Department/Agency	Quantities			Space Requirements		
	1986	1987	1995	1986	1987	1995
House	173	216	216	46,106	46,106	46,106
House Research	13	14	15	2,186	2,290	2,394
Senate	105	115	115	30,034	30,034	30,034
Senate Advisory Council	8	9	11	1,909	1,840	2,048
House & Senate Misc Shared				4,085	4,085	4,085
Legislative Affairs	119	146	157	28,597	31,015	32,651
Legislative Finance	10	12	14	2,549	2,757	3,017
Subtotal Legislative	428	512	528	115,466	118,127	120,335
Governor	52	58	59	14,149	14,725	14,871
Lieutenant Governor	8	10	10	2,294	2,459	2,459
Subtotal Executive	60	68	69	16,443	17,184	17,330
Emergency Operations Center	2	2	2	1,247	1,247	1,247
Miscellaneous				21,275	22,195	22,425
Subtotal Special Area	2	2	2	22,522	23,442	23,672
Subtotal	490	582	599	154,431	158,753	161,337
Plus Allowance for Volume/Rotunda				15,000	15,000	15,000
Net Square Feet Subtotal				169,431	173,753	176,337
Gross Square Feet / .75				225,908	231,671	235,116

Source: "State of Alaska Legislative Hall Pre-Design Program," 1984, by Jim Steiman and Associates

Prepared by the Legislative Research Agency, January 1995 (95 085A)

TABLE B
Legislative Utilization of Office Space in Juneau
1994

Building	Use	Square Feet	Annual Lease
<u>State-Owned Buildings</u>			
Capitol	Legislative Chambers & Offices/General Services/Documents	74,000	
Court Plaza	Ombudsman	1,510	
C&RA Building	Printshop (suitable for storage)	5,600	
State Office Building	Legislative Finance and Legislative Budget and Audit	6,000	
	Subtotal	87,110	
<u>Leased Space</u>			
Goldstein Building	Legislative Affairs/Legal Services/Legislative Research/Storage	20,004	323,969
	Subtotal	20,004	\$323,969
TOTAL		107,114	\$323,969

Source: Karla Scholfield, Accounting Supervisor, Legislative Affairs Agency

Prepared by the Legislative Research Agency, January 1995 (95 085B)

TABLE C
Hypothetical Transfer of State Offices from
Leased Space to State-Owned Space

66% (40,000 Square Feet)				50% (30,000 Square Feet)			
Department	Current Location	Square Feet	Annual Lease	Department	Current Location	Square Feet	Annual Lease
To the Capitol Building				To the Capitol Building			
H&SS	Harborview Building (2/96)	2,160	47,621 00	H&SS	Harborview Building (2/96)	2,160	47,621 00
H&SS	City and Borough of Juneau (6/95)	4,460	107,040 00	H&SS	City and Borough of Juneau (6/95)	4,460	107,040 00
Labor	Wildmeadow Village (4/96)	7,373	145,914 00	Labor	Wildmeadow Village (4/96)	7,373	145,914 00
ADF&G	Gross Alaska (2/96)	7,785	5,005 00	ADF&G	Gross Alaska (2/96)	7,785	5,005 00
ADF&G	Jordan Creek (8/97)	8,175	182,983 00	ADF&G	Jordan Creek (8/97)	8,175	182,983 00
Administration	Willoughby (8/95)	10,000	87,300 00				
SUBTOTAL.		39,953	\$575,863 00	SUBTOTAL.		29,953	\$488,563 00
To the State Office Building				To the State Office Building			
H&SS	Goldstein (9/97)	4,363	82,404 00	H&SS	Goldstein (9/97)	4,363	82,404 00
H&SS	5th & Franklin (3/97)	1,613	27,456 00	H&SS	5th & Franklin (3/97)	1,613	27,456 00
SUBTOTAL (3)		5,976	\$109,860 00	SUBTOTAL (3)		5,976	\$109,860 00
To Court Plaza Building				To Court Plaza Building			
H&SS	5th & Franklin (5/96)	1,090	22,092 00	H&SS	5th & Franklin (5/96)	1,090	22,092 00
From Leased Space to C&RA (Storage/Warehouse) (3)				From Leased Space to C&RA (Storage/Warehouse) (3)			
Education	Lemon Glacier Sub (5/95)	631	5,982 00	Education	Lemon Glacier Sub (5/95)	631	5,982 00
H&SS	Harborview Sub (2/96)	120	1,534 00	H&SS	Harborview Sub (2/96)	120	1,534 00
SUBTOTAL.		751	\$7,516 00	SUBTOTAL.		751	\$7,516 00
TOTAL.				TOTAL.			
POTENTIAL SAVINGS		47,770	\$715,331 00	POTENTIAL SAVINGS		37,770	\$628,031 00

These are hypothetical only. The full savings would not be realized until the current leases had all expired (October 1998 in the above scenario).

NOTE: Four floors of the Capitol would be available for offices. We assume the ground floor would be used for legislative offices remaining in Juneau (small I.O., Legislative Audit, Ombudsman, visiting legislators' offices) and that the Governor's offices on the third floor would remain.

(1) It is assumed that, given the opportunity, the Governor's office would expand its current space usage in the Capitol.

(2) Approximately 6,000 square feet would become available in the State Office Building by moving Legislative Audit to the ground floor of the Capitol and Legislative Finance to the new legislative location. The H&SS office listed above is the closest we could come to that figure with the existing leases.

(3) Approximately 3,600 square feet would be available for storage in the C&RA building. There are no existing leases for this amount.

Prepared by the Legislative Research Agency, January 1995 (95-085C)

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
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Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 25, 1995

SUBJECT: Sectional summary of bill relating to the location of the legislature.
(SB 19)

TO: Senator Randy Phillips

FROM: Tamara Brandt Cook *TBC*
Director of Legal Services

You have requested a sectional summary of the above-described bill.

Section 1 The legislature is required to convene for regular sessions in Anchorage at a location arranged by the legislative council.

Sec. 2 As a technical change to conform to the provision in Section 1, the Chief Clerk and Senate Secretary are required to remain at the location of the session until the completion of their work related to that session.

Sec. 3 As a technical change to conform to the provision in Section 1, a reference to the capital city is deleted and Anchorage is substituted.

Sec. 4 Technical changes to conform to the provision in Section 1 and to conform to preferred drafting style

Sec. 5 Technical change to conform to the provision in Section 1.

Sec. 6 Technical change to conform to the provision in Section 1.

Sec. 7 Technical change to conform to the provision in Section 1.

Sec. 8 The bill applies beginning with the convening of the Second Session of the Twentieth Alaska State Legislature (January 1998). Thus, in order to accommodate this bill, it will be possible to repeal the recently enacted FRANK initiative after February of 1997 as permitted under Article XI, section 6 of the state constitution.

TBC:klb/pl
95-013:klb

SECTIONAL ANALYSES



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

SESSION
State Capitol
Juneau, AK 99801
(907) 465-4949
800-478-4950
Fax: 465-4079

INTERIM
P.O. Box 142
Eagle River AK 99577
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SPONSOR STATEMENT

SB 19, "An Act relating to the location of the convening of the legislature in regular session."

Senate Bill 19 changes the location of the legislature from Juneau to Anchorage during legislative sessions, beginning with the second session of the 20th Legislature.

The people of Alaska want their legislature accessible, yet have consistently voted against a capital move because they are concerned about the cost. Moving only the legislature would cost relatively little, and would likely save the state money in the long run. More than half of our legislators live in Southcentral Alaska, thus much of the legislature's travel and moving costs would be eliminated. In addition, all branches of state government have offices in Anchorage, and one -- the Department of Military and Veterans Affairs -- is headquartered there.

Some would argue that the answer is not moving the legislature, but improving telecommunications systems. However, it is difficult to testify during a committee hearing or participate in a meeting with a legislator while sitting in a room hundreds of miles away. It is the special interest groups and lobbyists, with more money at their disposal than the average citizen, that are able to spend a great deal of the session in the halls of the capitol building.

There is no argument that Juneau is inaccessible. Inclement weather often forces the airport to close, especially during the winter months when the legislature meets, and overflights are a common occurrence. In order to drive to Juneau, one must first travel through a foreign country and then take a ferry to get there.

When Juneau became the capital of Alaska early in this century, it was the center of population for the state. That is clearly not the case anymore. It makes no sense for the legislature to continue to meet in Juneau, where the majority of the state's residents are unable to visit without undue expense and inconvenience. Moving the legislature to Anchorage will provide the majority of Alaskans access to their elected officials without great expense to the state.

RANDY PHILLIPS

State Senator

Box 142

College River, AK 99577


(907) 694-4949

1993

Report to the People

Senator Randy Phillips

Alaska State Senate



While in Session:

State Capitol

Juneau, Alaska 99801

(907) 465-4949

RESULTS -- DO NOT RETURN

Please keep for your information

Dear Friends and Neighbors,

Thank you for participating in my 1993 Legislative Questionnaire. Of the 10,413 questionnaires mailed, 1,065 or 10.2% were returned. The final tabulated results are indicated below. Please note that the percentages shown in each answer represent a percent of the total answering that question and not a percent of the total returned.

Legislature

Do you support or oppose moving the legislature from Juneau to Anchorage...not to move the capital, rather move the legislature?

<u>327</u> 31%	Support	<u>189</u> 19%	Oppose	<u>1016</u> TOTAL ANSWERS
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Arctic National Wildlife Refuge (ANWR)

The US Congress is considering several proposals relating to the Arctic National Wildlife Refuge (ANWR).

Which of the options below best describes your views on ANWR? (Please check one)

<u>373</u> 36%	Open entire area to oil exploration.	<u>1031</u> TOTAL ANSWERS
-------------------	--------------------------------------	---------------------------

<u>487</u> 47%	Open for exploration, except for the caribou calving "core" area.
-------------------	---

<u>171</u> 17%	No exploration
-------------------	----------------

Railbelt Energy Fund

This fund contains \$118 million for the purpose of developing future electrical energy sources for consumers along the Railbelt (Fairbanks to Homer). Because of declining oil revenues, this fund may be used as a source of money to make up any possible state operating budget shortfalls for fiscal year '94. Should the \$118 million be retained to develop future electrical energy sources along the Railbelt or should it be used for the operating budget?

<u>219</u> 23%	Retain for future energy sources.	<u>271</u> 27%	Use for operating budget.
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390 TOTAL ANSWERS

Do you favor continuing the _____ on major offenses such as
murder, rape, or kidnapping, or do y _____ tult to 14 years of age?

260

SURVEY

254

Continued on page 10

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

November 21, 1994

SUBJECT: Effect of Proposition #5 (FRANK Initiative)
(Work Order No. 9-LS0183A)

TO: Representative Pat Carney

FROM: Jack Chenoweth
Legislative Counsel



You have asked for our comments and observations regarding the effect of the initiative appearing on the general election ballot as Proposition #5, commonly known as the FRANK Initiative. The FRANK Initiative was approved by the voters; a related initiative calling for relocation of the state capital to Wasilla, Proposition #3 on the recent general election ballot, failed of passage.

Recall that the FRANK Initiative imposes a condition precedent on the expenditure of state money to relocate the legislature or the capital from the present location of the seat of government. That condition is, as you know, voter approval of

a bond issue that includes all bondable costs to the State of the relocation of a functional state legislature or capital to the [proposed] new site over the twelve-year period following such approval.

The FRANK Initiative was not coupled or linked to voter approval of the capital relocation initiative that appeared on the same general election ballot at which the FRANK Initiative itself was approved. It has a viability apart from any one particular legislative or capital relocation proposal and, indeed, applies to each legislative or capital relocation proposal that is authorized by law or by popular initiative. Hence, upon receipt of a copy of the certificate of the general election results, the revisor of statutes will assign the text of the initiative one or more statute or "AS" section numbers and arrange for publication of the initiative in the body of the Alaska Statutes as a permanent law provision.

The provisions of the FRANK Initiative take effect as law 90 days after certification of the election results by the lieutenant governor. It appears to me that they would become operative concurrently only with the taking effect of an initiative or legislative enactment--a statute--calling for a relocation of the legislature or the capital from Juneau. I say that

because, in its section 3, the Initiative directs that a nine-member commission¹ is to be established

to determine the costs required by initiatives or legislative enactments authorizing relocation of any of the present functions of state government.

The FRANK Initiative is not without its problems and uncertainties. This memo identifies and discusses several questions concerning the Initiative's legal effect.

1. What is the status of the nine-member commission called for by the FRANK Initiative?

The FRANK Initiative calls for establishment of a commission whose work, generally, is to involve ascertaining certain costs associated with a proposed relocation of the site of the convening of the legislature or of the capital. Unusually, the Initiative's section 3 provides:

The Legislature shall establish a commission composed of nine members, including a chairperson and two persons from each judicial district, appointed by the Governor and confirmed by the Legislature . . .

Establishment of a Capital Relocation Commission is not self-executing;² its establishment requires a legislative act

Whether an initiative can compel the legislature to exercise its law-making powers is a significant question.³ Generally, if an initiative, not self-executing, seeks to accomplish a particular objective by directing the legislature to exercise its law-making authority to a particular end, the initiative's directive contemplates some action on the part of the legislature. When asked to compel the legislature's performance to follow an initiative's directive, courts will usually decline to do so, City of Jackson v. Nims, Commissioner of Revenue, 26 N.W 2d 569 (Mich. 1947) (initiated constitutional amendment directing making of annual grants to school districts, regarded as mandatory, but not self-executing, does not compel grant

¹ That "commission" is not formally named in the Initiative. For purposes of this memo I will call it the "Capital Relocation Commission."

² A statute is regarded as self-executing when it can be given reasonable effect by its own terms and is not dependent upon further legislative action in order to become operative.

³ The FRANK Initiative's sponsors might have side-stepped this question by directly providing for a nine-member commission, for example, by saying, in the Initiative's section 3 that "There is established a commission composed of nine members . . ." Instead, the Initiative directs the Legislature to act.

Representative Pat Carney

November 21, 1994

Page 3

payments in absence of legislative action), reasoning that to compel the legislature to take action would contravene a constitutional power that has been vested in the legislature.

Consequently, even treating the FRANK initiative's establishment of a Capital Relocation Commission as "mandatory," the legislature, it seems to me, is free to establish the commission or not establish one, as it sees fit. Appreciate, however, that if the legislature is free to establish or not establish a commission and does not do so, other acts relating to proposals to relocate the legislature or state capital from Juneau must be held in abeyance.

2. Upon certification of the results of the general election and the taking effect of the FRANK Initiative, must the governor appoint the members of the nine-member commission?

Upon certification of the election results, the governor may not be required to appoint the members of the commission, simply because, for the reason noted above, the establishment of the commission is not self-executing and there is, on that date, no commission in place to which the governor is authorized to make appointments.

The FRANK Initiative, arguably, in my view, gives the legislature latitude to determine the timing of the appointments to the Capital Relocation Commission. The Initiative's approach is, it seems to me, sound in that there would seem to be no sense in establishing a commission and making appointments to it when the commission members had, in fact, no relocation proposal before them to which to give attention.

If the legislature determines to provide for the appointment of a Capital Relocation Commission, it should, in my judgment, at the same time consider whether provision should be made in that legislative enactment for the appointment of the membership of the Capital Relocation Commission in the absence of passage of a statute or voter approval of an initiative authorizing or directing relocation of the site of legislative sessions or of the state capital.⁴

3. Does the FRANK Initiative prohibit the legislature or the public from considering and giving effect to proposals to relocate the state capital or the site of legislative sessions?

⁴ On the matter of the appointment of the membership of the commission, in a footnote, Assistant Attorney General Barbara Blasco's November 30, 1993, Opinion to Lieutenant Governor mentions the problematical application of the FRANK Initiative's legislative confirmation requirement. Ms. Blasco notes that "the legislative confirmation requirement may run afoul of the separation of powers doctrine because the legislature would be interfering with an executive function." I agree.

Necessarily, the legislature, acting by law, and the people, acting by initiative, are not barred from further considering and giving effect to proposals to relocate the capital or the site of the convening of the legislature. The Initiative's primary condition--voter approval of bondable costs--seems to presuppose that a proposal to relocate the site of legislative sessions or of the state capital has already become law. However, execution of any legislative enactment or popularly-approved initiative that would require expenditure of any state money must be delayed until a bond issue has been approved. The determination of those bondable costs, along with some other pertinent information, must be made by the commission. The net effect, then, would seem to be this. Unless the legislature has first acted by law to establish a Capital Relocation Commission generally within the parameters described in section 3 of the FRANK Initiative, the commission has prepared its estimates, and the legislature has presented those estimates in the form of a proposed bond, then activity to support a relocation that requires expenditure of state money may not occur.

4. To what circumstances involving relocation of state government functions would the FRANK Initiative's provisions apply?

In its concluding section, the FRANK Initiative speaks of the commission's role as one intended "to determine the costs required by initiatives or legislative enactments authorizing relocation of any of the present functions of state government" (Emphasis added). A question arises, then, as to the precise nature of a legislative enactment or popular initiative that would necessarily trigger necessary Capital Relocation Commission activity and the Initiative's primary contingency before any government function could be transferred to another location.

While it is possible to read this last sentence of the Initiative to require that the commission act in the event of any proposed relocation of a present state government function, including, say, a relocation of one or a handful of state employees from Juneau, I think that would be treated as a strained interpretation. The provision must be read in relation to other sections of the Initiative including, notably, the documents "Purpose" provision, its section 1

PURPOSE: The purpose of this initiative is to guarantee to the people their right to know and to approve in advance all costs of relocating the capital or the legislature, to insure that the people will have an opportunity to make an informed and objective decision on relocating the capital or the legislature with all pertinent data concerning the costs to the State, and to insure that the costs of relocating the capital or the legislature will not be incurred by the State without the approval of the electorate.

Substantively, the FRANK Initiative contemplates Capital Relocation Commission review of proposals to relocate one of the three branches of the state government--the legislature (including, presumably, its attendant agencies)--or of the state government operations that occur at the state capital. When read in context, then, reference to "any of the present functions of state government" would surely be interpreted to mean those functions that are

generally commensurate with relocation of at least the legislature or of at least the offices that are characteristic of a functioning state capital

In my opinion, so long as a relocation that is proposed by law does not arise to the level of the movement of the legislature (with its associated agencies) or of the offices that are characteristic of a functioning state capital, Capital Relocation Commission activity to ascertain relevant relocation costs would not be required. However, in order to retain some flexibility with respect to relocations of individual positions, the legislature may choose to consider to amend this language in the last section of the initiative by law in order to make this point clear

5 Does the FRANK Initiative prevent the legislature from convening in special session in locations other than Juneau?

The FRANK Initiative probably would not bar the legislature from convening in special session at a location other than Juneau

AS 24 05 100(b) permits special sessions to be held outside Juneau. The constitution limits the duration of special sessions to 30 days. Article II, section 9. Special sessions that involve a convening of the legislative members and necessary support staff in another location may involve the acquisition of temporary chambers and offices, the payment of per diem for persons serving away from their homes at that site, and other dislocations that require extraordinary expenditures. Nonetheless, that relocation does not amount to a removal of those members, their staff, and others associated with the legislative process away from Juneau in a way that is permanent. Since the principal purpose of the FRANK Initiative contemplates evaluation of relocation costs--especially those that would involve the construction or acquisition of capital facilities or quarters for the legislature at an alternative site without expectation that the legislature would ever again convene in regular session at Juneau--then requiring commission action and voter approval of "bondable costs" of such a temporary relocation would seem to be inconsistent with that purpose.

The FRANK Initiative was enacted as an initiative and, as such, is subject to certain procedural limitations imposed by article XI, section 6 of the state constitution

An initiated law may not be repealed by the legislature within two years of its effective date. It may be amended at any time.

The legislature has the first opportunity to determine the manner in which to modify the Initiative in order to better accommodate its requirements to the practical limitations of state government. Some of these incidental questions may surely be addressed, in the first instance, by legislation proposing amendments to the Initiative.

MEMORANDUM

State of Alaska
Department of Law

TO Hon. John B. "Jack" Coghill
Lieutenant Governor


DATE November 30, 1993

FILE NO 663-94-0267

TEL NO 465-3600

SUBJECT Initiative application
relating to the relocation
of the Alaska Legislature
or the Capital of Alaska

FROM


Barbara J. Blasco
Assistant Attorney General
Governmental Affairs Section - Juneau

I. Introduction and Summary

You have asked us to review an application for an initiative relating to the relocation of the Alaska legislature or the capital of Alaska. The application and the proposed bill comply with the constitutional and statutory provisions governing the use of the initiative. Therefore, provided the required number of signatures and addresses of qualified voters have been submitted, we recommend that you certify the application and so notify the initiative committee. Preparation of the petitions may then commence in accordance with AS 15.45.090.

II. Summary of the Proposed Bill

The bill proposed by this initiative application requires that before state money may be expended to physically relocate the capital or the legislature from the present location, the voters must approve, in a statewide election, a bond issue that includes all bondable costs to the state of the relocation "of a functional state legislature or capital to the new site over the twelve year period following such approval."¹ Sec. 2. This section also

¹ The proposed initiative is quite similar to the initiative adopted in 1978 popularly known as the "FRANK Initiative." The 1978 FRANK Initiative required that before state money could be expended to physically relocate the capital from Juneau, the voters would have to approve, in a statewide election, a bond issue which included all bondable costs of the relocation through 1992. The bondable costs were to be determined by a commission created by the
(continued...)

provides that the commission established in Section 3 of the bill "shall determine all bondable costs and total costs" of relocation, including but not limited to certain specified types of costs.

Section 3 of the bill calls for the legislature to establish a commission composed of nine members (a chairperson and two members from each judicial district) appointed by the governor and confirmed by the legislature. Section 3 states that the commission is to "determine the costs required by initiatives or legislative enactments authorizing relocation of any of the present functions of state government."

Section 1 of the bill is a purpose section. It states that the purpose of the bill is to guarantee to the people their right to know and to approve in advance all costs of relocating the capital or the legislature; to insure that the people will have an opportunity to make an informed and objective decision on relocation; and to insure that the costs of relocation will not be incurred by the legislature without the approval of the electorate.

III. Analysis

Under AS 15.45.070, the lieutenant governor is required to review an application for a proposed initiative and either "certify it or notify the initiative committee of the grounds for denial." The grounds for denial of an application are that (1) the proposed bill is not in the required form; (2) the application is not substantially in the required form; or (3) there is an insufficient number of qualified sponsors. AS 15.45.080.

A. The Form of the Application

The form of an initiative application is proscribed in AS 15.45.030. That statute requires that an application include

¹(...continued)
legislature. In determining bondable costs, the commission was required to also determine total costs to the state. The 1978 initiative stated that its purpose was to insure that the people of Alaska would have the opportunity to make an intelligent and objective decision on relocating the capital with all pertinent data available to them concerning the costs to the state, and to insure that the costs of relocating the capital would not be incurred by the state without the approval of the electorate. In 1982, the voters rejected a ballot proposition that would have authorized the issuance of bonds to finance relocation of the capital. Upon failure of this proposition, the FRANK Initiative and all other existing legislation relating to the relocation of the capital was repealed. § 1 ch. 54 SLA 1981.

(1) the proposed bill to be initiated; (2) a statement that the sponsors are qualified voters who signed the application with the proposed bill attached; (3) the designation of an initiative committee of three sponsors who will represent all sponsors and subscribers in matters relating to the initiative; and (4) the signatures and addresses of not less than 100 qualified voters. The application meets the first three requirements. With respect to the fourth requirement, your office must determine whether the application contains the signatures and addresses of not less than 100 qualified voters.

B. The Form of the Proposed Bill

The form of a proposed initiative bill is prescribed by AS 15.45.040, which requires that (1) the bill be confined to one subject; (2) the subject be expressed in the title; (3) the enacting clause state, "Be it enacted by the People of the State of Alaska;" and (4) the bill not include prohibited subjects. The prohibited subjects--dedication of revenue, appropriations, the creation of courts or the definition of their jurisdiction, rules of court, and local or special legislation--are listed in article XI, section 7, of the Alaska Constitution and in AS 15.45.010. Constitutional amendments are also a prohibited subject. Starr v. Hagglund, 374 P.2d 316, 317 n.2 (Alaska 1962).

We conclude that the proposed initiative meets the requirements of AS 15.45.040.² However, additional comment on the subject matter limitation concerning appropriations is necessary.

The initiative may not be used to make or repeal an appropriation. Alaska Const. art. XI, § 7; AS 15.45.010. The Alaska Supreme Court has reviewed and defined what constitutes an impermissible appropriation by initiative. Thomas v. Bailey, 595 P.2d 1 (Alaska 1979); Alaska Conservative Political Action Comm. v. Municipality of Anchorage, 745 P.2d 936 (Alaska 1987); City of Fairbanks v. Fairbanks Convention and Visitors Bureau, 818 P.2d 1153 (Alaska 1991); McAlpine v. University of Alaska, 762 P.2d 81 (Alaska 1988).

² We are unable to locate an attorney general's opinion on the issue of whether the 1978 FRANK Initiative met the requirements for an initiative. However, the initiative was placed on the ballot and approved by the voters on November 7, 1978. There are several opinions concerning the FRANK Initiative and related legislation, including a lengthy opinion by Attorney General Avrum H. Gross addressing the requirement that "all bondable costs" be approved by the voters before the expenditure of any money to physically relocate the capital. 1978 Op. Att'y Gen. No. 9 (Feb 16; 663-78-0469).

This initiative provides that prior to the expenditure of state money to relocate the capital or the legislature from the present location, the voters must approve a bond issue that includes "all bondable costs" to the state of relocation of the capital or the legislature over the twelve year period following such approval. It also states in the purpose section that a purpose of the initiative is to guarantee to the people their right to know and to "approve in advance all costs" of relocating the capital or the legislature.

The initiative's requirement of voter approval of a bond issue does not constitute an appropriation. The Alaska Supreme Court considered the distinction between a bond authorization and an appropriation in Thomas v. Rosen, 569 P.2d 793, 797 (Alaska 1977). In Rosen, the court was faced with the question of whether the governor's exercise of the item veto with respect to a general obligation bond authorization was unconstitutional because a bond authorization was not an "appropriation." The court held that general obligation bond authorizations do not qualify as appropriations under article II, section 15 of the Alaska Constitution, which empowers the governor to use his power of veto to "strike or reduce items in appropriation bills." Therefore, the governor's exercise of the veto power violated separation of powers. In reaching this conclusion, the court found a variety of distinctions between state debt financing and other appropriations from public revenues.

Section 2 of the proposed initiative provides that the voters must approve a bond issue that includes "all bondable costs" of relocation of the legislature or the capital. The people clearly have the authority to approve the incurrence of state debt for capital improvements. Alaska Const. art. IX, § 8. This bill does not appropriate any funds for this purpose nor does it "designate the use of state assets in a manner that is executable, mandatory, and reasonably definite with no further legislative action." McAlpine v. University of Alaska, 762 P. 2d at 91. Thus, this section of the proposed bill does not cause the initiative to make an appropriation.

3 The proposed bill does not contain any appropriation language. However, even if it did, that would not necessarily make the bill an "appropriation." The act at issue in Rosen contained language indicating that in the event of voter approval for the issuance of the bonds, funds were to be "appropriated" out of the general fund to carry out the provisions of the act. The court determined that this language did not make the act an appropriation. 569 P.2d at 797.

The statement in section 1 that one of the purposes of the bill is to guarantee to the people their right to know and "approve in advance all costs of relocation" also does not constitute an appropriation. This language is problematic only in that it indicates an intent to have the people approve "all costs," which could include costs covered by a legislative appropriation for an item not covered by a bond issue. Items funded by appropriation are not subject to approval by initiative or referendum. However, the inclusion of this language does not cause this initiative to make an appropriation. See McAlpine, 762 P.2d at 91. Whether this language would be effective to require submittal of legislative appropriations to the voters is a question of implementation that may have to be addressed at a later time, but does not constitute grounds for denial of certification of the application.

In addition, section 1 is the purpose section of the bill; the mandatory requirements concerning voter approval are in section 2. Section 2 provides that prior to the expenditure of state money to relocate the capital or the legislature, the voters must approve "all bondable costs to the State"; it does not require voter approval of "all cost" or "total costs." In fact, Section 2 specifically distinguishes between "bondable costs" and "total costs" when it states that the commission is to determine both of these types of costs.

Finally, this interpretation of the proposed bill is consistent with the Alaska Supreme Court's mandate that "the people's right of initiative should be liberally construed." McAlpine, 762 P.2d at 91. If an initiative can be interpreted in a manner consistent with the constitution, that interpretation must prevail. Boucher v. Engstrom, 528 P.2d 456, 462 (Alaska 1974).⁴

IV. Impartial Summary of the Proposed Bill

AS 15.45.090(2) requires that the initiative petitions include an impartial summary of the subject matter of the bill. We recommend the following for purposes of the impartial summary:

⁴ Section 3 of the proposed bill provides that the members of the commission are appointed by the governor "and confirmed by the legislature." The members of this commission would not be subject to confirmation under article III, section 26 of the Alaska Constitution. Thus, the legislative confirmation requirement may run afoul of the separation of powers doctrine because the legislature would be interfering with an executive function. Even assuming it does, however, this is not a basis for denying certification of the application.

Hon. John B. "Jack" Coghill
Lieutenant Governor
AGO File: 663-94-0267

November 30, 1993
Page 6

"An Act relating to the relocation of the
Alaska Legislature or Capital of Alaska"

This bill, if passed, would require that before state money may be expended to relocate physically the capital or the legislature from the present location, the voters must approve, in a statewide election, a bond issue that includes all bondable costs to the state of the relocation of a functional state legislature or capital to the new site over the twelve year period following such approval. It would also require that the total costs of relocation be determined. Bondable costs and total costs include: moving personnel and offices to the relocation site; planning, building, furnishing, using and financing facilities at least equal to those provided by the present capital city; and the social, economic and environmental costs to the present and relocation sites. The bill would establish a nine-member commission, appointed by the governor and confirmed by the legislature, to determine all bondable costs and total costs.

V. Conclusion

For the reasons discussed above, we recommend that you certify the initiative application and so notify the initiative committee. Please contact us if we can be of further assistance.

BJB:kh

cc: Joseph Swanson, Director
Division of Elections

Frontiersman
9/94

Special session cost: \$150,000

By JONATHAN McNEILLY

It is anticipated that Wasilla taxpayers will have to convene a special legislative session in Juneau on Monday, and Rep. Pat Carney says that cost could be a lot cheaper if the state capital was already in Wasilla.

"It would save a great chunk of what it is going to cost," said the Wasilla Democrat. "I don't know how to judge how much cheaper, but we got a

something legislator who would not have to be flown down there at all."

Executive Director Pam Varni of the state Legislative Affairs Agency said she anticipates it will cost roughly \$30,000 to cover the round-trip transportation costs to send 57 legislators to Juneau for the single-issue session.

"I assume most of the them will be flying," said Varni, "though some could take the ferry."

There are only three legislators — two representatives

and a senator — who live year-round in Juneau.

Legislators will also rack up an estimated \$7,000 in per diem costs, for a three-day total of \$21,000, said Varni. The money is to pay for housing, meals and other living expenses.

With additional state and legislative staff called back to work, Varni said, it will cost roughly \$50,000 a day to hold the special session.

Lawmakers were called back

See SESSION, Page A10

SESSION: Only 3 days

Continued from Front Page

to amend a state law to help resolve issues surrounding the state's Mental Health Land Trust settlement. The session is expected to take no longer than three days.

The state could save money, said Carney, on the transportation cost for some 50 lawmak-

ers who live within driving distance of Wasilla.

Also, if a legislator lives within a 50-mile radius of the capitol they receive a reduced per diem, said Carney, increasing the possible state savings.

"I guess it is only safe to say that it would be a lot cheaper, and everybody can relate to that," said Carney.



Juneau folks say leave if you like By almost 2-1, Juneau residents in October defeated an initiative to levy a new 2 percent sales tax to raise \$50 million for a new state Capitol. The building would have replaced the old federal courthouse that Alaska has used as the Capitol since statehood. The proposal was intended to combat two initiatives now circulating for the 1994 election that would relocate the capital from Juneau to someplace up the road.

Rental housing now even

The Associated Press

JUNEAU — People are living in tents, filling up homeless shelters and, in some cases, leaving Juneau because they can't find a place to rent.

"It's really awful," said Maria Mattson, rental manager for RE/MAX of Southeast. "I have never seen it this bad."

Juneau has the tightest rental housing market in the state. It has become worse since the late 1980s. A state survey last year placed the vacancy rate at 1.4 percent. This year it is down to 0.8 percent.

Rental agents say a rate that low means there is virtually nothing available, which isn't news to those who have tried to find a place to live in the capital.

"I'm about ready to give up," said Mason Billingsley, formerly of Anchorage. He, his wife and teen-age son have searched for two months.

The family has camped in their pickup

truck and stayed at a motel. His wife recently left for Skagway to stay with relatives while Billingsley stayed at a downtown shelter and worked at a fish processing plant.

Mattson said she gets up to six calls a day from rental seekers, even though her office has no rentals available.

When a rental becomes available, it's not cheap. Rents average \$487 for efficiency apartments, \$618 for one-bedroom units, \$798 for two bedrooms and \$1,017 for three.

Billingsley, a carver by trade, says he no longer even worries about the cost of a rental. He just wants a place to live.

"When one comes open, the competition is just ridiculous," he said. "We would even be happy with an efficiency."

At the University of Alaska Southeast, housing director Tish Griffin is looking

harder to find in Juneau

for apartments, basements and spare rooms that can be rented to students who will begin arriving in September for the fall term.

"I've got 22 families and 61 single students on the waiting list," she said. Griffin said she may take in a renter herself. "It's just a desperate situation."

Tim Kingwell, who quit a job in Sitka with plans to move his family here while he studies for a teaching degree, is among the frustrated.

"As soon as there's something in the paper ... either the house has already been rented or they only want to give it to you for a month," he said.

At the Glory Hole shelter and soup kitchen, officials are considering a change in its open-door policy. This summer many of the shelter's 38 beds have been filled by out-of-state students working at

the Taku Smokeries fish plant.

Executive director Ellen Northup said the students, all men, are saving money for college as they live essentially rent-free and get free meals.

Those using the shelter can stay up to 30 days, or 60 days if they have a job. The rule was designed to give the homeless enough time to save up to move into their own place, Northup said.

But the shelter board may change that rule. Northup said one option is to evict people after they receive their first paycheck. The move is supported by Taku Smokeries.

"We feel very strongly that if someone is staying there and making very good wages, then they should at least donate a portion of their salary to the Glory Hole," Taku personnel manager Loma Gregg said.

Lawmakers isolated in Juneau;

It was my privilege and pleasure to be a legislative staff member and travel to and live in Juneau for 4½ months this past winter.

After 31 years in Alaska, this was my first time in Juneau, first time in Southeast, and all that I had ever heard about how beautiful it is, is true. The people were gracious, the meeting of the sea and the mountains, awesome. And, I not only got to see the legislature in action, after an interest that spanned these past 31 years, but was able to be there every day of this past session.



**FIRST
PERSON**

What an education. Contrary to what the newspapers, radio and television news would have had me believe before, the legislators do not only come to life in the last 10 days of the session, operate in a wild frenzy, and vote on unread legislation — just to end the session and get back home.

These people hit the ground running

from the very first day, and it appeared to be "standard operating procedure." Committee meeting schedules were announced immediately, and committee meetings began immediately (where most of the work really happens), and these committee meetings continued daily, nightly and on weekends throughout the session. As a staff member, I was often in the capitol throughout the session from first thing in the morning until late hours at night — so were many legislators.

As a resident of Alaska and an interested citizen, I have always been actively involved in what is going on in our glorious state. Alaska has been good to me, and I feel the very least I can do is "care back." Alaska gives us all the opportunity to really count, if we take the time to speak up.

I have been one of those who sends Public Opinion Messages to my legislators, calls them and the governor, and writes letters when appropriate — and the gratifying thing is, the legislators and governors have always responded, most times on a personal basis. I also served as a council member on the Girdwood City Council, when Girdwood

constituents isolated from Juneau

was a city before unification, and have worked for community organizations over the years.

I am actually proud of many of our politicians. Many of them are people who also love Alaska, have enjoyed the benefits of living here, and they want to "give back."

Having been to Juneau, as I said in the beginning, I fell in love with Juneau, and appreciate its charm. However, having lived with 31 years of frustration for not being financially or logistically able to be, in face-to-face touch with my legislators, and having a real longing for just wanting to know how the process works, it was more apparent to me than ever this past winter that the legislature is isolated in Juneau.

For several days our legislators "overflowed" Juneau and sat in Sitka, Seattle, or flew back to Anchorage, due to snow or fog. It not only kept our legislators from being on the job, but we got no mail, in or out, no newspapers to let us know what was going on in our home communities, and a true feeling of isolation.

If anyone out there has ever felt isolated from their legislators during the

time they are in session in Juneau, let me tell you, the isolation is also felt from there as well. We do not get Anchorage radio news, we do not get Anchorage television broadcasts, and the Anchorage newspaper costs \$1.25 daily and \$2.50 on Sundays — so we scrounge for and share whatever hometown news we can get.

I do not advocate moving the whole capital. Most of the business done during the session is done with administrative people by phone anyway, but, I think it is long past time to move the legislature to a "people access" location — I want to drive to it, whether as a staff member or a constituent, and I want every other Alaskan to have that opportunity. It should not take 31 years to be able to sit in the gallery and watch your legislators in action, or walk in their door and speak to them when they are actually in the process of passing legislation that affects every one of us on a daily basis.

Move the legislature to where we can all drive to it (How about a building on the state fairgrounds? It is state land already, and it is not used during the time that the legislature is in session.)

— Patti Zantek

Moving the capital an argument often revisited

It's as predictable as rain in Juneau. Just about every year, a legislator from somewhere in Alaska floats a bill proposing that the capital be moved from Juneau to some more convenient spot — say, in that legislator's district.

Among the first bills proposed this session were proposals to move the legislature from its millions from Juneau to Anchorage and to the Mat Su "to bring government closer to the people," according to one of the sponsors. Gee, where have we heard that before?

It turns out that people have been saying such things ever since the legislature opened for business in Juneau in 1913. Without reviving any sort of debate over an issue that many of us wish would just go away, it's interesting to see how Juneau responded to such threats in its early years.

Part of the problem in the early years was that Juneau wasn't properly set up to host such an august body. There weren't any suitable buildings and it was a little embarrassing. As the Empire quoted a businessman, "As a matter of civic pride, the people of Juneau should take more interest in the situation." Another said, "There is hardly another town in all Alaska that would have been caught in the unprepared state that now confronts Juneau in the matter of entertaining and caring for visitors."

The first session was held in the Elks Hall on North Franklin Street. When the legislature considered asking for money to build a federal building, the first suggestions to move the capital elsewhere emerged. One legislator called Juneau "this little wart of a place that isn't even in the Territory."

In following years, as the legislature shifted to other buildings in Juneau, including the Goldstein Building, lawmakers did their best to acquire federal money to build a real Capitol. The money was



SHERRY SIMPSON

Turn Back the Pages

In 1921, a lawmaker noted that repeated discussion of capital moves had caused 'common talk' in Washington, D.C., that Alaskans were 'generally recognized as a people who could not agree among themselves ...'

promised, appropriated and then delayed several times, most notably by World War I. The present capitol wasn't completed until 1931.

In the meantime, capital move talk became more than talk. In 1915, a resolution was introduced to move the capital to Seward. In subsequent years, similar proposals were made and defeated. The complaints became familiar — if not tiresome — over the years. People said Juneau's weather was terrible, its location inconvenient, the town unsuitable and airline schedules were too infrequent.

The Empire constantly portrayed Juneau as the best possible place to host territorial government. In 1917, an editorial welcomed legislators by reminding them that Juneau residents were friendly and giving. "If, in the rush of business, the people of the community should overlook anything, it must be remembered that our population is composed of Christian men and women who believe in the biblical injunction, 'Ask and ye shall receive.' Therefore, if any visiting lawmaker sees anything he wants, and there should be forgetfulness in offering it to him, he has but to ask for it — or take it." A brave offer indeed.

In 1919, the Alaska Daily Empire made a rather unfortunate argument that Juneau was a major city and should therefore host the

government. "The capital of a state should be in the metropolis — the place where people go most in connection with business and for other purposes. The old theory that a state capital should be a city where the main industry is state business is not based on sound principles. It is well for the servants of the public to be where they are under the watchful eye of their masters — the people — and where they can come into contact with the greatest possible number of average citizens." This, of course, was the exact argument advanced decades later who thought Anchorage would make a far better capital city.

In 1923, the Juneau newspaper made another argument that later was turned around. "There is no town in Alaska whose resources are more diversified than those of

Juneau. This place depends upon no one thing. She leads as a mining center and takes a high place as a center for fishing, lumbering and tourist traffic." In more recent times, Juneau defended itself from the capital move by arguing that it didn't have any other major economic resources (which it didn't) other than state business. Moving the capital would kill the town, people argued. Today, some worry that the prospect of establishing a mining economy in Juneau would give capital move proponents a pretext for a new campaign.

Then, as now, proposals were seen either as worthy of serious debate or frivolous gestures that diverted legislators from Alaska's real problems. In 1921, a lawmaker noted that repeated discussion of capital moves had caused "common talk" in Washington, D.C.,

that Alaskans were "generally recognized as a people who could not agree among themselves." So much so that in 1925, one lawmaker suggested rotating the capital through every town and village, starting with Hyder and heading north.

More proposals continued over the years and some saw a transfer north as inevitable. In 1948, legislator Oscar Dale of Fairbanks commented, "Take a look at the map and you can see the capital is going to be moved eventually. It's too far from the center of the Territory."

After statehood was achieved in 1959, moving the capital became the most divisive issue facing the fledgling state. Governor Bill Egan said, "The chief accomplishment of this controversy has been to cause deep and wide sectional wounds at a time when all Alaska must be united." Many newspapers and legislators, including some Anchorage lawmakers, felt Alaska had better things to worry about and not enough money to pay for such a move. Observations some would make today.

Not everyone in Juneau lined up behind their hometown. In 1929, a letter writer commented, "I have never occurred in those struggling so hard to keep the capital in Juneau that there are many of the Gastineau Channel residents that would just as soon see it go."

In 1940, as the battle gained momentum and appeared headed for a ballot, two of the move's main

supporters were Anchorage Times publisher Iloh Atwood and Anchorage Rep. Earl Hillstrand. A four-day log bank that shut down Juneau in January proved to be great ammunition for Hillstrand, prompting the representative from Nukunuk to pen one of his liner talks.

"Once an eager young fellow named Earl"

"Gave the pocket to Juneau a while"

"Yes — when the log banked his way"

"He lost more than a day"

"But gained a juicy tomato to boot"

The poet was Jay Hammond, later to become governor and unofficial poet laureate of Alaska.

A ballot initiative in 1960 to move the capital north was defeated, but the vote signaled only the first round in the state's most acrimonious argument ever. Five subsequent elections, in 1962, 1974, 1976, 1988 and 1992, were required to settle the capital move question. But judging from the perennial re-appearance of bills such as those introduced this session, no Juneau resident should ever assume that the capital of Alaska is permanently established at the foot of Mount Juneau.

Sherry Simpson is a former Juneau Empire reporter with an interest in Alaskan history. She researched and wrote the text for the Alaska Geographic publication "Juneau."

Dense Juneau fog stops air traffic and political business

By RALPH THOMAS
Daily News reporter

JUNEAU What do Senate President Rick Halford and Cookie Monster have in common?

Neither could reach Alaska's capital city Tuesday.

Halford, a Chugiak Republican, had a legislative session to run. Monster, a Sesame Street

muppet, was supposed to make a celebrity appearance in the Capitol to promote public television.

But an immense and dense fog bank — the Great Fog of '94 — kept planes from getting anywhere near this place for the fifth straight day. By Tuesday, Alaska Airlines was trying to move a backlog of some 100

passengers and 150,000 pounds of freight in and out of Juneau. Besides stalling the mail and stealing the mountains, the fog has paralyzed the legislature and thrown a chill into Juneau residents trying to fend off a capital move.

Ten lawmakers Tuesday were still trying to return from week-end trips. The day's Senate floor

session — with a second drug-presiding officer and only 11 other members present — consisted of a prayer, a pledge and a motion to adjourn. The words "canceled" and "postponed" were scrawled all over the committee schedule boards outside the House and Senate chambers.

Please see Back Page, FOG

FOG: Planes can't see to get in or out of Juneau

Continued from Page A1

The weather also cut into the capital city's free food and booze circuit. Officials from the city of Valdez and the Alaska Coal Association were fogged out and had to scrub legislative receptions.

"We've got people strolling all over the country trying to get here," said Ilona Barnes, R-Anchorage.

And, of course, there was the missing muppet. Actually it was a Cookie Monster suit that was fogged out. It was to be worn by Juneau residents working in shifts at a local mall and at the Capitol.

"I'm crumpled," said Barnes, who was to have thrown a reception for the blue puppet in her office. "All these little kids that wanted to see the Cookie Monster."

For the legislature, still in its sleepy early session mode, the fog is a disruption but not a disaster. Lawmakers have until almost mid-May to finish their work.

For Juneau, however, these knee-high clouds

couldn't have come at a worse time. Yet another statewide capital move vote is looming. Although Juneau has defeated past capital move efforts, people in this government hamlet are wary.

Tuesday's edition of the Juneau Empire, for example, included a front-page story about the mayor forming six committees to make the city a better capital.

Last fall, Juneau's political and business leaders tried unsuccessfully to convince local taxpayers to pay for the construction of a new Capitol. Their theory was that a grand new building would anchor the late Roy government in Juneau.

And now Juneauites are getting downright defensive about their weather.

"It's not Juneau that's causing this problem," explained Senate Minority Leader Jim Duncan, a Juneau Democrat. "It's an act of nature."

Tough, say people in the move-the-capital crowd. Rep. Pat Carney said Ju-

neau's "access problem" was a big reason he led a petition drive last year that got the capital move issue on next November's general election ballot.

"It always has been a problem," said Carney, whose ballot measure would move the capital close to his home in Wasilla. "It always will be a problem as long as the capital is in Juneau."

But Duncan said Juneau's weather isn't the problem. It's out of town lawmakers who fly home so frequently.

"If they'd stay around and work, there wouldn't be a problem," Duncan said.

In the short run, however, the fog may be helping Juneau's cause. A bill that would move just the legislature to Anchorage has been trapped in a Senate committee since last year. Sen. Randy Phillips, R-Eagle River, and the bill's sponsor, tried last week to get his measure pulled from the committee but fell one vote short.

Phillips had planned to make another attempt Tues-

day, but some of the people he was counting on to vote were fogged out.

Though January was particularly bad month for getting in and out of Juneau, airline officials and weather forecasters say this week's fog is a freak.

"I've been working here since 1976 and it's the longest I can remember," said Jerry Kvasnickoff, Alaska Airlines' customer service manager in Juneau.

Bob Mosley, a meteorologist for the National Weather Service, said no records are kept that would show whether this is the longest no-flight stretch for Juneau.

"But this has to rank up there at the top," Mosley said.

Mosley said the weather pattern that has kept the fog in place over much of Southeast — no wind and lots of moist, cold air trapped close to the ground — should begin to change today.

But, as Alaska Airlines agent Mary Mackinnon noted, "That's what they've been saying all week."

September 24, 1993

Post-Net brand fax transmittal memo (93)		# of pages # 2	
To	From		
CC	CC		
TEL	PHONE		
FAX	FAX		

Senator Randy Phillips
P.O. Box 142
Eagle River, AK 99577

Dear Senator Phillips:

I have been a local elected official for three years now, serving as a council member for the City of Homer. During those three years, I and my fellow members have made frequent trips to Juneau during the legislative session.

I want to impress upon you the difficulties which are encountered by other elected officials when attempting to get to Juneau during the session.

Primarily, there is the costs of the trip. I have enclosed a comparison of the rates to and from Juneau, versus to and from Anchorage. While I'm sure these come as no surprise to you, you should review them from the perspective of the local officials, who are also trying to decrease their government costs. Homer's travel budget could be cut at least in half, if the session were held in South Central.

Extend that to the other local governments in this state, the vast majority of which route through Anchorage on their way to Juneau. It would be a substantial reduction for all of our budgets if we simply stopped in Anchorage.

There is also the problem of just landing in Juneau, as you are very well aware. I can only imagine the impact upon lost time which occurs as a plane circles Juneau, or routes to Seattle or back to Anchorage, only to try it again the next day.

Finally, this problem on the part of local officials is one which obviously extends itself to you, the state officials, and perhaps even more importantly, to your constituents as they attempt to keep in touch with the legislative process.

I urge you to give consideration to these points during any discussions you may have in the next session on location of the State's capital. In my opinion, this is one of the most critical issues you could address - one of public access.

Sincerely,

Brian Sweiven
3675 Main Street
Homer, AK 99603

12573

The Anchorage Times

"Believing in Alaskans, but not Alaska itself"

Editor: BILL I. ALLEN

Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM I. TOBIN

The Anchorage Times Community in this section of the Anchorage Daily News does not reflect the views of the Daily News. It is written and published under an agreement with several owners of The Times in the interest of preserving a diversity of viewpoints in the community.

Within easy view

IF YOU think Alaska would have a better government if the Legislature operated within easy reach of most of the people, you'll like the bill introduced last week by Republican Sen. Randy Phillips of Eagle River.

Co-sponsored by Republican Bert Sharp of Fairbanks, the measure (SB 26) calls for the Legislature to convene each year in Anchorage — at "an appropriate location" arranged for by the Legislative Council.

The purpose is readily apparent.

The Legislature now meets in Juneau — far removed from most of the people of the state; accessible only by air, unless you live in one of the few communities served by the South-



eastern ferries; costly and time consuming as a travel destination; generally isolated, and its legislative activities mostly out of touch and out of sight of a great percentage of Alaskans.

This is not a Move-the-Capital bill; it should be pointed out.

Juneau would remain the capital city. The only difference is that the legislative session would be held in Anchorage.

THERE HAVE been similar legislative proposals put forward in past years, calling for the Legislature to hold its sessions in successive years in Anchorage, Fairbanks, Ketchikan and Juneau.

That's a good idea, too.

But the Phillips-Sharp bill is more simple and clean cut.

Anchorage could accommodate the sessions with no problem — space is not at a premium. Half of the legislators give or take one or two, already have offices here.

And if the meetings were here, Alaskans everywhere would have easy access to the sessions — and no longer would our lawmakers be working in the confined and isolated atmosphere of Juneau.

Will this bill move forward? Don't bet on it.

More likely, it will be smothered in Juneau's fog and mist — like the Legislature itself, cut of sight and sound of most Alaskans.

Capital already moved to Anchorage

The capital move issue is back on the ballot this year. We'll get to vote on two initiatives, one to move the capital to Anchorage and one to make sure we approve of the costs before it's moved.

It will be an emotional and contentious issue. It won't be a rational debate. In fact, during the 29 years since we last considered the capital move there's been a change that makes the matter almost moot from a practical standpoint.

The capital has already moved. It's in Anchorage. All we're going to decide on the ballot is whether the Legislature, the governor and a few commissioners will follow, and how much we'll spend on their new offices.

One can see the extent of this de facto capital move by going through the directory of state officials. Don't bother if you can't find your copy. I did it for you.

The exercise confirmed a suspicion I'd had for more than a decade. As Anchorage became the center of the state's business and population, many state agencies had to move there just to function efficiently.

When I was about half-way through making up the list, two interesting trends began to appear.

First the agencies that actually do something, the ones that deal directly in a service to the public or working with major businesses, are in Anchorage, while the bureaucrats who just shuffle paper back and forth to each other stayed in Juneau.

Some examples? Anchorage is home to the Alaska Housing Finance Corp., the Alaska Railroad Corp., the Alaska Public Utilities Commission, the State Council on the Arts, the Alaska Energy Authority, the Alaska Industrial Development and Export Authority, the Alaska Municipal Bond Bank, the Alaska Tourism Marketing Council and the Alaska International Airport System.

The second thing I noticed, agencies that have divided themselves into geographic regions tend to group heavily in Anchorage and Fairbanks.

Let's look at some examples. One entire branch of state government, the Judiciary, is headquartered in Anchorage. That's



Fred Pratt

where the court administrator's office is, as well as the appeals courts.

The office of the Chief Justice of the Alaska Supreme Court moves around according to who has the job. It's been here in the past, but is now in Anchorage, where four of the five justices maintain their offices, even the one who was originally from Juneau.

It's perhaps no accident then to find the entire Department of Corrections in Anchorage, even the commissioner. The only agency of that department still in Juneau is the Parole Board.

The Department of Military and Veterans Affairs is also headquartered in Anchorage, from the adjutant general on down. Its only functions in Juneau are the administrative and support offices.

Three departments have their commissioners in Juneau and virtually all their operations in Anchorage and Fairbanks. In cases like these, the commissioner often maintains a second office in Anchorage where he spends most of his time, using the Juneau office as a *pied a terre* while in town for cabinet meetings and legislative hearings.

The Department of Community and Regional Affairs has only its commissioner and its administrative services in Juneau, while its two divisions are both in Anchorage.

The same is true for the Department of Public Safety. The Alaska State Troopers, the Division of Motor Vehicles, the Division of Fire Protection and the Division of Fish and Wildlife Protection are all headquartered in Anchorage.

The third example of this situation is the Department of Natural Resources. Its public relations office and seven of its eight divisions are in Anchorage. The eighth, the Division of Geological and

State divisions in Anchorage

The following is a list of state divisions headquartered in the Anchorage area. The divisions are listed under their respective departments.

- Department of Administration
 - Public Defender Agency, Office of Public Advocacy, Alaska Public Offices Commission
- Department of Commerce & Economic Development
 - Office of International Trade & Development, Division of Measurement Standards, Alaska Aerospace Development Corp., Alaska Energy Authority, Alaska Industrial Development & Export Authority, Alaska Public Utilities Commission, Alaska Railroad Corp., Alaska Tourism Marketing Council
- Department of Community & Regional Affairs
 - (Only the commissioner's office is in Juneau), Division of Municipal and Regional Assistance, Division of Community and Rural Development Division
- Department of Corrections
 - Commissioner, all divisions except Parole Board
- Department of Education
 - State Council on the Arts
- Department of Environmental Conservation
 - Pollution prevention
- Department of Health Education & Social Services
 - Governor's Council on Disabilities & Special Education,
- Department of Labor
 - Alaska Labor Relations Agency
- Department of Law
 - Office of Special Prosecutions & Appeals
- Department of Military & Veterans Affairs
 - Adjutant General, Alaska Division of Emergency Services, Alaska National Guard, Alaska Air National Guard, Alaska Army National Guard. (only administrative and support services in Juneau)
- Department of Natural Resources
 - Public Information, Recorder's Office, Pipeline Coordinator, Division of Agriculture (Palmer), Division of Land, Division of Water, Division of Forestry, Division of Oil & Gas, Division of Mining, Division of Parks & Outdoor Recreation, Alaska Oil & Gas Conservation Commission
- Department of Public Safety
 - Division of Fire Protection, Division of Fish & Wildlife Protection, Alaska State Troopers, Division of Motor Vehicles, Statewide Scientific Crime Detection Laboratory
- Department of Revenue
 - Oil and Gas Audit Division, Child Support Enforcement Division, Alaska Housing Finance Corp., Alaska Municipal Bond Bank, Alaska Science and Technology Foundation.
- Department of Transportation and Public Facilities
 - Alaska International Airport System
- Judicial Branch
 - Alaska Judicial Council, Chief Justice of Supreme Court of Alaska, Courts Administrator, Court of Appeals

Geophysical Surveys, is in Fairbanks.

As an example of the second point, let's look at where the Department of Law keeps its lawyers.

Its Juneau office has 33 lawyers listed in its civil law section, five in a criminal law section, and three in the district attorney's office. In Anchorage the Department of Law lists 74 in civil law, 12 doing criminal law work and 21 in the district attorney's office. In Fairbanks we have 14 in civil law and 11 in the district attorney's office.

I imagine a lot of the lawyers in the Juneau civil section are there primarily to draft bills and lobby the Legislature, and to oversee writing of regulations by other agencies.

So what would move if the capital

moved?

That's a good question. Juneau would presumably remain the regional headquarters for state agencies in Southeast Alaska, like Fairbanks is for the North and Interior.

The Legislature would move, and the token commissioners and administrative support offices would move as well. So would large units of the four departments that remain centered there, but there's a reason they'd have to hurry.

But this is perhaps why the capital move initiative this year doesn't propose some massive new city outside of Anchorage. Why bother?

Fred Pratt, a freelance writer living in Fairbanks, is a reporter and long-time observer of Alaska politics.

SB

37

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 37

Revision Date: _____ Dept. Affected: Department of Revenue
 Title: End Permanent Fund Dividend Hold Harmless BRU: Permanent Fund Dividend Division
 Component: Permanent Fund Dividend Division

Sponsor: Senators PHILLIPS, Taylor
 Requester: Senate State Affairs COMPONENT SERIAL NO. 981

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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 EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (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

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Page 2

Prepared by: Thomas C. Williams, Director Phone: 465-2323
 Division: Permanent Fund Dividend Division Date: 1/25/95
 Approved by Commissioner: [Signature] Date: 1/25/95
 Agency: Department of Revenue

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 37

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to permanent fund dividends BRU: Assistance Payments
 Component: AFDC
 Sponsor: Phillips
 Requestor: Senate STA COMPONENT SERIAL NO. 220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	00	00	00	00	00	00
TRAVEL	00	00	00	00	00	00
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES	00	00	00	00	00	00
EQUIPMENT	00	00	00	00	00	00
LAND & STRUCTURES	00	00	00	00	00	00
GRANTS, CLAIMS	(12,875.5)	(13,519.3)	(14,195.3)	(14,905.1)	(15,650.4)	(16,432.9)
MISCELLANEOUS	00	00	00	00	00	00
TOTAL OPERATING	(12,875.5)	(13,519.3)	(14,195.3)	(14,905.1)	(15,650.4)	(16,432.9)

CAPITAL EXPENDITURES

00 00 00 00 00 00

CHANGES IN REVENUES

0 0 0 0 0 0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	00	00	00	00	00	00
1003 GF Match	00	00	00	00	00	00
1004 GF	00	00	00	00	00	00
1005 GF, Program Receipts	00	00	00	00	00	00
1006 GF, MHTA	00	00	00	00	00	00
Other 1007 GA Receipts	(12,875.5)	(13,519.3)	(14,195.3)	(14,905.1)	(15,650.4)	(16,432.9)
TOTAL	(12,875.5)	(13,519.3)	(14,195.3)	(14,905.1)	(15,650.4)	(16,432.9)

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

SB 37 repeals the Permanent Fund Dividend Hold Harmless (PFD-HH) program. The PFD-HH program replaces the public assistance benefits of individuals who are denied benefits because federal law or regulation requires that their Permanent Fund dividend payments be treated as income or a resource (asset) in determining their eligibility for public assistance benefits. AS 43.23.075 holds public assistance benefits harmless for up to four months each year from the effects of receiving dividend payments.

Prepared by: Jim DeLman, Acting Director
 Division of Public Assistance
 Approved by Com: Karen Fritzsche
 Agency: Department of Health & Social Services

Phone: 465-2610
 Date: 1/20/95
 Date: 1/20/95

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ANALYSIS (cont.):

The PFD Hold Harmless program was established at the same time as the original, \$1000 PFD distribution in 1982. The legislature established the program to assure that low-income Alaskans could enjoy the benefit of the dividend program on the same basis as other Alaskans, without losing their eligibility for needs-based assistance.

Federal AFDC law requires that Permanent Fund dividends be treated as income for AFDC purposes. Dividend money retained beyond the month it is received must be treated as a resource. The dividend payments are unearned income, which reduces AFDC benefits by about 92 cents for each dollar of income. Families which retain dividend money lose AFDC eligibility if their total resources exceed \$1000.

The AFDC budget component includes PFD-HH funds transferred as Interagency Receipts to make payments to replace federally-matched AFDC benefits which would otherwise not be paid because of dividend receipt. The benefits replaced include AFDC grants which would be denied because of the dividend payments themselves as well as grants that would be reduced because federal AFDC policy requires that cash PFD-HH payments made in lieu of food stamps be treated as income for AFDC purposes.

The FY96 Governor's budget plans \$12,875,500.00 in PFD-HH expenditures to replace the AFDC benefits of 12,987 families including 39,639 individuals. The cost of PFD-HH benefits to replace AFDC in future years is projected to grow at 5 percent per year, based on anticipated annual caseload growth of 5 percent. The legislature has set maximum payment levels in the AFDC program. This fiscal note assumes the AFDC maximum payment levels will not change.

Under current law, a typical AFDC family is expected to receive \$780 in PFD-HH during FY 96 to replace one month's AFDC grant, and an additional \$272 in PFD-HH to restore AFDC grant reductions that result from receiving cash in lieu of food coupons. PFD-Hold Harmless benefits will not be paid to recipients if SB 37 becomes law. In most AFDC cases, recipients who receive dividends will become ineligible for benefits for one month, usually falling two months after the month they receive their dividend payments. Recipients who save enough of their dividend money to place them over the \$1000 resource limit will be ineligible until they have spent the money.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 37

Revision Date _____ Dept. Affected Health and Social Services
Title: No Act relating to permanent fund dividends BRU Assistance Payments
Component: General Relief Assistance

Sponsor: Phillips
Requestor: Senate STA COMPONENT SERIAL NO. 221

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	1,052.8	1,105.4	1,160.7	1,218.7	1,279.7	1,343.7
MISCELLANEOUS						
TOTAL OPERATING	1,052.8	1,105.4	1,160.7	1,218.7	1,279.7	1,343.7

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	1,052.8	1,105.4	1,160.7	1,218.7	1,279.7	1,343.7
1005 GF, Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0
TOTAL	1,052.8	1,105.4	1,160.7	1,218.7	1,279.7	1,343.7

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

SB 37 repeals the Permanent Fund Dividend Hold Harmless (PFD-HH) program. Without the protection of the PFD-HH program, most households receiving AFDC, Food Stamp, and Adult Public Assistance (APA) program benefits will become ineligible for assistance for one month each year. Because of the retrospective budgeting methodology in place for the AFDC, Food Stamp, and APA programs, the month of ineligibility will usually occur two months after the month the dividend is received. For example, if a family on public assistance gets its PFD checks in October, they will be ineligible for AFDC and food stamps in December.

Prepared by: Jim Deiman, Acting Director
Division: Division of Public Assistance
Approved by Com: Karen Verduin
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 1/30/95
Date: 1/30/95

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ANALYSIS (cont.):

The General Relief Assistance (GRA) program provides vendor payments of up to \$120 per person per month for emergency needs such as food, clothing, and shelter when no other resource is available to pay for them. AFDC and APA recipients are not generally eligible for GRA services because their cash grant meets their basic needs. Food Stamp recipients are not eligible for GRA for food purchases because their needs have already been covered.

The repeal of PFD-Hold Harmless imposed by SB 37 will substantially increase the number of people who are entitled to GRA. Recipients who do not conserve enough of their dividend money to meet their needs two months later when they lose their public assistance can be expected to apply for General Relief when they are confronted with eviction, lack of food, lack of heating fuel, or lack of adequate winter clothing.

Under SB 37, the following unduplicated numbers of individuals and cases are expected to be denied at least one month's benefits in FY96 as a result of receiving dividend payments:

<u>Program</u>	<u>Households</u>	<u>Persons Impacted</u>
AFDC	12987	39639
FSP*	3867	9668
APA	<u>7932</u>	<u>7932</u>
Total	24786	57239

* 66 percent of the Food Stamp caseload also receives AFDC and APA benefits. This unduplicated count represents 34 percent of the Food Stamp PFD-HH caseload.

We estimate that 15 percent of the affected cases, with an average household size of 2.8 persons, will be entitled to GRA benefits for one month as a result of the repeal of PFD Hold Harmless coverage imposed by SB 37.

$$24786 \text{ cases} \times 15\% = 3720 \times \$ 283 \text{ average payment} = 1052.8$$

The result will be an increase of 1052.8 in need for FY 96 General Fund appropriations to pay General Relief benefits for food, shelter, and clothing costs.

We assume a 5 percent annual rate of caseload growth for FY 97 through FY 01.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SH 37

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to permanent fund dividends BRU: Assistance Payments
 Component: Adult Public Assistance
 Sponsor: Phillips
 Requestor: Senate STA COMPONENT SERIAL NO. 222

Expenditures/Revenues:

	(Thousands of Dollars)					
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	00	00	00	00	00	00
TRAVEL	00	00	00	00	00	00
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES	00	00	00	00	00	00
EQUIPMENT	00	00	00	00	00	00
LAND & STRUCTURES	00	00	00	00	00	00
GRANTS, CLAIMS	(2,562.1)	(2,690.2)	(2,824.7)	(2,965.9)	(3,114.2)	(3,269.9)
MISCELLANEOUS						
TOTAL OPERATING	(2,562.1)	(2,690.2)	(2,824.7)	(2,965.9)	(3,114.2)	(3,269.9)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE

	(Thousands of Dollars)					
1002 Federal Receipts	00	00	00	00	00	00
1003 OF Match	00	00	00	00	00	00
1004 GF	00	00	00	00	00	00
1005 GF Program Receipts	00	00	00	00	00	00
1006 GF, HH, HA	00	00	00	00	00	00
Other 1007 HA Receipts	(2,562.1)	(2,690.2)	(2,824.7)	(2,965.9)	(3,114.2)	(3,269.9)
TOTAL	(2,562.1)	(2,690.2)	(2,824.7)	(2,965.9)	(3,114.2)	(3,269.9)

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 any current year (FY05) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

SB 37 repeals the Permanent Fund Dividend Hold Harmless (PFD-HH) program. The PFD-HH program replaces the public assistance benefits of individuals who are denied benefits because federal law or regulation requires that their Permanent Fund dividend payments be treated as income or a resource (asset) in determining their eligibility for public assistance benefits. AS 43.23.075 holds public assistance benefits harmless for up to four months each year from the effects of receiving dividend payments.

Prepared by: Jim Dolman, Acting Director Phone: 465-2680
 Division: Division of Public Assistance Date: 1/20/95
 Approved by Com: Karen Pardue Date: 1/20/95
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

The PFD Hold Harmless program was established at the same time as the original, \$1000 PFD distribution in 1982. The legislature established the program to assure that low-income Alaskans could enjoy the benefit of the dividend program on the same basis as other Alaskans, without losing their eligibility for needs-based assistance.

Dividend payments must be treated as unearned income for Adult Public Assistance (APA) purposes because the APA program operates as the state supplement to the federal Supplemental Security Income (SSI) program and the SSI program treats dividends as income. Medicaid services are available to APA recipients only if the APA program follows SSI income-counting rules. PFD-HH funds for the replacement of APA benefits are transferred as Interagency Receipts to the Adult Public Assistance component.

The FY 96 Governor's budget plans for expenditure of \$ 2,562,100 in PFD-HH funds to replace APA benefits which would otherwise be denied to 7,932 individuals. The cost of PFD-HH benefits in future years is projected to grow at 5 percent per year, based on anticipated annual caseload growth of 5 percent. The legislature has set maximum payment levels in the APA program. This fiscal note assumes the APA maximum payment levels will not change.

The typical FY96 PFD-HH payment to an APA recipient is expected to be \$323 to replace one month's benefit.

PFD-Hold Harmless benefits will not be paid to recipients if SB 37 becomes law. In most APA cases, recipients who receive dividends will become ineligible for benefits for one month, usually falling two months after the month they receive their dividend payments. Recipients who retain enough dividend money in the month after they receive it to exceed the APA program limit of \$2000 (\$3000 for a couple) will remain ineligible until they have spent the money.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 37

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to permanent fund dividends BHU: PPD Hold Harmless
 Component: PPD Hold Harmless
 Sponsor: Phillips
 Requestor: Senate STA COMPONENT SERIAL NO. 225

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	(472.7)	(486.9)	(501.5)	(516.5)	(532.0)	(548.0)
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(21,843.4)	(22,935.6)	(24,082.4)	(25,286.5)	(26,550.8)	(27,878.3)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(22,316.1)	(23,422.5)	(24,583.9)	(25,803.0)	(27,082.8)	(28,426.3)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF, Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1050 PFD Fund	(22,316.1)	(23,422.5)	(24,583.9)	(25,803.0)	(27,082.8)	(28,426.3)
TOTAL	(22,316.1)	(23,422.5)	(24,583.9)	(25,803.0)	(27,082.8)	(28,426.3)

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

Senate Bill No. 37 repeals the Permanent Fund Dividend Hold Harmless (PPD-HH) program. The PPD-HH program replaces the public assistance benefits of individuals who are denied benefits because federal law or regulation requires that their Permanent Fund dividend payments be treated as income or a resource (asset) in determining their eligibility for public assistance benefits. AS 43.23.075 holds public assistance benefits harmless for up to four months each year from the effects of receiving dividend payments.

The PPD Hold Harmless program was established at the same time as the original, \$1000 PFD distribution, in 1982. The legislature established the program to assure that low-income Alaskans could enjoy the benefit of the dividend program on the same basis as other Alaskans, without losing their eligibility for needs-based assistance.

Prepared by: Jim Dalman, Acting Director
 Division: Division of Public Assistance
 Approved by Com: Karen Peddie
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 1/20/95
 Date: 1/20/95

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ANALYSIS (cont.):

Repeal of the PFD Hold Harmless program will impact both the amount of assistance paid to individuals and families and the administrative effort required for the Division of Public Assistance to provide timely, accurate delivery of benefits. The Department of Health and Social Services has established interagency agreements with the federal agencies responsible for the AFDC and SSI programs. Those agreements, which substantially reduce the amount of case processing required when recipients receive dividends, would be nullified by SB 37. The administrative effort to process PFD Hold Harmless entitlements would be supplanted by the additional case processing effort required to suspend public assistance entitlements when dividend payments are distributed.

Technical Analysis

Sections 1 and 2 of the bill repeal the express authority at AS 43.23.025(a)(1)(E) and AS 43.23.028(a)(3) to fund the PFD-HH program with appropriations from the dividend fund.

Section 3 of the bill repeals the language at AS 43.23.075(b) and (c) that established the PFD-HH program in 1982. Section 3 retains the language at AS 43.23.075(a), which prohibits the treatment of dividend payments as income or resources for public assistance purposes unless federal law or regulation so requires.

Section 4 establishes an effective date of January 1, 1996. The Department of Health and Social Services contacted the sponsor's office to ascertain the sponsor's intent regarding the effect of this legislation on the calendar year 1995 dividend distribution. The sponsor's staff indicated that the intent is to end the PFD Hold Harmless program prior to the 1995 dividend season. This analysis therefore assumes an effective date of July 1, 1995.

Program Impacts

PFD-HH is paid to replace public assistance benefits in the following programs:

Aid to Families with Dependent Children (AFDC)

Food Stamp Program (FSP)

Medicaid

Adult Public Assistance (APA)

Supplemental Security Income (SSI)

ANALYSIS (cont.):

The FY 96 Governor's budget plans expenditures to replace benefits with PFD-HH funds according to the following schedule:

<u>Program</u>	<u>Cases</u>	<u>Persons Impacted</u>	<u>Formula Budget</u>
AFDC	12987	39639	12875.5
FSP	11373	36384	3688.1
Medicaid	NA	2000	1100.0
APA	7932	7932	2562.1
SSI	5630	5630	1617.7
Total FY 96 Grants			21843.4

PFD-HH funds for replacement of Food Stamp benefits are paid directly to recipients as cash in lieu of food coupons. In FY 96, a typical Food Stamp household is expected to receive one \$324 PFD-HH payment to replace a month's worth of food coupons.

PFD-HH funds for replacement of AFDC benefits are transferred as Interagency Receipts to the AFDC component of the Assistance Payments BRU.

In the AFDC program, PFD-HH benefits replace federally-matched AFDC payments which would otherwise not be paid because of dividend receipt. The benefits replaced include AFDC grants which would be denied because of the dividend payments themselves as well as grants that would be reduced because federal AFDC policy requires that cash PFD-HH payments made in lieu of food stamps be treated as income for AFDC purposes. A typical AFDC family is expected to receive \$780 in PFD-HH during FY 96 to replace one month's AFDC grant, and an additional \$27_ in PFD-HH to restore AFDC grant reductions that result from receiving cash in lieu of food coupons.

Under an interagency operating agreement with the federal Department of Health and Human Services, claims for AFDC federal matching funds are reduced to reflect the amount of benefits which would be paid if AFDC grants were denied because of dividend and food stamp hold harmless payments. This agreement saves substantial administrative effort because individual AFDC cases do not have to be suspended during the dividend season.

ANALYSIS (cont.):

PFD-HH funds for replacement of Medicaid benefits are transferred as Interagency Receipts to the Medicaid PFD Hold Harmless component of the Medical Assistance BRU. Most Medicaid PFD Hold Harmless benefits are paid on behalf of individuals who retain dividend money beyond the month they receive it, causing their household's resources to exceed program limits.

PFD-HH funds for replacement of APA benefits are transferred as Interagency Receipts to the Adult Public Assistance component of the Assistance Payments BRU. The typical PFD-HH benefit to an APA recipient is \$323 to replace one month's benefit.

PFD-HH funds for replacement of SSI benefits are paid under an interagency agreement to the federal Social Security Administration, which applies them as reimbursement for the cost of SSI benefits paid to individuals who receive dividends. PFD-HH benefits to replace SSI are expected to average \$287 per person in FY 96.

PFD-Hold Harmless benefits will not be paid to recipients if SB 37 becomes law. In most AFDC, Food Stamp, APA, and SSI cases, recipients who receive dividends will become ineligible for benefits for one month, usually falling two months after the month they receive their dividend payments.

The cost of PFD-HH benefits in future years is projected to grow at 5 percent per year, based on anticipated annual caseload growth of 5 percent. The legislature has set maximum payment levels in the AFDC and APA programs. This fiscal note assumes the AFDC and APA maximum payment levels will not change.

Administrative Impacts

The administrative cost of the PFD Hold Harmless program is based on estimates of the proportion of time used by Eligibility Determination staff to process case actions related to dividend payments and PFD-HH benefits. In FY 96, 472.7 in PFD-HH Contractual funds is planned to be transferred as Interagency Receipts to the Eligibility Determination component of the Public Assistance Administration BRU.

This analysis presumes that the intent of SB 37 is to preclude the appropriation of money from the Dividend Fund to administer public assistance. The cost of processing case changes resulting from the receipt of dividends is, therefore, shifted to General Fund.

ANALYSIS (cont.):

The administration of the PFD-HH program and the processing of case changes related to the receipt of dividend payments is funded through the transfer of 472.7 in PFD-HH Contractual funds as Interagency Receipts to the Eligibility Determination component. The repeal of the PFD-HH program proposed in SB 37 results in a small increase in the administrative effort required to take the dividend payments into account and process changes in the affected public assistance cases. The cost of processing is shifted to General Fund.

The time required to process Food Stamp cases would decrease because it would no longer be necessary to convert assistance to cash in lieu of food coupons and back again. The time to process AFDC, APA, and Medicaid cases in the absence of the PFD-HH program would increase substantially: under the Hold Harmless program, benefit authorization for these programs consists of the one-time entry of a few special computer codes. Without the PFD-HH program, action will have to be taken to suspend the benefits of each affected AFDC, APA, and Medicaid case, and to reinstate benefits after the month of suspension.

The need for staff is also expected to increase because of a substantial increase in General Relief applications from recipients who are unable to pay for rent or food when they lose their cash and food benefits two months after they receive their dividend checks. The Division of Public Assistance would make every effort to apprise recipients in advance that they will be retrospectively ineligible, but some recipients would inevitably fail to conserve enough dividend money to meet their future needs.

The offsetting effects of SB 37 result in a small increase in staffing needs in the Eligibility Determination component.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 17

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to permanent fund divi BRU: Public Assistance Administration
 Component: Eligibility Determination
 Sponsor: Phillips
 Requestor: Senate STA COMPONENT SERIAL NO: 236

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	86.0	88.6	91.2	94.0	96.8	99.8
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	86.0	88.6	91.2	94.0	96.8	99.8

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	43.0	44.3	45.6	47.0	48.4	49.9
1003 GF Match	43.0	44.3	45.6	47.0	48.4	49.9
1004 GF	472.7	486.9	501.5	516.5	532.0	548.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(472.7)	(486.9)	(501.5)	(516.5)	(532.0)	(548.0)
TOTAL	86.0	88.6	91.2	94.0	96.8	99.8

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

SB 37 repeals the Permanent Fund Dividend Hold Harmless (PFD-HH) program. The PFD-HH program replaces the public assistance benefits of individuals who are denied benefits because federal law or regulation requires that their Permanent Fund dividend payments be treated as income or a resource (asset) in determining their eligibility for public assistance benefits. AS 43.23.075 holds public assistance benefits harmless for up to four months each year from the effects of receiving dividend payments.

Prepared By: Jim Dalman, Acting Director
 Division: Division of Public Assistance
 Approved by Com: Karen Petdue
 Agency: Department of Health & Social Services

Phone: 461-2680
 Date: 1/20/95
 Date: 1/30/95

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ANALYSIS (cont.):

The PFD Hold Harmless program was established at the same time as the original, \$1000 PFD distribution in 1982. The legislature established the program to assure that low-income Alaskans could enjoy the benefit of the dividend program on the same basis as other Alaskans, without losing their eligibility for needs-based assistance.

Repeal of the PFD Hold Harmless program will impact both the amount of assistance paid to individuals and families and the administrative effort required for the Division of Public Assistance to provide timely, accurate delivery of benefits. The Department of Health and Social Services has established interagency agreements with the federal agencies responsible for the AFDC and SSI programs. These agreements, which reduce the amount of case processing required when recipients receive dividends, would be nullified by SB 37. The administrative effort to process PFD Hold Harmless entitlements would be supplanted by the additional case processing effort required to suspend public assistance entitlements when dividend payments are distributed.

Administrative Impacts

The administrative cost of the PFD Hold Harmless program is based on estimates of the proportion of time used by Eligibility Determination staff to process case actions related to dividend payments and PFD-HH benefits. In FY 96 472.7 in PFD-HH Contractual funds is planned to be transferred as Interagency Receipts to the Eligibility Determination component of the Public Assistance Administration BRU.

This analysis presumes that the intent of SB 37 is to preclude the appropriation of money from the Dividend Fund to administer public assistance. The cost of processing case changes resulting from the receipt of dividends is, therefore, shifted to General Fund.

The administration of the PFD-HH program and the processing of case changes related to the receipt of dividend payments require the equivalent of 10 permanent, full-time positions. The repeal of the PFD-HH program proposed in SB 37 results in an increase in the amount of administrative effort to take the dividend payments into account and process changes in the affected public assistance cases. We estimate that 11.8 permanent full-time equivalent positions would be needed to process dividend-related work.

The time required to process Food Stamp cases would decrease because it would no longer be necessary to convert assistance to cash in lieu of food coupons and back again. The time to process AFDC, APA, and Medicaid cases in the absence of the PFD-HH program would increase substantially: under the Hold Harmless program, benefit authorization for these programs consists of the one-time entry of a few special computer codes. Without the PFD-HH program, action will have to be taken to suspend the benefits of each affected AFDC, APA, and Medicaid case, and to reinstate benefits after the month of suspension. The need for staff is also expected to increase because of a substantial increase in General Relief applications from recipients who are unable to pay for rent or food when they lose their cash and food benefits two months after they receive their dividend checks.

The offsetting effects of SB 37 result in a small increase in staffing needs in the Eligibility Determination Component.

Position Title Eligibility Technician II		No. of Positions 2	Range/Step R14B	Bargaining Unit GGU
Time Status FT	Staff Months 12	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		60.4		
Benefits		25.6		
Premium Pay				
Other				
Total Personal Services		86.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		86.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	43.0		
1003	GF Match	43.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>SB 37 repeals the PFD Hold Harmless program and requires that individual AFDC, Food Stamp, Adult Public Assistance, and Medicaid cases be suspended for at least one month when dividends are received. The reduction in administrative need that results from the repeal of the PFD Hold Harmless program is more than offset by the increased time needed to process dividend payments as individual case changes and to handle an increased number of General Relief Assistance cases.</p> <p>Two additional Eligibility Technician case worker positions are needed to administer this additional workload.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Eligibility Determination (0236)

FY96

Page 1 of 1

Revised Date

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. _____ SB 37

Revision Date: _____
Title: Repeal PFD Hold-Harmless
Sponsor: Sen. Phillips
Requestor: Senate State Affairs

Dept. Affected Health and Social Services
BRU: Medical Assistance
Component: Medicaid Non-facility
COMPONENT SERIAL NO. 229

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	171.6	188.8	207.6	228.4	251.2	276.4
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	171.6	188.8	207.6	228.4	251.2	276.4
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	95.8	94.4	103.8	114.2	125.8	138.2
1003 GF Match	85.8	94.4	103.8	114.2	125.8	138.2
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other (Interagency Receipt)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	171.6	188.8	207.6	228.4	251.2	276.4

Estimate of current year (FY95) impact: 0.0

POSITIONS:

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

ANALYSIS (attach a separate page in necessary)

Senate Bill 37 repeals the Permanent Fund Dividend Hold Harmless (PFD-HH) program. The PFD-HH program replaces the Medicaid benefits of individuals who are denied benefits because federal law or regulation requires that their PFD payment be treated as income or a resource (asset) in determining their eligibility for medical assistance benefits. The legislature established the program in 1981 to assure that low-income Alaskans could receive their PFD on an equal basis with all other Alaskans, without the loss of eligibility for needs-based medical assistance.

Prepared by: Jon Sherwood, MAA IV
Division: Medical Assistance
Approved by: Karen Perdue
Commissioner: Karen Perdue
Agency: Department of Health and Social Services

Phone: 485-3355
Date: 1/30/95
Date: _____

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ANALYSIS (cont.):

The PFD-HH program allows Medicaid recipients to receive and retain PFD money for up to four months and still receive Medicaid services.

If the PFD-HH program is eliminated, most Medicaid recipients will continue to remain eligible in the month they receive the check. They could become ineligible for Medicaid if they chose to retain their PFD check and it puts them over the Medicaid resource limit in the following month.

Many individuals, however, will elect to spend their PFD check in the month of receipt to prevent that money from being considered a resource, those individuals will retain Medicaid eligibility. In absence of PFD-HH funds, the regular Medicaid funding will be necessary to cover these individuals, both in Medicaid Facilities and Nonfacilities. We anticipate that those individuals who receive Medicaid services in an amount equal to or greater than the amount of a permanent fund dividend are the individuals who will dispose of their PFD check and remain Medicaid eligible. Currently, 60% of annual Medicaid expenditures are for recipients who receive on average \$967 or more in Medicaid benefits each month. We anticipate the regular Medicaid budget will see a commensurate increase equal to 60% of the amount currently budgeted for the PFD-HH program (1.1 million) See companion fiscal note for Medicaid Facility to show related increase

The Medicaid expenditures shown reflect what would be a 10% growth (inflation and client growth) in future years in the cost of benefits.

MEDICAID NON-FACILITY CALCULATION

Current FY 95 PFD-HH funding:	\$1,100,000
% of PFD-HH costs shifted to Medicaid	<u>60%</u>
Medicaid cost of those retaining Medicaid	<u>\$660,000</u>
Less Medicaid Facility share of cost (74%)	<u>\$488,400</u>
Medicaid Non-facility expenditures born by Medicaid	<u>\$171,600</u>