

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

10018 HOUSE STATE AFFAIRS

Alaska State Legislature



Representative Bill Hudson

State Capitol
Juneau, Alaska
99801-1182
Phone: (907) 465-3744
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Committees:
Chair
Fisheries
Utilities Restructuring
Member
Transportation
State Affairs

MEMORANDUM

TO: Representative Jeannette James
House State Affairs Committee
FROM: Representative Bill Hudson *Bill*
SUBJECT: Hearing Request
DATE: February 16, 2000

I respectfully request that you schedule a hearing for HB 411, Distribution of Permanent Fund Income. This legislation is my highest personal priority and I would appreciate a hearing next week, so that we can move this as quickly as possible on to the Finance Committee.

Thank you for your consideration.



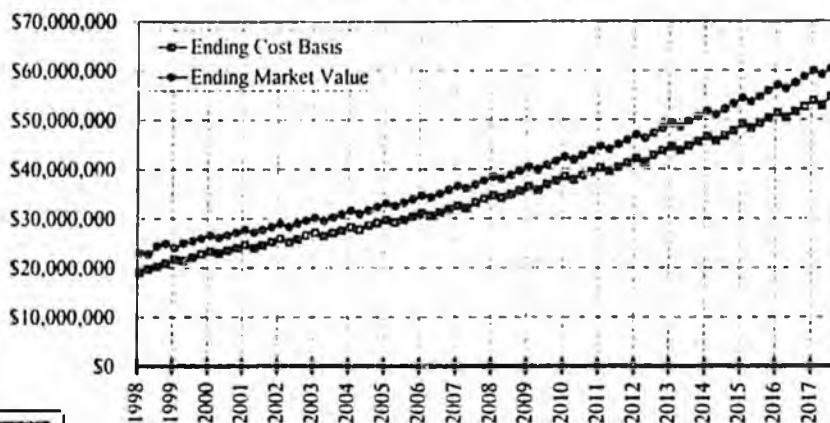
**Understanding POMV:
Percent of Market Value
Distribution of Fund Income**

**Prepared by the
Alaska Permanent Fund Corporation
February 2, 2000**

**Includes excerpts from a Callan Associates presentation
to the Senate Finance Committee on March 31, 1999**

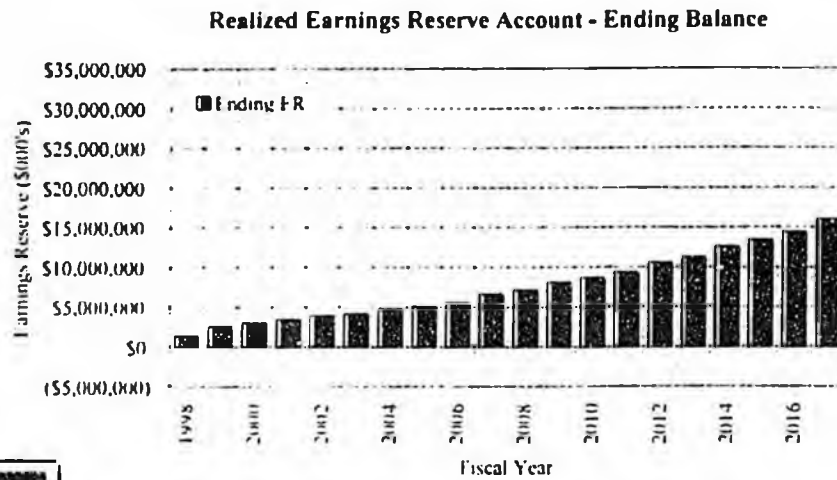
Fund Value
Base - Median Results

Cost vs Market Value of Assets



Reserve Account

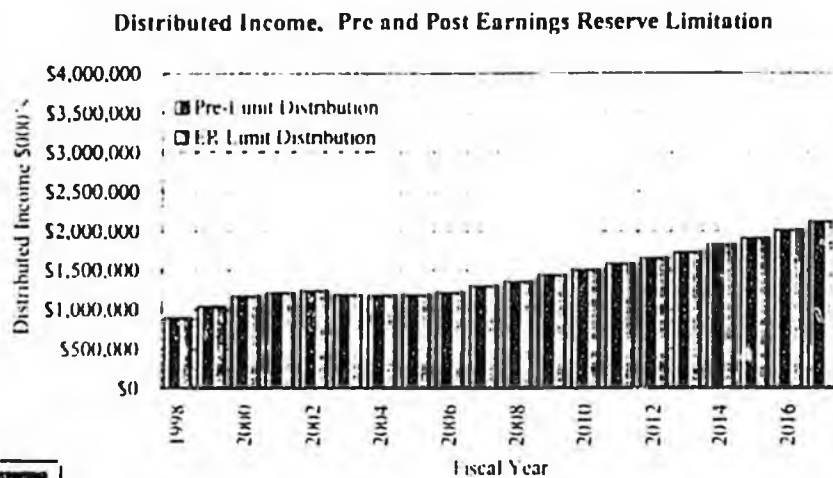
Base Case - Median Results



2

Distributed Income

Base - Median Results

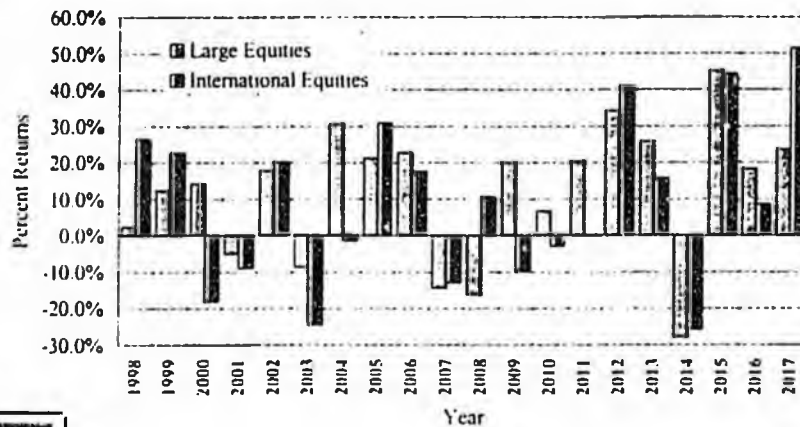


4

Equity Market Returns

Scenario #28 - (Introducing Risk)

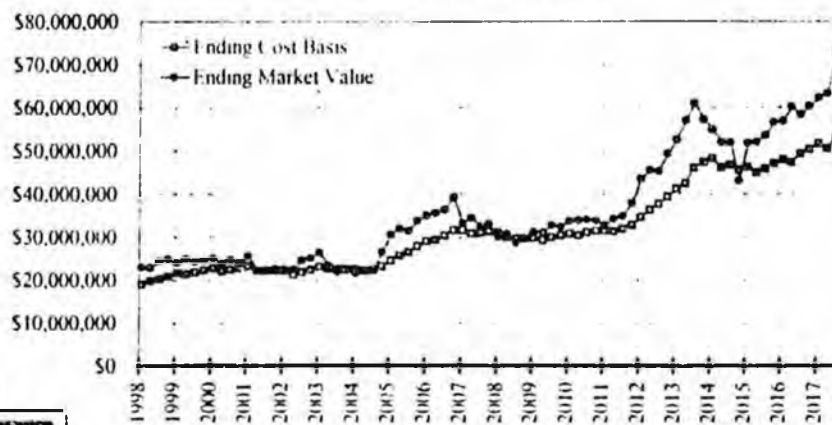
Equity Market Returns



Fund Value

Scenario #28 - (Introducing Risk)

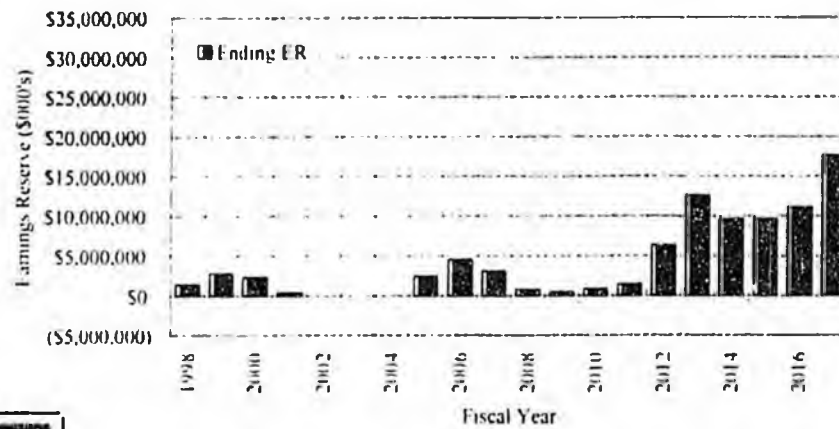
Cost vs Market Value of Assets



Reserve Account

Scenario #28 - (Introducing Risk)

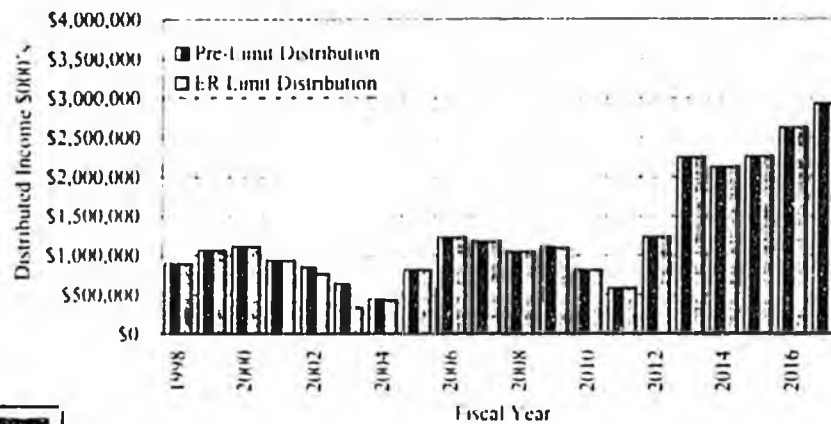
Realized Earnings Reserve Account - Ending Balance



Distributed Income

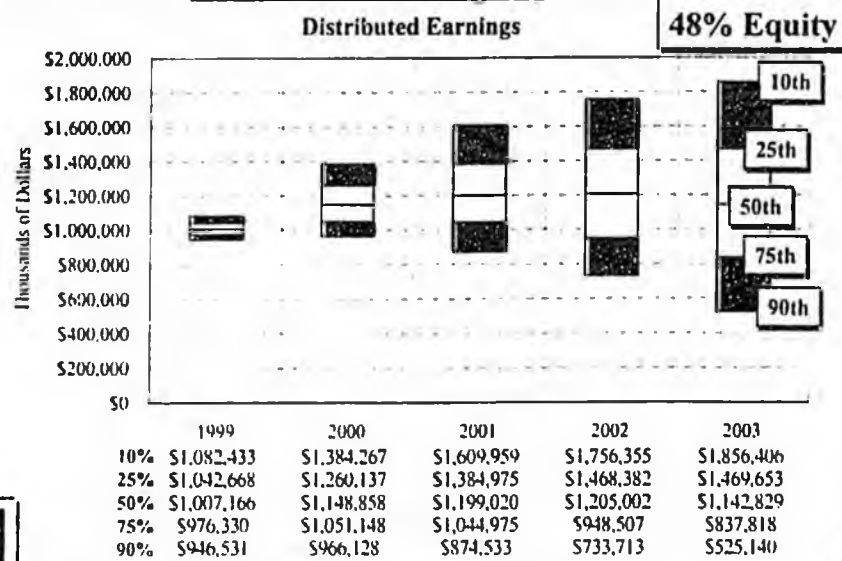
Scenario #28 - (Introducing Risk)

Distributed Income, Pre and Post Earnings Reserve Limitation



Distributed Income

Base Case - how to read Range of Results



Base Case

- Actual results through December 1998.
- No appropriation from ER in FY 1999.
- 1999 Callan capital market assumptions.
- Asset Allocation: 48% Equity.
- Distributed Income: status quo.
- Inflation-Proofing: status quo.
- Earnings Reserve limitation: status quo.



*Percent of Market Value - 4.5%
Distribution*

- Actual results through December 1998.
- No appropriation from ER in FY 1999.
- 1999 Callan capital market assumptions.
- Asset Allocation: 48% Equity.
- Distributed Income: 4.5% of 5-year average market value.
- Inflation-Proofing: status quo.
- Earnings Reserve limitation: status quo.



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*Percent of Market Value - 4.5% Distribution
Inflation-Proofing stays in Earnings Reserve*

- Actual results through December 1998.
- No appropriation from ER in FY 1999.
- 1999 Callan capital market assumptions.
- Asset Allocation: 48% Equity.
- Distributed Income: 4.5% of 5-year average market value.
- Inflation-Proofing: stays in Earnings Reserve.
- Earnings Reserve limitation: status quo.



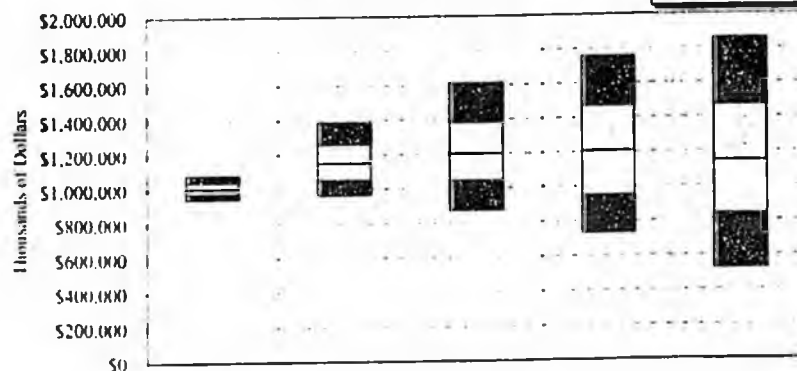
12

Distributed Income

Base Case - Range of Results

Distributed Earnings

48% Equity



| | 1999 | 2000 | 2001 | 2002 | 2003 |
|-----|-------------|-------------|-------------|-------------|-------------|
| 10% | \$1,082,433 | \$1,384,267 | \$1,609,959 | \$1,756,355 | \$1,856,406 |
| 25% | \$1,042,668 | \$1,260,137 | \$1,384,975 | \$1,468,382 | \$1,469,653 |
| 50% | \$1,007,166 | \$1,148,858 | \$1,199,020 | \$1,205,002 | \$1,142,829 |
| 75% | \$976,330 | \$1,051,148 | \$1,044,975 | \$948,507 | \$837,818 |
| 90% | \$946,531 | \$966,128 | \$874,533 | \$733,713 | \$525,140 |



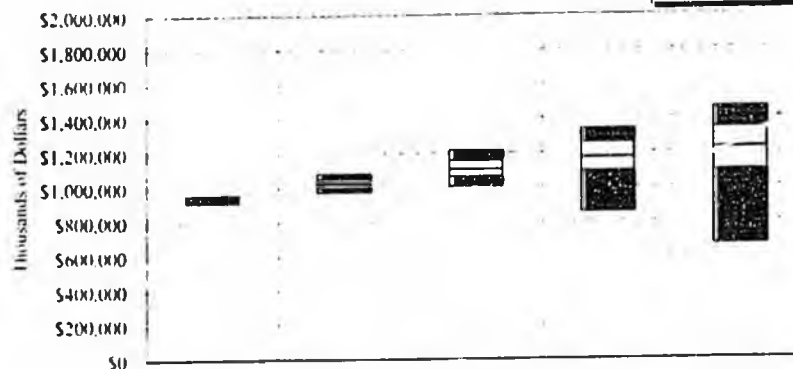
13

Distributed Income

4.5 % of MV - Range of Results

Distributed Earnings

48% Equity



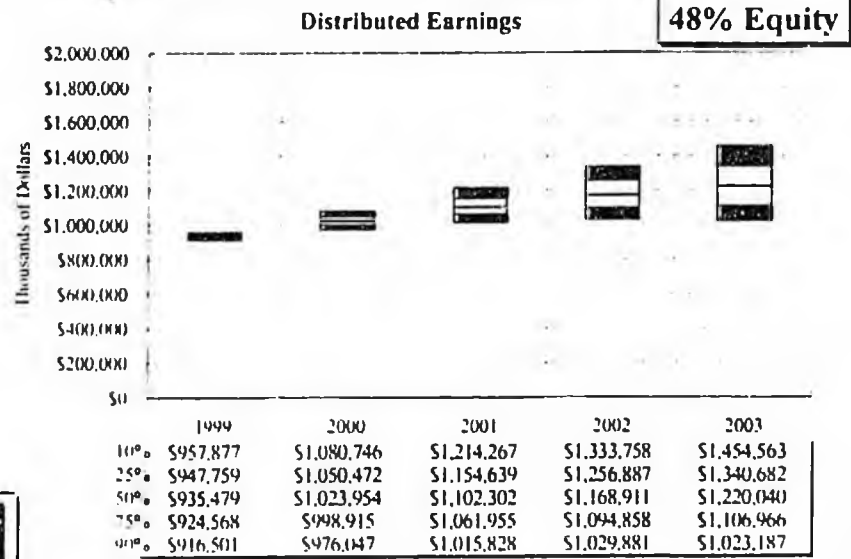
| | 1999 | 2000 | 2001 | 2002 | 2003 |
|-----|-----------|-------------|-------------|-------------|-------------|
| 10% | \$957,877 | \$1,080,746 | \$1,214,267 | \$1,333,758 | \$1,454,563 |
| 25% | \$947,759 | \$1,050,472 | \$1,154,639 | \$1,256,887 | \$1,340,682 |
| 50% | \$935,479 | \$1,023,954 | \$1,102,302 | \$1,168,911 | \$1,220,040 |
| 75% | \$924,568 | \$998,915 | \$1,061,955 | \$1,090,428 | \$1,091,402 |
| 90% | \$916,501 | \$976,047 | \$1,006,505 | \$855,192 | \$664,984 |



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Distributed Income

4.5 % of MV, IP in ER - Range of Results



Key Findings

- A market-value-based distribution rule results in a more stable distribution stream than the current income-based distribution rule... particularly if
- Inflation-proofing remains in the earnings reserve account rather than being transferred to principal

Percent of Market Value Payout Method

Percent of Market Value Method -

Assumptions: 7.97% rate of return (no market volatility in return assumptions, which makes the projections our best estimate of the median case; actual performance will vary with market volatility)
 Inflation-proofing at 3% - remains in earnings reserve account
 Amerada Hess earnings transferred to principal
 % of payout phased in over 4 years beginning in FY01 (2 years, then 3 years, then 4 years, then 5 years thereafter)
 This model allows the user to change the % of payout and the total rate of return assumption
 The user can also change the split of the total payout to a % to fund the dividend program and a % to fund government
 Investment returns based on 99 Capital Market Assumptions, Fall 99 revenue forecast for dedicated oil revenue (no HB 96)
 FY2000 based on 12/31/99 financial statements
 FY2000 status quo

Change to Percentage of Market Value beginning in FY01, using phase in of average market values for 2 years, 3 years, 4 years, 5 years

| Alaska Permanent Fund Projections | | FY | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|--|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Permanent Fund Principal Balance - at start of fiscal year (protected by Alaska Constitution) | | | 19,001 | 19,694 | 19,926 | 20,131 | 20,338 | 20,555 | 20,770 | 20,983 | 21,216 | 21,442 | 21,658 |
| Total Earnings Reserve Balance - at start of fiscal year | | | 6,130 | 7,344 | 8,022 | 8,757 | 9,544 | 10,386 | 11,258 | 12,159 | 13,091 | 14,053 | 15,047 |
| Market Value of Total Permanent Fund Assets - at start of fiscal year | | | 25,132 | 27,038 | 27,948 | 28,888 | 29,883 | 30,941 | 32,027 | 33,142 | 34,307 | 35,495 | 36,705 |
| Dedicated Oil Revenue Deposits into principal during fiscal year | | | 240 | 199 | 171 | 170 | 175 | 171 | 166 | 182 | 170 | 157 | 143 |
| Total Return (FY01 - FY10) | | 7.97% | 2,861 | 2,163 | 2,234 | 2,309 | 2,389 | 2,473 | 2,559 | 2,649 | 2,741 | 2,835 | 2,931 |
| Deduct costs of running the Fund | | | 42 | 43 | 43 | 44 | 45 | 45 | 46 | 47 | 47 | 48 | 49 |
| Sub-Total Market Value - at end of fiscal year (before payouts) | | | 28,190 | 29,357 | 30,309 | 31,323 | 32,402 | 33,539 | 34,706 | 35,926 | 37,171 | 38,439 | 39,730 |
| Transfer from Earnings Reserve to Principal (inflation-proofing in FY00; Am Hess thereafter) | | | 453 | 32 | 35 | 38 | 41 | 44 | 47 | 51 | 55 | 60 | 64 |
| Inflation-proofing remains in earnings reserve account (FY01 - FY10) | | 3.00% | | 881 | 909 | 940 | 972 | 1,006 | 1,041 | 1,078 | 1,115 | 1,153 | 1,192 |
| Payout % of 5-year Average Market Value (phased in over 4 years) | | 5.00% | | 1,410 | 1,422 | 1,440 | 1,462 | 1,512 | 1,564 | 1,619 | 1,676 | 1,734 | 1,794 |
| Permanent Fund Principal Balance - at end of fiscal year (protected by Alaska Constitution) | | | 19,694 | 19,926 | 20,131 | 20,338 | 20,555 | 20,770 | 20,983 | 21,216 | 21,442 | 21,658 | 21,865 |
| Total Earnings Reserve Balance - at end of fiscal year | | | 7,344 | 8,022 | 8,757 | 9,544 | 10,386 | 11,258 | 12,159 | 13,091 | 14,053 | 15,047 | 16,071 |
| Market Value of Total Permanent Fund Assets - at end of fiscal year | | | 27,038 | 27,948 | 28,888 | 29,883 | 30,941 | 32,027 | 33,142 | 34,307 | 35,495 | 36,705 | 37,936 |

| | | Payout Decision | | | | | | | | | | |
|----------------------------------|----------|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Split | | | \$1,410 | \$1,422 | \$1,440 | \$1,462 | \$1,512 | \$1,564 | \$1,619 | \$1,676 | \$1,734 | \$1,794 |
| Payment to fund government | 20.0% | | 282 | 284 | 288 | 292 | 302 | 313 | 324 | 335 | 347 | 359 |
| Payout to dividend program | 80.0% | | 1,128 | 1,137 | 1,152 | 1,169 | 1,210 | 1,252 | 1,295 | 1,341 | 1,387 | 1,435 |
| Dividend per person | 1,933.97 | 1,870.38 | 1,865.07 | 1,868.54 | 1,876.00 | 1,920.57 | 1,966.61 | 2,014.31 | 2,063.18 | 2,112.65 | 2,162.60 | 21,653.88 |
| Projected dividends - status quo | 1,933.97 | 1,959.82 | 1,952.75 | 1,863.89 | 1,803.25 | 1,848.51 | 1,911.06 | 1,977.22 | 2,046.68 | 2,119.03 | 2,193.73 | 21,609.90 |
| Effective payout rate | | 5.00% | 4.88% | 4.78% | 4.69% | 4.69% | 4.69% | 4.69% | 4.69% | 4.69% | 4.69% | 4.69% |

Alaska Permanent Fund Analysis
Status Quo

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Alaska Permanent Fund Projections | FY | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| 2 | Permanent Fund Principal Balance - at Start of Fiscal Year (Protected by AK Constitution) | | 19,001 | 19,694 | 20,523 | 21,352 | 22,208 | 23,100 | 24,019 | 24,965 | 25,963 | 26,985 | 28,031 |
| 3 | Realized Earnings Reserve Balance - at Start of Fiscal Year | | 2,590 | 3,049 | 3,307 | 3,617 | 4,033 | 4,547 | 5,100 | 5,684 | 6,300 | 6,951 | 7,637 |
| 4 | Unrealized Earnings Reserve Balance- at Start of Fiscal Year | | 3,541 | 4,295 | 4,347 | 4,400 | 4,451 | 4,505 | 4,563 | 4,627 | 4,695 | 4,767 | 4,844 |
| 5 | GAAP Earnings Reserve Balance - at Start of Fiscal Year | | 6,130 | 7,344 | 7,654 | 8,016 | 8,485 | 9,052 | 9,663 | 10,310 | 10,995 | 11,718 | 12,481 |
| 6 | Market Value of Total Permanent Fund Assets - at Start of Fiscal Year | | 25,132 | 27,038 | 28,177 | 29,368 | 30,692 | 32,152 | 33,681 | 35,275 | 36,958 | 38,703 | 40,511 |
| 7 | Dedicated Oil Revenue Deposits Into Principal during Fiscal Year | | 240 | 199 | 171 | 170 | 175 | 171 | 166 | 182 | 170 | 157 | 143 |
| 8 | Statutory Net Income (Dividends, Interest & Realized Capital Gains) | | 2,034 | 2,036 | 2,121 | 2,213 | 2,312 | 2,417 | 2,528 | 2,645 | 2,767 | 2,894 | 3,025 |
| 9 | Change In Unrealized Gains during the Fiscal Year | | 785 | 85 | 88 | 91 | 97 | 107 | 117 | 127 | 138 | 149 | 161 |
| 10 | GAAP Net Income for the Fiscal Year | | 2,819 | 2,120 | 2,209 | 2,304 | 2,409 | 2,524 | 2,645 | 2,772 | 2,905 | 3,043 | 3,186 |
| 13 | Payout for dividends and dividend program costs | | (1,152) | (1,180) | (1,189) | (1,149) | (1,125) | (1,165) | (1,217) | (1,272) | (1,330) | (1,391) | (1,455) |
| 14 | Transfer from Earnings Reserve to Principal (Inflation-proofing and other transfers) | | (422) | (598) | (622) | (647) | (673) | (700) | (727) | (756) | (786) | (816) | (848) |
| 15 | Projected rate for statutory Inflation-proofing | | 2.19% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 17 | Market Value of Total Permanent Fund Assets - at End of Fiscal Year | | 27,038 | 28,177 | 29,368 | 30,692 | 32,152 | 33,681 | 35,275 | 36,958 | 38,703 | 40,511 | 42,385 |
| 18 | Projected Dividend Check Per Person | | \$1,933.97 | \$1,959.82 | \$1,952.75 | \$1,863.89 | \$1,803.25 | \$1,848.51 | \$1,911.06 | \$1,977.22 | \$2,046.68 | \$2,119.03 | \$2,193.73 |
| 19 | Dividend Formula-5 Yr Realized Income or Statutory Earnings Rsv Limit (or Temp Adj) | | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc | 5 Yr Inc |
| 20 | | | | | | | | | | | | | |

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 411

Revision Date/Time (Note if correction) _____ Dept. Affected _____ Revenue _____
 Title Distribution of Permanent Fund Income BRU Permanent Fund Corp.
 Component Permanent Fund Corp.
 Sponsor Representative Hudson
 Requester House State Affairs Committee Component No. 109

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Chris Phillips, Director of Finance Phone 465-3172
 Division AK Permanent Fund Corporation Date/Time 2/22/00 7:18 AM
 Approved by Commissioner Wilson Condon Date _____
 Agency Department of Revenue

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

For further distribution information, call the Governor's Legislative Office



Alaska Permanent Fund Corporation

P.O. Box 25500 Juneau, AK 99802-5500

Telephone (907) 465-2047

Facsimile (907) 586-2057

MEMORANDUM

DATE: February 21, 2000

TO: Representative Bill Hudson

FROM: Jim Kelly
Director of Communications

A handwritten signature in black ink, appearing to be "JK" with a horizontal line extending to the right.

SUBJECT: **Analysis of House Bill 411**

You have asked the Alaska Permanent Fund Corporation (APFC) to analyze the impacts of House Bill 411, "Act relating to the market value of the permanent fund and to distribution of income of the permanent fund; and providing for an effective date."

HB 411 redefines "income available for distribution." In current law, "income available for distribution" excludes unrealized gains and equals 21 percent of the Fund's net income for the past five years. In HB 411, "income available for distribution" includes unrealized gains and equals five percent of the Fund's market value averaged over the past five years (20 quarters).

HB 411 changes how "income available for distribution" is distributed. In current law, 50 percent of "income available for distribution" is transferred each year to the dividend fund. The remainder, after inflation-proofing, remains in the earnings reserve. In HB 411, 80 percent of "income available for distribution" is transferred to the dividend fund and the remaining 20 percent is transferred to the General Fund.

HB 411 changes the method of inflation-proofing. In current law, there is an annual transfer of realized income to Fund principal in an amount determined by a formula based on the amount of principal at fiscal year-

Analysis of HB 411
February 21, 2000
Page 2

end and an annual inflation rate. In HB 411, inflation-proofing is accomplished by the perpetual retention in the Fund's earnings reserve of all income not paid out.

The attached spreadsheet compares "income available for distribution" (payout) in the two scenarios, the annual transfers, inflation-proofing and growth of Fund value.

A key finding is that a market-value-based distribution rule results in a more stable distribution stream than the current income-based distribution rule, particularly if inflation-proofing remains in the earnings reserve rather than being transferred to principal.

Note: These projections are based on a 7.94% total rate of return, which is the current APFC expectation given 1999 Fund asset allocation and capital market assumptions. A word of caution: These projections represent only our best estimate of the median case rate of return; actual annual performance will vary with market volatility.

PLEASE NOTE THAT THE CORPORATION NEITHER SUPPORTS NOR OPPOSES ANY PROPOSED CHANGES TO THE CURRENT USE OF FUND INCOME, EXCEPT AS THEY MAY RELATE TO THE PROPER EXERCISE OF THE TRUSTEES' FIDUCIARY RESPONSIBILITIES AS REQUIRED UNDER THE PRUDENT INVESTOR RULE.

Attachment

c: Executive Director
Board of Trustees
Director of Finance



Analysis of HB 411

Alaska Permanent Fund Corporation

Based on December 31, 1999 APFC Financial Projections
(In millions)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | TOTALS |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Payout per HB 411 | 1,359 | 1,382 | 1,406 | 1,431 | 1,491 | 1,544 | 1,600 | 1,657 | 1,716 | 1,777 | 15,363 |
| General Fund | 272 | 276 | 281 | 286 | 298 | 309 | 320 | 331 | 343 | 355 | 3,073 |
| Dividend Fund | 1,087 | 1,105 | 1,125 | 1,145 | 1,193 | 1,235 | 1,280 | 1,326 | 1,373 | 1,422 | 12,290 |
| Payout Status Quo (all Dividend) | 1,180 | 1,189 | 1,149 | 1,125 | 1,165 | 1,217 | 1,272 | 1,330 | 1,391 | 1,455 | 12,475 |
| Difference in annual payout | 178 | 192 | 257 | 306 | 325 | 327 | 328 | 327 | 325 | 322 | 2,887 |
| Retain for Inflation - HB 411 | 729 | 779 | 829 | 883 | 907 | 939 | 971 | 1,005 | 1,038 | 1,071 | 9,151 |
| Retain for Inflation - Status Quo | 598 | 622 | 647 | 673 | 700 | 727 | 756 | 786 | 817 | 848 | 7,173 |
| Fund value in 2010 - HB 411 | | | | | | | | | | 38,359 | |
| Principal | | | | | | | | | | | 21,864 |
| Earnings Reserve | | | | | | | | | | | 16,495 |
| Fund value in 2010 - Status Quo | | | | | | | | | | 42,385 | |
| Principal | | | | | | | | | | | 29,019 |
| Earnings Reserve | | | | | | | | | | | 13,366 |

Re: fiscal notes

Subject: Re: fiscal notes

Date: Fri, 18 Feb 2000 08:47:54 -0900

From: Shari Kochman <shari_kochman@gov.state.ak.us>

Organization: Alaska Office of the Governor

To: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>

ok
we're on it

Barbara Cotting wrote:

> I have scheduled the following bills for hearing in the House State
> Affairs Committee on TUESDAY, FEBRUARY 22, at 8:00 A.M., and need fiscal
> notes:
>
> HB 380, Insurer Tax Credit: Fire Standards Council; Division of
> Insurance
> HB 411, Distribution of Permanent Fund Income; Revenue
>
> Thanks.
>
> Barbara

*Not received as of 2/21/00.
bee*

HB

438

(7)

Date Referred to Committee: March 24, 2000

HOUSE COMMITTEE REPORT

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/6/00

The STATE AFFAIRS Committee considered:

HB 438

HOUSE BILL NO. 438

PERS BENEFITS FOR EMERGENCY MEDICAL TECHS

"An Act permitting certain emergency medical personnel in police or fire departments or employed by the state troopers to convert their credited service under the public employees' retirement system to credited service as peace officers; and providing for an effective date."

recommends it be replaced with the following committee substitute CSHB 438 (STA) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) GOV zero fiscal note(s) _____

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|----|-----|----|----|
| <i>Jeannette James</i> | ✓ | | | |
| <i>Chal Stalley</i> | ✓ | | | |
| <i>Ben Kertula</i> | ✓ | | | |
| <i>Chris [unclear]</i> | | | ✓ | |
| <i>Bill Hurd</i> | | | ✓ | |
| <i>[unclear]</i> | ✓ | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

CHAIR'S SIGNATURE *Jeannette James*

Subject: Re: HB 438

Date: Thu, 06 Apr 2000 11:04:54 -0800

From: David Hull <dhull@ktn.net>

To: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>

Barbara,

Thanks for the update on HB 438. The question I had was if paramedics are covered in the definition of EMTs. Pat stated that he thought that was the case. Is this what you meant?

Thanks again for all the help. It is nice to know that the State government is accessible. We always hear it is, but until you try something like this you never really experience it.

Please let me know about the paramedics. I know its a small point, but it is a very important point.

Thanks again,
David Hull

*Forwarded
to Pat*

Subject: HB 438
Date: Thu, 06 Apr 2000 10:52:01 -0800
From: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>
Organization: Alaska State Legislature
To: dhull@ktn.net

Hello David,

HB 438 moved out of our House State Affairs Committee today. I took your note to Pat, in Rep. Kott's office, and he assured me that EMT's are included.

If you have any further questions, give Pat a call at 465-3777.

Thanks for your interest in the bill, and good luck in its continued progress.

Barbara Cotting, Legislative Aide

Subject: HB 438

Date: Tue, 04 Apr 2000 13:17:41 -0800

From: David Hull <dhull@ktn.net>

To: Representative_Jeannette_James@legis.state.ak.us

Representative James,

My name is David Hull and I testified this morning on HB 438. I wanted to thank you for the opportunity to testify on this matter. As I said in my statement, EMS belongs in the PERS 20 year retirement and I applaud your, and your committee's willingness to pursue the matter further. I am admittedly a little thick headed when it comes to legislative affairs, but it appeared that the majority of the committee's response was positive. Hopefully the Bill can be presented and voted on during this session. If not, I fear the momentum for the change may be lost.

One item did surface in my mind and hopefully will be clarified. It is assumed that the definition of "EMTs" will include paramedics. If this is not so then please consider the addition of paramedics into the definition.

Through the local LIO, I have fax you a copy of my prepared statement to you. If there is any additional information I can provide you please feel free to contact me at the avenues presented below.

Thank you for your time and I look forward to hearing from you soon on the out come of HB 438.

David Hull, Lieutenant/EMT-P
Ketchikan Fire Department
daveh@city.ketchikan.ak.us
dhull@ktn.net

1-LS157AG
Cramer
4/5/00

CS FOR HOUSE BILL NO. 438(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act permitting certain emergency medical personnel to convert their credited
2 service under the public employees' retirement system to credited service as peace
3 officers; and providing for an effective date."

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

5 * **Section 1.** AS 39.35.370 is amended by adding a new subsection to read:

6 (g) When an employee who was employed by an employer in the public
7 employees' retirement system as an emergency medical service officer or an emergency
8 medical technician applies for appointment to retirement, the employee may convert
9 the credited service for that position to credited service as a peace officer by claiming
10 the service as peace officer service. An employee who has converted credited service
11 to peace officer service under this subsection shall be treated as a peace officer for
12 purposes of this chapter. When the member claims this credited service as peace
13 officer service, an indebtedness of the member to the system shall be established. The
14 indebtedness is equal to the full actuarial cost of the conversion of the credited service

1 to treatment as peace officer service. Any outstanding indebtedness that exists at the
2 time the member is appointed to retirement will require an actuarial adjustment to the
3 benefits payable based upon the conversion of the credited service.

4 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Fax to 210

For State Aff.
4/6/00 - →
Replace "D"
with this one.

1-LS1574(B)
Cramer
4/4/00

CS FOR HOUSE BILL NO. 438(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): **HOUSE JUDICIARY COMMITTEE**

A BILL

FOR AN ACT ENTITLED

1 "An Act permitting certain emergency medical personnel to convert their credited
2 service under the public employees' retirement system to credited service as peace
3 officers; and providing for an effective date."

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

5 * Section 1. AS 39.35.370 is amended by adding a new subsection to read:

6 (g) When an employee who was employed by an employer in the public
7 employees' retirement system ~~and whose primary duties were for work~~ as an
8 emergency medical service officer or an emergency medical technician applies for
9 appointment to retirement, the employee may convert the credited service for that
10 position to credited service as a peace officer by claiming the service as peace officer
11 service. An employee who has converted credited service to peace officer service
12 under this subsection shall be treated as a peace officer for purposes of this chapter.
13 When the member claims this credited service as peace officer service, an indebtedness
14 of the member to the system shall be established. The indebtedness is equal to the full

1 actuarial cost of the conversion of the credited service to treatment as peace officer
2 service. Any outstanding indebtedness that exists at the time the member is appointed
3 to retirement will require an actuarial adjustment to the benefits payable based upon
4 the conversion of the credited service.

5 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

entered as

1-LS1574A

Serry Cramer

HOUSE BILL NO. 438

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Introduced: 3/24/00

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act permitting certain emergency medical personnel ~~in police or fire~~
2 ~~departments or employed by the state troopers~~ to convert their credited service
3 under the public employees' retirement system to credited service as peace officers;
4 and providing for an effective date."

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

6 * Section 1. AS 39.35.370 is amended by adding a new subsection to read:

7 (g) When an employee who was employed as an emergency medical service
8 officer or an emergency medical technician ~~in a state trooper office or in a police or~~
9 ~~fire department~~ in the public employees' retirement system applies for appointment to
10 retirement, the employee may convert the credited service for that position to credited
11 service as a peace officer by claiming the service as peace officer service. An
12 employee who has converted credited service to peace officer service under this
13 subsection shall be treated as a peace officer for purposes of this chapter. When the
14 member claims this credited service as peace officer service, an indebtedness of the

*as primary duty -
work for
a PERKS
employer.*

1 member to the system shall be established. The indebtedness is equal to the full
2 actuarial cost of the conversion of the credited service to treatment as peace officer
3 service. Any outstanding indebtedness that exists at the time the member is appointed
4 to retirement will require an actuarial adjustment to the benefits payable based upon
5 the conversion of the credited service.

6 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

CS FOR HOUSE BILL NO. 438(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act permitting certain emergency medical personnel to convert their credited
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9 appointment to retirement, the employee may convert the credited service for that
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11 service. An employee who has converted credited service to peace officer service
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13 When the member claims this credited service as peace officer service, an indebtedness
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1 actuarial cost of the conversion of the credited service to treatment as peace officer
2 service. Any outstanding indebtedness that exists at the time the member is appointed
3 to retirement will require an actuarial adjustment to the benefits payable based upon
4 the conversion of the credited service.

5 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

50 Front Street, Suite 203
Ketchikan, Alaska 99901
Phone: 907-225-9675
Fax: 907-225-8546

STATE OF ALASKA
Legislative Information Office



Fax

| | |
|---------------------|---------------------|
| To: H-STA COMMITTEE | From: DAVID HULL |
| Fax: 465-2381 | Date: 4.4.00 |
| Phone: | Pages: 3 INC. COVER |
| Re: HB438 TESTIMONY | |

*Carrollta
2267*

Madam Chairman,

My name is David Hull and I am a career Lieutenant for the Ketchikan Fire Department. I have been a firefighter for 25 years. I am also a paramedic and have been involved with Emergency Medical Services (EMS) for over 23 years.

Before you this morning for your consideration is House Bill 438, an act permitting certain emergency medical personnel to convert their retirement under PERS to a 20 year program instead of the 30 year program that they fall under now.

Career Emergency Medical Technicians (EMT), Paramedics and EMS Officers are currently not included in the PERS 20-year retirement plan even if they are a fire or police based system. Recently the House Judiciary and the Senate Labor and Commerce Committees passed HB 230 allowing dispatchers in a police or fire department coverage by the PERS 20 an out system. This was a right decision. The inclusion of the dispatchers is much deserved as the compelling testimony pointed out, however, Career EMS personnel should also be added to this definition.

Under pressure from PERS last year, our fire department had to make changes to the job description of our career EMS Specialists to include primary fire fighting duties or face having them removed from this "20 and out" provision. We are now conducting a search for a new EMS Captain to head our EMS division. This person's duties will involve maintaining the level of service that this department is currently providing. Without changing the job description, this position will not be covered under the "20 and out" provision of the PERS system. This position should be covered, as should other career EMS positions without having to change the duties and intent of their EMS position. Over 60% of the calls this department responds to are EMS calls. That compares with the national average. In fact, all across the nation, EMS is being recognized as a "bread and butter" operation for fire departments large and small alike.

While there is no denying the dangers involved in fighting fire, EMS has its very real dangers also. Hepatitis B, Hepatitis C, antibiotic resistant strains of TB, and of course HIV and AIDS are just a few of the dangers that face EMS personnel on every call they go on. These people could be holding your life or someone's life you know in their hands. The skills and equipment they put to use save lives. Even if the situation is not life threatening, EMS providers still save life styles by handling broken limbs and spines properly thereby limiting additional damage and possibly a lifetime of disability. Trauma is one of the leading causes of death and disability nation wide. Alaska leads the nation in this per capita statistic.

The stresses involved in this activity rival any produced on a fire scene or police action. While it has been said that EMS personnel do not face the levels of stress that firefighters or police officers do in a life and death situation, I can tell you from personal experience that holding someone's life in your hands and the only reason they may have a chance at all is based on your making a right decision, that level of stress is every bit as intense and difficult to deal with. I can make that statement freely and truthfully. I have been on both sides of the issue. I have worked on countless people and countless fires these last 23 years and having gotten killed a couple of times and living through it, my preference, stress wise, is still a good old house fire any day.

I tried to have EMS personnel added when HB 230 was in House Judiciary Committee, but was late in my interaction. Representative Williams informed me that the bill had already cleared the House and was on its way to the Senate. He suggested I put in my request there.

My first information put the bill in the Senate Judiciary Committee. Jim, in Senator's Taylor's office was kind enough to steer me in the right direction and also informed me that the addition of EMS personnel will carry no fiscal note to the Bill, the same effect as adding in the dispatchers. That was how I ended up testifying before the Labor and Commerce Committee, again I was a little late.

Regardless of the out come of my request, I want to thank Representative Kott and Senator Mackie, and the members of both their committees for giving me a second chance at rectifying this exclusion of EMS personnel from the PERS 20 year retirement. I also need to thank their respective aids, Pat Harmon and Dave Grey for their guidance of this politically inept individual through the rigors of legislative reality.

I want to conclude by saying that I am proud to be a firefighter and a paramedic. Both professions have been equally rewarding to me, and equally stressful. EMS should be able to stand on its own when compared to the police and fire professions. Police and fire personnel, as well as police and fire dispatchers, belong in this PERS provision, based on their job description. Having said that, I strongly believe that career EMS positions should also be included in this provision without the necessity of changing their job descriptions to make them eligible.

Thank you and your committee for the time and attention you have given me to present my testimony. I would be glad to answer any questions.

Alaska State Legislature

House of Representatives

COMMITTEES
JUDICIARY COMMITTEE, CHAIR
RULES
MILITARY & VETERANS AFFAIRS
UTILITY RESTRUCTURING
ETHICS



INTERIM:
10928 EAGLE RIVER RD., SUITE 141
EAGLE RIVER, AK 99577

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801

Sponsor Statement HB 438

HB 438 will allow emergency medical personnel at retirement to have the option to convert their service as medics to service as a peace officer. To qualify for a peace officer retirement the medics must have at least twenty years of service as an emergency medical technician or peace officer.

The medic must pay for the full cost of conversion of the credited service as a medic to the peace officer retirement. The financial impact on the state, the municipalities, and the PERS system is revenue neutral. There will be no additional cost to the government for this benefit for the medics.

The medics are in a high stress occupation and the burnout that medical personnel experience is reflected in higher than normal turnover. There have been very few medical personnel retirements with 30-years of service. With the option for 20-year retirement we are hopeful that retention will be improved. If retention is improved there is a probability that training and recruitment cost will be lower in the future.

Basically, we have been approached by a group of citizens who want a government service, and they are willing to pay for that service. It is the sponsor's belief that the legislature should embrace any group that seeks a government service and is willing to pay for it.



Representative Pete Kott

JUNEAU OFFICE (907) 465-3777 TOLL FREE 1-800-861-KOTT(5688) FAX (907) 465-2819
EAGLE RIVER OFFICE (907) 694-8944 FAX (907) 694-8945 E-MAIL: representative_pete_kott@legis.state.ak.us



March 20, 2000

SENATE LABOR & COMMERCE
Senator Jerry Mackie, Chair
State Capitol, Room 427
Juneau, AK 99801-1182

Senator Mackie,

Currently there is a bill (HB230) before your committee intent on granting dispatchers in police and fire departments coverage under the PERS "20 and out" retirement system. *This is legislation that is long over due and deserving of all our support.* However, I believe that another segment of emergency services personnel are being overlooked, Emergency Medical Services (EMS).

Career Emergency Medical Technicians (EMT), paramedics and EMS Officers are currently not covered by the wording contained in Section 1. AS 39.35.680(28) which reads, "peace officer" or "fire fighter" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, fire fighter, fire chief, or probation officer;". The addition of "dispatcher in a police or fire department or in a state trooper office" will appear in this section if the bill passes. EMS personnel should be added to this definition.

Under pressure from PERS, our fire department had to make changes to the job description of our career EMS Specialists to include more primary fire fighting duties or face having them removed from the "20 and out" provision. We made those changes. Capital City Fire had similar problems with their new EMS trainer position and had to change the job description to ensure the position was included. We are now in search of a new EMS Captain to head our EMS division. This person's duties will involve maintaining the level of service that this department is providing. This position may not be covered under the "20 and out" provision of the PERS system. The position should be covered, as should other career EMS positions without having to change the job description and intent of their EMS position.

As I understand the process, you will be meeting on this issue tomorrow. I tried to have EMS personnel added when the bill was in the House. Representative Bill Williams informed me that the bill had cleared the House side and was on the way to the Senate before my suggested addition could be made. He suggested I put in my request to the Senate. I also understand that the addition will carry no fiscal note to the Bill, the same effect as adding in the dispatchers.

Please add the EMS positions, or perhaps EMS positions could be included somehow under the current definitions as SB 158 is attempting to do for correctional officers. In either case, EMS staff and line positions should be included in this provision along with the dispatchers.

I wish to again offer my support, regardless of the out come of my request, for the addition of dispatchers in the PERS retirement. Their duties are as important as the police officer or fire fighter in the field. I can tell you from personal experience that these dispatchers save lives and help the communities in countless ways. Some of the lives they save are ours. I do, however, strongly believe that career EMS positions should also be included in this provision.

Thank you for the time you have given to read and consider this letter.

David Hull, Lieutenant/MICP
Ketchikan Fire Department
319 Main Street
Ketchikan, Alaska 99901
(907) 225-9616
(907) 225-5051 (H)
daveh@city.ketchikan.ak.us
dhull@km.net

Alaska State Legislature

House of Representatives

COMMITTEES
JUDICIARY COMMITTEE, CHAIR
RULES
MILITARY & VETERANS AFFAIRS
UTILITY RESTRUCTURING
ETHICS




INTERIM:
10928 EAGLE RIVER RD., SUITE 141
EAGLE RIVER, AK 99577

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801

Memorandum

TO: Representative Jeannette James, Chairman
House State Affairs Committee

FROM: Representative  Pete Kott

SUBJECT: Request for Hearing, HB 438

DATE: March 27, 2000

I request that HB 438, an Act permitting certain emergency medical personnel in police or fire departments or employed by the state troopers to convert their credited service under the public employees' retirement system to credited service as peace officers; and Providing for an effective date, be heard as soon as possible.

- Current version of the bill
- Sponsor Statement
- Letter of support from David Hull

Additional information background information and any teleconference requirements will be provided as it becomes available, and well before the hearing.



Representative Pete Kott

JUNEAU OFFICE (907) 465-3777 TOLL FREE 1-800-861-KOTT(5688) FAX (907) 465-2819
EAGLE RIVER OFFICE (907) 694-8944 FAX (907) 694-8945 E-MAIL: representative_pete_kott@legis.state.ak.us





Alaska State Legislature

Please enter into the record my testimony to the STATE AFFAIRS HOUSE JUDICIARY COMMITTEE
 committee name
 committee on HB 438, dated 4/04/2000
 bill/subject

IT IS MY INTENT TO SEE EMERGENCY MEDICAL SERVICE PERSONNEL; EMTs AND PARAMEDICS, PLACED ON EQUAL FOOTING WITH FIRE AND LAW ENFORCEMENT PERSONNEL FOR THE PURPOSE OF RETIREMENT BENEFITS/TIME IN SERVICE FOR RETIREMENT ELIGIBILITY. FURTHERMORE, I WOULD LIKE EMS PERSONNEL RECOGNIZED AND CREDITED FOR THE DIFFICULT WORK THEY DO. FOR YEARS FIREFIGHTERS AND POLICE OFFICERS HAVE BEEN RECOGNIZED FOR THE POTENTIALLY DANGEROUS WORK THEY DO. EMTs AND PARAMEDICS FACE EQUALLY DANGEROUS AND STRESSFUL SITUATIONS DAILY.

THE BILL AS IT APPEARS BEFORE ME THIS MORNING SPEAKS TO EMERGENCY MEDICAL PERSONNEL WHO ARE MEMBERS OF A FIRE DEPT. OR A POLICE DEPT. THE NITANUSKA-SUSITNA BOROUGH HAS AN EMERGENCY MEDICAL SERVICE SYSTEM WHICH IS ADMINISTERED UNDER THE BOROUGH'S DEPT. OF PUBLIC SAFETY WHICH HAS NO POLICE POWERS AND IS NOT THE FIRE DEPT. BOTH EMS AND FIRE SERVICES ARE PART OF PUBLIC SAFETY BUT ARE SEPERATE. EMS BEING A BOROUGH WIDE SERVICE. FIRE SERVICE PROVIDED ON A "SERVICE AREA" BASIS.

~~IT~~ IT SEEMS, ACCORDING TO THE BILL THAT AN EMT WOULD NEED TO BECOME, IN FACT OR THEORY, A POLICE OFFICER IN ORDER TO QUALIFY FOR THE "20 YEAR AND OUT" CATEGORY.

Signed: R. Melvin Dooling
 Testifier

Representing (Optional)

PO BOX 523 PALMER, AK 99645

Address

H (907) 746-4146 10-373-8800

Phone No.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 438 (STA)

Revision Date/Time 30-Mar-00 Dept. Affected Administration
 Title An act permitting certain emergency medical BRU Centralized Administrative Services
personnel...to convert their credited service.... Component Retirement and Benefits
 Sponsor (H) JUD
 Requester (H) STA Component No. 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation, unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The Public Employees' Retirement System (PERS) allows peace officers to retire with 20 years of service and non-peace officers to retire with 30 years of service, regardless of age. HB 438 would allow an individual with 20 years of PERS emergency medical service officer or technician service to convert that service to service as a peace officer, thereby allowing the individual to retire. The individual would be required to pay the full actuarial cost of this conversion, either in a lump sum or through a lifetime retirement benefit reduction. Since the full actuarial cost is paid by the employee, this legislation has no fiscal impact to the State of Alaska or other PERS employers.

Prepared by: Guy Bell, Director Phone 465-4471
 Division Retirement and Benefits Date/Time _____
 Approved by Commissioner Robert Poe Jr. Date 3/30/00
 Agency Department of Administration

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

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HB

439

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 439
PO Box 100
Juneau, Alaska 99801-0100
Phone 907.465.3500
Fax 907.465.3512
www.gov.state.ak.us

March 27, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

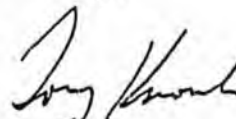
Dear Speaker Porter:

Following the historical practice of extending collective bargaining agreements to non-union state employees, I am transmitting this bill relating to salaries for partially exempt and exempt employees in the Executive branch, legislative and judicial employees.

The bill provides for cost-of-living increases the same as those provided in the collective bargaining agreements that my Administration has reached with the 12 unions representing state employees: a lump sum payment of up to \$1,200 (prorated at \$50 per pay period) for fiscal year 2001, a two percent increase in fiscal year 2002, and a three percent increase in fiscal year 2003.

I believe these modest increases will maintain parity in state employee pay and help all three branches of government recruit and retain qualified employees. I urge your prompt and favorable action on this measure.

Sincerely,



Tony Knowles
Governor

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 28, 2000

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/6/00

The STATE AFFAIRS Committee considered:

HB 439

HOUSE BILL NO. 439

PAY RAISE FOR NON-UNION STATE EMPLOYEES

"An Act relating to the compensation of certain public employees and officials not covered by collective bargaining agreements; and providing for an effective date."

recommends it be replaced with the following committee substitute CSHB 439(STA) [] the same title [] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [] fiscal note(s) GOV

[] zero fiscal note(s) [] zero fiscal note(s)

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures of Jeannette James, Hal Smalley, Ben Bartlett, and Bill Hillson.

CHAIR'S SIGNATURE Jeannette James

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 488-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

DATE: April 6, 2000
TO: Terry Cramer, 2029
FROM: Barbara Cotting,
State Affairs Committee Aide
RE: STA CS for HB 439

As we discussed on the telephone, the first amendment is to remove legislators from the raise.

Remove Section 1, and also delete "legislators" from page 4 line 5. ✓

The other two amendments follow.

Thanks!

Barbara

AMENDMENT #2

Chris ✓

To: HB 439

Offered in the House State Affairs Committee

Passed

Page 4, line 24, after "BRANCH:" insert:

"a)"

Page 5, following line 1, insert a new paragraph:

"b) Justices of the supreme court, judges of the court of appeals and the superior and district courts, and magistrates are entitled to receive salary adjustments provided for in secs. 5 and 6 of this Act, in accordance with AS 22.05.140(d), AS 22.07.090(c), AS 22.10.190(d), AS 22.15.220(b), and AS 22.15.220(e)."

Allison ✓

Amendment to HB439

Section 7 (a)
Pg. 3, line 26:

Following "in pay status in fiscal year 2000." Add a new sentence:

The lump sum payment will be reduced by amounts necessary to pay mandatory employee and employer deductions.

Amendment # 3

Passed

Am # 1: ✓

1. Remove Section 1

2. p 4 line 5

Delete "Legislators"

(Take Conceptually:
Take all Legislators
Totally from bill.)

Passed

660 West 7th Avenue, Suite 1820
Anchorage, AK 99501
Main: (907) 269-7960
FAX: (907) 269-7966
Internet: mhta@mhta.revenue.state.ak.us

The TRUST

The Alaska Mental Health Trust Authority

Fax

| | |
|--------------------------|-----------------------------------|
| To: <i>Barbara Colby</i> | From: <i>Jeff Jensen</i> |
| Fax: <i>865-2381</i> | Pages (including cover): <i>3</i> |
| Phone: | Date: <i>4/5/00</i> |
| Re: | CC: |

Urgent
 For Review
 Please Comment
 Please Reply

• Comments:

John!

Amendment attached.
 #3

*"Mixing apples & oranges"
 Not moved!*

*Draft as a shell
 for next
 year.*

1-GS2081A.1
Cramer
3/29/00

AMENDMENT

OFFERED IN THE SENATE

TO: SB 298

1 Page 1, line 2, following ";;":

2 Insert "placing employees of the Alaska Mental Health Trust Authority in the
3 exempt service;"

4 Page 2, following line 5:

5 Insert a new bill section to read:

6 "* Sec. 4. AS 39.25.110(11) is amended to read:

7 (11) the officers and employees of the following boards, commissions,
8 and authorities:

- 9 (A) [REPEALED
- 10 (B)] Alaska Permanent Fund Corporation;
- 11 ~~(B)~~ [(C)] Alaska Industrial Development and Export Authority;
- 12 ~~(C)~~ [(D)] Alaska Commercial Fisheries Entry Commission;
- 13 ~~(D)~~ [(E)] Alaska Commission on Postsecondary Education;
- 14 ~~(E)~~ [(F)] Alaska Aerospace Development Corporation;
- 15 ~~(F)~~ Alaska Mental Health Trust Authority;"

16 Renumber the following bill sections accordingly.

17 Page 4, line 6:

18 Delete "sec. 7"

19 Insert "sec. 8"

20 Page 4, line 18:

21 Delete "secs. 5 and 6"

1-GS2081\A.1

- 1 Insert "secs. 6 and 7"

- 2 Page 4, line 19:
- 3 Delete "sec. 7"
- 4 Insert "sec. 8"

- 5 Page 4, line 30:
- 6 Delete "secs. 5 and 6"
- 7 Insert "secs. 6 and 7"

- 8 Page 4, line 31:
- 9 Delete "sec. 7"
- 10 Insert "sec. 8"

Jeff Jesse

HB 439

Proc. 269-1960

Call of the Schedule

HB 439 -

he wants an amendment.

LM
4/5/00

HB 439 / SB 298

Sectional Analysis

Section 1:

This section increases the current monthly salary of each member of the legislature for FY 2002 and FY 2003. For FY 2002, this Act will increase the current salary by two percent. For FY 2003, this Act will increase the FY 2002 salary by three percent.

Section 2:

This section increases the governor's annual salary for FY 2002 from its current amount by two percent. This section increases the governor's annual salary for FY 2003 from its FY 2002 amount by three percent.

Section 3:

This section increases the lieutenant governor's annual salary for FY 2002 from its current amount by two percent. This section increases the lieutenant governor's annual salary for FY 2003 from its FY 2002 amount by three percent.

Section 4:

This section repeals and reenacts the pay plan schedule to reflect the current pay plan for "classified and partially exempt employees in the executive branch of the state government who are not members of a collective bargaining unit established under the authority of the Public Employment Relations Act (AS 23.40), and for employees of the legislature under AS 24.10 and AS 24.20." This section, along with sections 5 and 6, also has the effect of raising salaries tied to the salary plan by statutory reference, including, for example, judicial officers. See, e.g. AS 22.07.090(c) (court of appeals judges). There are several other such references in the statutes.

Section 5:

This section repeals the existing statutory increase for the pay plan mentioned in sec. 4 of this Act and implements a new one for FY 2002. For FY 2002, the pay plan will increase by two percent.

Section 6:

This section also repeals the existing statutory increase for the pay plan mentioned in sec. 4 of this Act and implements a new one for FY 2003. For FY 2003, the new pay plan will increase, as amended by sec. 5, by three percent.

Section 7:

This section adds a new section to the uncodified law of the State of Alaska regarding lump sum payments for employees mentioned in sec. 4 of this Act for FY 2000. This section also allows for a prorated lump sum payment to be paid to employees of the legislature whose employment was limited to the legislative session and therefore would not be employed on July 1, 2000. All of the employees mentioned in this section are entitled to receive, under this Act, a lump sum payment of up to \$1,200, prorated at \$50 for each pay period that the employee was in pay status in fiscal year 2000.

Section 8:

This section extends the lump sum payments mentioned in sec. 7 of this Act to "[j]ustices of the supreme court, judges of the court of appeals and the superior and district courts, magistrates, legislators, the governor, and the lieutenant governor."

Section 9:

This section refers to permanent and temporary exempt employees in the executive branch of government other than the governor and the lieutenant governor. This section allows for salary adjustments for exempt employees as described in sec. 5 and sec. 6 of this Act. This section also allows for the lump sum payments provided in sec.7 of this Act for exempt employees.

Section 10:

This section refers to permanent and temporary employees in the judicial branch of government (other than judicial officers and magistrates) who are not members of a collective bargaining unit. This section allows for salary adjustments for these employees as described in sec. 5 and sec. 6 of this Act. This section also allows for the lump sum payments provided in sec.7 of this Act for employees in the judicial branch.

Section 11:

This section repeals an existing statute relating to salary increases which is made unnecessary by the foregoing amendments.

Section 12:

This section provides that the Act will become effective July 1, 2000.

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 488-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

March 31, 2000

To Nancy Kelly

Here's the fiscal note you requested for HB 439.

Barbara Cotting

A handwritten signature in cursive script that reads "Barb".

FISCAL NOTE

Bill Version: HB 439

(H) Publish Date: 3/28/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 3/24/00 Dept. Affected All State Agencies
 Title Compensation for certain state officials BRU
 Component _____
 Sponsor Rules Committee
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Personal Services | 3,216.5 | 3,241.8 | 8,181.8 | 8,181.8 | 8,181.8 | 8,181.8 |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 3,216.5 | 3,241.8 | 8,181.8 | 8,181.8 | 8,181.8 | 8,181.8 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

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

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1002, 1016 & 1133 Federal Receipts | 323.0 | 324.2 | 818.2 | 818.2 | 818.2 | 818.2 |
| 1003 GF Match | 31.9 | 32.4 | 81.8 | 81.8 | 81.8 | 81.8 |
| 1004 GF | 1,573.5 | 2,000.2 | 5,048.2 | 5,048.2 | 5,048.2 | 5,048.2 |
| 1005 GF/Program Receipts | 85.0 | 84.3 | 212.7 | 212.7 | 212.7 | 212.7 |
| 1037 GF/Mental Health | 27.3 | 32.4 | 81.8 | 81.8 | 81.8 | 81.8 |
| 1053 Investment Loss Trust Fund | 412.1 | | | | | |
| 1118 Pioneers Homes Receipts | 0.6 | | | | | |
| Other (Specify Type) | 763.1 | 768.3 | 1,939.1 | 1,939.1 | 1,939.1 | 1,939.1 |
| TOTAL | 3,216.5 | 3,241.8 | 8,181.8 | 8,181.8 | 8,181.8 | 8,181.8 |

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The costs shown above for FY2001 are included in the Governor's 2-25-00 operating budget amendment for labor costs, except for a \$69.8 increase in the Legislature's calculation. Incremental costs by fiscal year follow:

| | FY2001 | FY2002 | FY2003 |
|------------------|----------------|----------------|----------------|
| Court System | 829.9 | 672.7 | 1,009.1 |
| Legislature | 499.8 | 413.1 | 632.4 |
| Executive Branch | 1,886.8 | 2,156.0 | 3,298.5 |
| TOTAL | 3,216.5 | 3,241.8 | 4,940.0 |

Prepared by: Joan Brown Phone 465-4681
 Division Office of Management and Budget Date/Time 3/24/00 4:13 PM
 Approved by Director: Annalee McConnell Date 03/24/2000
 Agency Office of Management and Budget

COMMITTEE COPY PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

FY2001 Other Funds and Federal Funds

| FUND CODE | Fund Source Name | FY 2001 Signing Bonus by Fund Source |
|--------------|---|--|
| 051 | Total | 200 |
| | Oil/Hazardous Response | |
| 1052 | Fund | 1,900 |
| 052 | Total | 1,900 |
| | Inter-agency/Oil & | |
| 1055 | Hazardous Waste | 3,800 |
| 055 | Total | 3,800 |
| | Capital Improvement Project | |
| 1061 | Receipts | 1,100 |
| | Capital Improvement Project | |
| 1061 | Receipts | 4,900 |
| | Capital Improvement Project | |
| 1061 | Receipts | 800 |
| | Capital Improvement Project | |
| 1061 | Receipts | 800 |
| | Capital Improvement Project | |
| 1061 | Receipts | 200 |
| | Capital Improvement Project | |
| 1061 | Receipts | 700 |
| | Capital Improvement Project | |
| 1061 | Receipts | 24,000 |
| | Capital Improvement Project | |
| 1061 | Receipts | 4,900 |
| 061 | Total | 37,400 |
| 1066 | Public School Fund | 200 |
| 066 | Total | 200 |
| | Fisheries Enhancement | |
| 1070 | Revolving Loan Fund | 200 |
| 070 | Total | 200 |
| | Alaska Clean Water Loan | |
| 1075 | Fund | 200 |
| 075 | Total | 200 |
| | Marine Highway System | |
| 1076 | Fund | 4,100 |
| 076 | Total | 4,100 |
| 1081 | Information Service Fund | 3,600 |
| 081 | Total | 3,600 |
| | Mental Health Trust Authority Authorized | |
| 1092 | Receipts | 0 |
| | Mental Health Trust Authority Authorized | |
| 1092 | Receipts | 2,500 |
| | Mental Health Trust Authority Authorized | |
| 1092 | Receipts | 12,100 |
| 092 | Total | 14,600 |
| | Mental Health Trust | |
| 1094 | Administration | 3,800 |

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

FISCAL NOTE

Bill Version: HB 439

(H) Publish Date: 3/28/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 3/24/00 Dept. Affected All State Agencies
 Title Compensation for certain state officials BRU _____
 Component _____
 Sponsor Rules Committee _____
 Requester Governor Component No. _____

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| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 3,216.5 | 3,241.8 | 8,181.8 | 8,181.8 | 8,181.8 | 8,181.8 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

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

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
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| 1002, 1016 & 1133 Federal Receipts | 323.0 | 324.2 | 818.2 | 818.2 | 818.2 | 818.2 |
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| TOTAL | 3,216.5 | 3,241.8 | 8,181.8 | 8,181.8 | 8,181.8 | 8,181.8 |

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

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| Executive Branch | 1,886.8 | 2,156.0 | 3,298.5 |
| TOTAL | 3,216.5 | 3,241.8 | 4,940.0 |

Prepared by: Joan Brown Phone 465-4681
 Division Office of Management and Budget Date/Time 3/24/00 4:13 PM
 Approved by Director: Annalee McConnell *Joan Brown for* Date 03/24/2000
 Agency Office of Management and Budget

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 For further distribution information, call the Governor's Legislative Office

FY2001 Other Funds and Federal Funds

| FUND | Fund Source Name | FY 2001 Signing Bonus by Fund Source |
|------|--|--|
| 1007 | Inter-Agency Receipts | 15,100 |
| 1007 | Inter-Agency Receipts | 40,500 |
| 1007 | Inter-Agency Receipts | 10,900 |
| 1007 | Inter-Agency Receipts | 1,100 |
| 1007 | Inter-Agency Receipts | 3,000 |
| 1007 | Inter-Agency Receipts | 9,400 |
| 007 | Total | 230,800 |
| 1017 | Benefits Systems Receipts | 400 |
| 017 | Total | 400 |
| 1018 | Exxon Valdez Oil Spill Settlement | 1,300 |
| 1018 | Exxon Valdez Oil Spill Settlement | 16,000 |
| 1018 | Exxon Valdez Oil Spill Settlement | 3,400 |
| 018 | Total | 20,700 |
| 1021 | Agricultural Loan Fund | 1,500 |
| 021 | Total | 1,500 |
| 1024 | Fish and Game Fund | 6,800 |
| 1024 | Fish and Game Fund | 1,100 |
| 024 | Total | 7,900 |
| 1025 | Science & Technology Endowment Income | 13,400 |
| 025 | Total | 13,400 |
| 1026 | Highway Working Capital Fund | 1,900 |
| 026 | Total | 1,900 |
| 1027 | International Airport Revenue Fund | 200 |
| 1027 | International Airport Revenue Fund | 9,800 |
| 027 | Total | 10,000 |
| 1034 | Teachers Retirement System Fund | 600 |
| 034 | Total | 600 |
| 1036 | Commercial Fishing Loan Fund | 900 |
| 036 | Total | 900 |
| 1039 | U/A Indirect Cost Recovery | 3,400 |
| 039 | Total | 3,400 |
| 1040 | Real Estate Surety Fund | 1,100 |
| 040 | Total | 1,100 |
| 1049 | Training and Building Fund | 1,100 |
| 049 | Total | 1,100 |
| 1050 | Permanent Fund Dividend Fund | 1,100 |
| 050 | Total | 1,100 |
| 1051 | Rural Development Initiative Fund | 200 |

FY2001 Other Funds and Federal Funds

| FUND CODE | Fund Source Name | FY 2001 Signing Bonus by Fund Source |
|-----------|--|--------------------------------------|
| 051 | Total | 200 |
| | Oil/Hazardous Response | |
| 1052 | Fund | 1,900 |
| 052 | Total | 1,900 |
| | Inter-agency/Oil & | |
| 1055 | Hazardous Waste | 3,800 |
| 055 | Total | 3,800 |
| | Capital Improvement Project | |
| 1061 | Receipts | 1,100 |
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| 1061 | Receipts | 4,900 |
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| 1061 | Receipts | 800 |
| | Capital Improvement Project | |
| 1061 | Receipts | 200 |
| | Capital Improvement Project | |
| 1061 | Receipts | 700 |
| | Capital Improvement Project | |
| 1061 | Receipts | 24,000 |
| | Capital Improvement Project | |
| 1061 | Receipts | 4,900 |
| 061 | Total | 37,400 |
| 1066 | Public School Fund | 200 |
| 066 | Total | 200 |
| | Fisheries Enhancement | |
| 1070 | Revolving Loan Fund | 200 |
| 070 | Total | 200 |
| | Alaska Clean Water Loan | |
| 1075 | Fund | 200 |
| 075 | Total | 200 |
| | Marine Highway System | |
| 1076 | Fund | 4,100 |
| 076 | Total | 4,100 |
| 1081 | Information Service Fund | 3,600 |
| 081 | Total | 3,600 |
| | Mental Health Trust Authority Authorized | |
| 1092 | Receipts | 0 |
| | Mental Health Trust Authority Authorized | |
| 1092 | Receipts | 2,500 |
| | Mental Health Trust Authority Authorized | |
| 1092 | Receipts | 12,100 |
| 092 | Total | 14,600 |
| | Mental Health Trust | |
| 1094 | Administration | 3,800 |

FY2001 Other Funds and Federal Funds

| FUND | FY 2001 |
|---|------------------------------|
| CODE Fund Source Name | Signing Bonus by Fund Source |
| 094 Total | 3,800 |
| Children's Trust Fund | |
| 1098 Earnings | 200 |
| 098 Total | 200 |
| 1100 Alaska Drinking Water Fund | 200 |
| 100 Total | 200 |
| Alaska Industrial Development & Export Authority Receipts | 37,700 |
| 102 Total | 37,700 |
| Alaska Housing Finance Corporation Receipts | 160,400 |
| 103 Total | 160,400 |
| Alaska Permanent Fund Corporation Receipts | 2,200 |
| Alaska Permanent Fund Corporation Receipts | 38,500 |
| 105 Total | 40,700 |
| Alaska Post-Secondary Education Commission Receipts | 114,700 |
| 106 Total | 114,700 |
| 1108 Statutory Designated Program Receipts | 20,800 |
| 1108 Statutory Designated Program Receipts | 1,900 |
| 1108 Statutory Designated Program Receipts | 2,100 |
| 1108 Statutory Designated Program Receipts | 1,700 |
| 1108 Statutory Designated Program Receipts | 1,500 |
| 1108 Statutory Designated Program Receipts | 3,000 |
| 1108 Statutory Designated Program Receipts | 1,900 |
| 108 Total | 32,900 |
| International Trade and Business Endowment Income | 2,300 |
| 115 Total | 2,300 |
| 1141 RCA Receipts | 9,200 |
| 141 Total | 9,200 |
| and Total | 763,100 |
| 1002 Federal Receipts | 319,000 |
| 1016 Federal Incentive Payments Indirect Cost | 400 |
| 1133 Reimbursement | 3,600 |

HB

444

REPRESENTATIVE JOHN J. COWDERY

HB 444

Sponsor Statement

"An Act relating to nongovernmental activities of state agencies, including the University of Alaska: and providing for an effective date."

HB 444 requires state agencies to annually list which of their activities are "not inherently governmental." Inherently governmental function is defined as, "a function that is so closely related to the public interest that it requires performance by state governmental employees". Section 2 (c) of the bill contains several paragraphs of elaboration for this definition.

HB 444, first of all, requires each state agency to identify government activities that are not inherently governmental in nature. Secondly, it requires consideration of all realistic and fair costs of government agency performance when comparisons are made with private sector costs.

Interested persons may challenge the inclusion or omission of an activity on a list.

HB 444 provides a long-term mechanism to carry on the work that the privatization commission began. In order to accomplish this, we need legislation that requires the executive branch to identify activities that are inherently non-governmental, and to cost them out. This is the type of information that is a prerequisite to making intelligent decisions about outsourcing government services. Surely, it will generate debate about what is or is not inherently governmental, and how much cost is attached to certain functions. These are debates worth having. HB 444 puts us on the right track toward government activities that we want and are willing to pay for.

HB 444 does not mandate privatization, but will provide the basis for long term, consistent efforts toward cost effective government.

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 6, 2000

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/15/00

The STATE AFFAIRS Committee considered:

HB 444

HOUSE BILL NO. 444

STATE GOVERNMENT ACTIVITIES

"An Act relating to nongovernmental activities of state agencies, including the University of Alaska; and providing for an effective date."

recommends it be replaced

with the following committee substitute CSHB 444 (STA)

the same title

a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) OMB

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|-------------------------------------|-----|-------------------------------------|----|
| <i>Jennette James</i> | <input checked="" type="checkbox"/> | | | |
| <i>[Signature]</i> | <input checked="" type="checkbox"/> | | | |
| <i>[Signature]</i> | | | <input checked="" type="checkbox"/> | |
| <i>[Signature]</i> | <input checked="" type="checkbox"/> | | | |
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| | | | | |

CHAIR'S SIGNATURE *Jennette James*

Lovetta

Passed

1-LS1177(H)
Bannister
4/13/00

CS FOR HOUSE BILL NO. 444()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION**

BY

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to nongovernmental activities of state departments; and providing
2 for an effective date."

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

4 * Section 1. AS 44 is amended by adding a new chapter to read:

5 **Chapter 64. Inventory and Procurement of Nongovernmental Activities.**

6 **Sec. 44.64.010. Annual list required.** (a) Each department shall submit to
7 the office of management and budget each fiscal year a list of the activities performed
8 by the department's employees that, in the judgment of the commissioner of the
9 department, are not inherently governmental activities.

10 (b) The director of the office of management and budget shall consult with a
11 department when the department is preparing the list under (a) of this section and shall
12 review the list.

13 (c) In this section, "inherently governmental activity"

14 (1) means an activity that is so closely related to the public interest that

1 it requires performance by state government employees; the term includes an activity
2 that

3 (A) requires either the exercise of discretion in applying state
4 governmental authority or the making of value judgments, including judgments
5 relating to monetary transactions and entitlements, and making decisions for the
6 state government; or

7 (B) involves the interpretation or execution of the laws of the
8 state

9 (i) to bind the state to take or not to take an action by
10 contract, policy, regulation, authorization, order, or another method;

11 (ii) to determine, protect, or advance state economic,
12 political, territorial, property, or other interests by military action,
13 intergovernmental agreements, civil judicial proceedings, criminal
14 judicial proceedings, contract management, or another method;

15 (iii) that will significantly affect the life, liberty, or
16 property of private persons;

17 (iv) to commission, appoint, direct, or control officers
18 or employees of the state; or

19 (v) that will exert ultimate control over the acquisition,
20 use, or disposition of the real or personal property, whether tangible or
21 intangible, of the state, including the collection, control, or disbursement
22 of appropriated or other state money;

23 (2) does not include

24 (A) gathering information for or providing advice, opinions,
25 recommendations, or ideas to state government employees; or

26 (B) an activity that is primarily ministerial and internal in
27 nature, including building security, mail operations, facilities operations,
28 facilities maintenance, warehouse operations, motor vehicle fleet management
29 operations, routine electrical services, or routine mechanical services.

30 **Sec. 44.64.020. Description of listed activity.** The description of a listed
31 activity must include

1 (1) the fiscal year when the activity first appeared on a list;

2 (2) the number of full-time employees that are needed to perform the
3 activity;

4 (3) the name of a department employee who is responsible for the
5 activity and from whom additional information about the activity may be obtained.

6 **Sec. 44.64.030. Transmittal and publication of list.** (a) The commissioner
7 of each department shall promptly transmit a copy of the list prepared by the
8 department under AS 44.64.010 to the legislature and make the list available to the
9 public.

10 (b) For each list prepared by a department, the director of the office of
11 management and budget shall promptly publish in the Alaska Administrative Journal
12 a notice that the list is available to the public.

13 (c) If, as a result of a challenge or an appeal under AS 44.64.040, a
14 department changes a list after a notice is published under (b) of this section, the state
15 department that prepared the list shall promptly

16 (1) transmit a copy of the change to the legislature and make the
17 change available to the public; and

18 (2) publish in the Alaska Administrative Journal a notice that the
19 change is available to the public.

20 **Sec. 44.64.040. Challenge and appeal.** (a) An interested person may
21 challenge the inclusion or omission of an activity on a list by filing with the
22 department that prepared the list a written notice stating the person's challenge and the
23 reasons for the challenge. A challenge must be filed with the department within 30
24 days after publication of the notice under AS 44.64.030(b) or (c)(2), as applicable.

25 (b) Within 28 days after a department receives notice of a challenge under (a)
26 of this section, a department employee appointed by the commissioner of the
27 department shall decide whether to reject or uphold the challenge and shall transmit
28 a notice of the decision to the person who filed the notice. The notice must include
29 the decision, an explanation of the reasons for the decision, and an explanation of the
30 party's right to appeal under (c) of this section.

31 (c) An interested person may appeal an adverse decision made by a department

1 under (b) of this section. The appeal must be filed with the department within 10 days
2 after the person receives the notice of the decision.

3 (d) Within 10 days after a department receives an appeal of a decision under
4 (c) of this section, the commissioner of the department shall decide the appeal and
5 shall transmit to the person who filed the appeal a notice of the decision on the appeal,
6 including an explanation of the rationale for the decision. The person who filed the
7 appeal may appeal an adverse decision to the superior court.

8 (e) A challenge under this section, an appeal to a department under this
9 section, and an appeal to the superior court under this section are not subject to
10 AS 44.62 (Administrative Procedure Act).

11 **Sec. 44.64.050. Procurement determination.** For the purpose of determining
12 whether to contract with a private person to perform a listed activity, when a
13 department compares its costs of performing the activity with the costs of contracting
14 with a private person to perform the activity, the department shall consider all of the
15 realistic and fair costs of the activity. In this section, "costs" includes the quality
16 assurance costs, the cost to technically monitor performance of the activity, liability
17 insurance costs, the cost of employee retirement and disability benefits, and other
18 overhead costs.

19 **Sec. 44.64.090. Definitions.** In this chapter, unless the context indicates
20 otherwise,

21 (1) "department" means a department listed under AS 44.17.005, but
22 does not include a public corporation located in a department;

23 (2) "interested person" means

24 (A) a private person who

25 (i) is an actual or prospective bidder or offeror for a
26 contract to perform the activity; and

27 (ii) has a direct economic interest in performing the
28 activity that would be adversely affected by a determination not to
29 procure the performance of the activity from a private person;

30 (B) a representative of a business association or professional
31 association, if the association includes as members private persons referred to

1 in (A) of this paragraph;

2 (C) an employee of an organization within the department if the
3 employee or the organization is an actual or prospective performer of the
4 activity; or

5 (D) the head of a labor organization that includes within its
6 membership employees referred to in (C) of this paragraph; in this
7 subparagraph, "labor organization" means a nonprofit organization established
8 wholly or partly to bargain collectively or deal with employers, including the
9 state, concerning grievances, terms, or conditions of employment or other
10 mutual aid or protection in connection with employees;

11 (3) "list" means a list prepared under AS 44.64.010;

12 (4) "listed activity" means an activity included on a list prepared under
13 AS 44.64.010, including an activity added after a challenge or an appeal under
14 AS 44.64.040.

15 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

From the office of . . . Representative John J. Cowdery

State Capitol, Suite 204

Juneau, AK 99801

907-465-3879 phone

907-465-2069 fax

MEMORANDUM

TO: Representative Jeannette James, Chair, State Affairs Committee

FROM: Representative John J. Cowdery *J.C.*

DATE: April 14, 2000

RE: HB 444 – State Affairs Committee Meeting on 4/15/00

CC: Representative Green, Representative Hudson, Representative Whittaker,
Representative Ogan, Representative Smalley, and Representative Kerttula

Notes:

Attached is a work draft substitute for HB 444. HB 444 will be heard again in State Affairs on Saturday. I hope that you have time to review this work draft, as I will be asking for the committee to adopt it as the committee substitute.

I would like to explain the changes made from the original version. The original bill included a paragraph on page 5, line 6-10, which specified that if and when an agency decided to obtain a private person to perform an activity, that the competitive sealed bidding process would be used. This paragraph has now been deleted from the bill.

All language that pertains to the University of Alaska has also been deleted. The primary purpose of this is because the University is not part of the Executive Branch. Secondly, during the course of the privatization commissions work we learned how progressive the University actually is in the area of identifying their activities, already.

Under the Challenge and Appeal section, paragraph (e) was modified to include allowing a person to appeal the decision to the superior court. This makes it clear that everyone has a constitutional right to go to court.

HOUSE BILL NO. 444

IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Introduced: 4/6/00

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to nongovernmental activities of state agencies, including the
 2 University of Alaska; and providing for an effective date."

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

4 * Section 1. AS 36.30.005(c) is amended to read:

5 (c) Notwithstanding other provisions of law, except to the extent that
 6 AS 44.64.050(b) directs how certain contracts are to be procured, all rights,
 7 powers, duties, and authority relating to the procurement of supplies, services,
 8 professional services, and construction and the disposal of supplies for the University
 9 of Alaska are transferred to the Board of Regents. To the maximum extent possible,
 10 authority granted under this subsection shall be exercised in accordance with this
 11 chapter. The Board of Regents shall adopt regulations under this subsection that are
 12 substantially equivalent to the regulations adopted by the commissioner of
 13 administration to implement this chapter. For the purposes of this subsection, unless
 14 the context otherwise requires, in this chapter,

- 1 (1) "agency" means a subunit of the University of Alaska;
- 2 (2) "attorney general" means the president of the University of Alaska;
- 3 (3) "chief procurement officer" means a person designated by the
- 4 president of the University of Alaska whose qualifications are substantially equivalent
- 5 to those provided in AS 36.30.010(a);
- 6 (4) "commissioner," "commissioner of administration," or
- 7 "commissioner of transportation and public facilities" means the Board of Regents or
- 8 the president of the University of Alaska if so designated by the Board of Regents by
- 9 regulations adopted under this subsection; and
- 10 (5) "department" means the University of Alaska.

11 * Sec. 2. AS 44 is amended by adding a new chapter to read:

12 **Chapter 64. Inventory and Procurement of Nongovernmental Activities.**

13 **Sec. 44.64.010. Annual list required.** (a) Each state agency shall submit to

14 the office of management and budget each fiscal year a list of the activities performed

15 by the agency's employees that, in the judgment of the state agency head, are not

16 inherently governmental activities.

17 (b) The director of the office of management and budget shall consult with a

18 state agency when the agency is preparing the list under (a) of this section and shall

19 review the list.

20 (c) In this section, "inherently governmental activity"

21 (1) means an activity that is so closely related to the public interest that

22 it requires performance by state government employees; the term includes an activity

23 that

24 (A) requires either the exercise of discretion in applying state

25 governmental authority or the making of value judgments, including judgments

26 relating to monetary transactions and entitlements, and making decisions for the

27 state government; or

28 (B) involves the interpretation or execution of the laws of the

29 state

30 (i) to bind the state to take or not to take an action by

31 contract, policy, regulation, authorization, order, or another method;

1 (ii) to determine, protect, or advance state economic,
 2 political, territorial, property, or other interests by military action,
 3 intergovernmental agreements, civil judicial proceedings, criminal
 4 judicial proceedings, contract management, or another method;

5 (iii) that will significantly affect the life, liberty, or
 6 property of private persons;

7 (iv) to commission, appoint, direct, or control officers
 8 or employees of the state; or

9 (v) and will exert ultimate control over the acquisition,
 10 use, or disposition of the real or personal property, whether tangible or
 11 intangible, of the state, including the collection, control, or disbursement
 12 of appropriated or other state money;

13 (2) does not include

14 (A) gathering information for or providing advice, opinions,
 15 recommendations, or ideas to state government employees; or

16 (B) an activity that is primarily ministerial and internal in
 17 nature, including building security, mail operations, facilities operations,
 18 facilities maintenance, warehouse operations, motor vehicle fleet management
 19 operations, routine electrical services, or routine mechanical services.

20 **Sec. 44.64.020. Description of listed activity.** The description of a listed
 21 activity must include

22 (1) the fiscal year when the activity first appeared on a list;

23 (2) the number of full-time employees that are needed to perform the
 24 activity;

25 (3) the name of a state agency employee who is responsible for the
 26 activity and from whom additional information about the activity may be obtained.

27 **Sec. 44.64.030. Transmittal and publication of list.** (a) Each state agency
 28 head shall promptly transmit a copy of the list prepared by the state agency under
 29 AS 44.64.010 to the legislature and make the list available to the public.

30 (b) For each list prepared by a state agency, the director of the office of
 31 management and budget shall promptly publish in the Alaska Administrative Journal

1 a notice that the list is available to the public.

2 (c) If, as a result of a challenge made under AS 44.64.040, a state agency
3 changes a list after a notice is published under (b) of this section, the state agency that
4 prepared the list shall promptly

5 (1) transmit a copy of the change to the legislature and make the
6 change available to the public; and

7 (2) publish in the Alaska Administrative Journal a notice that the
8 change is available to the public.

9 **Sec. 44.64.040. Challenge and appeal.** (a) An interested person may
10 challenge the inclusion or omission of an activity on a list by filing with the state
11 agency that prepared the list a written notice stating the person's challenge and the
12 reasons for the challenge. A challenge must be filed with the agency within 30 days
13 after publication of the notice under AS 44.64.030(b) or (c)(2), as applicable.

14 (b) Within 28 days after a state agency receives notice of a challenge under
15 (a) of this section, an agency employee appointed by the state agency head shall decide
16 whether to reject or uphold the challenge and shall transmit a notice of the decision
17 to the person who filed the notice. The notice must include the decision, an
18 explanation of the reasons for the decision, and an explanation of the party's right to
19 appeal under (c) of this section.

20 (c) An interested person may appeal an adverse decision made by a state
21 agency under (b) of this section. The appeal must be filed with the agency within 10
22 days after the person receives the notice of the decision.

23 (d) Within 10 days after a state agency receives an appeal of a decision under
24 (c) of this section, the state agency head shall decide the appeal and shall transmit to
25 the person submitting the appeal a notice of the decision on the appeal, including an
26 explanation of the rationale for the decision.

27 (e) A challenge and an appeal under this section are not subject to AS 44.62
28 (Administrative Procedure Act).

29 **Sec. 44.64.050. Procurement of listed activity.** (a) For the purpose of
30 determining whether to contract with a private person to perform a listed activity,
31 when a state agency compares its costs of performing the activity with the costs of

1 contracting with a private person to perform the activity, the agency shall consider all
2 of the realistic and fair costs of the activity. In this subsection, "costs" includes the
3 quality assurance costs, the cost to technically monitor performance of the activity,
4 liability insurance costs, the cost of employee retirement and disability benefits, and
5 other overhead costs.

6 (b) When a state agency decides to obtain a private person to perform a listed
7 activity, the agency shall use competitive sealed bidding under AS 36.30.100 -
8 36.30.190 or competitive sealed proposals under AS 36.30.200 - 36.30.270 to procure
9 the contract with the person to perform the listed activity, unless a law other than this
chapter or AS 36.30 requires that another method be used for the procurement.

11 **Sec. 44.64.090. Definitions.** In this chapter, unless the context indicates

12 otherwise,

13 (1) "interested person" means

14 (A) a private person who

15 (i) is an actual or prospective bidder or offeror for a
16 contract to perform the activity; and

17 (ii) has a direct economic interest in performing the
18 activity that would be adversely affected by a determination not to
19 procure the performance of the activity from a private person;

20 (B) a representative of a business association or professional
21 association, if the association includes as members private persons referred to
22 in (A) of this paragraph;

23 (C) an employee of an organization within the state agency if
24 the employee or the organization is an actual or prospective performer of the
25 activity; or

26 (D) the head of a labor organization that includes within its
27 membership employees referred to in (C) of this paragraph; in this
28 subparagraph, "labor organization" means a nonprofit organization established
29 wholly or partly to bargain collectively or deal with employers, including the
30 state, concerning grievances, terms, or conditions of employments or other
31 mutual aid or protection in connection with employees;

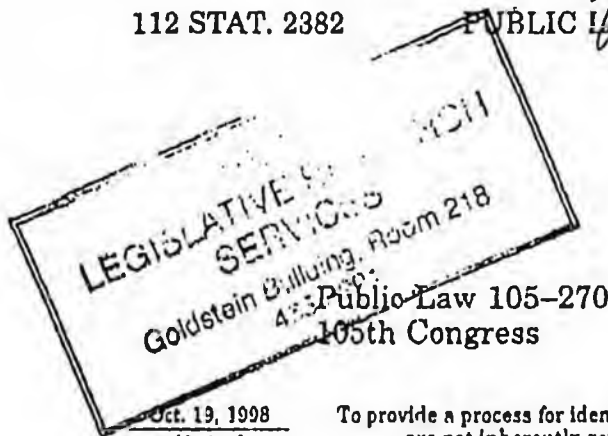
*Could the
deleted
part
be
added
to
the
list
of
already
required
in
union
contracts
etc.*

- 1 (2) "list" means a list prepared under AS 44.64.010;
- 2 (3) "listed activity" means an activity included on a list prepared under
- 3 AS 44.64.010, including an activity added after a challenge under AS 44.64.040;
- 4 (4) "state agency" means the University of Alaska and a department
- 5 listed under AS 44.17.005, but does not include a public corporation located in a
- 6 department;
- 7 (5) "state agency head" means, for a state agency that is
- 8 (A) a department, the commissioner of the department; or
- 9 (B) the University of Alaska, the president of the university.
- 10 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

*This is the Federal Counter-part
of HB 444.*

112 STAT. 2382

PUBLIC LAW 105-270—OCT. 19, 1998



An Act

To provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Federal Activities
Inventory Reform
Act of 1998.
31 USC 501 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Activities Inventory Reform Act of 1998".

Records.

SEC. 2. ANNUAL LISTS OF GOVERNMENT ACTIVITIES NOT INHERENTLY GOVERNMENTAL IN NATURE.

Deadline.

(a) **LISTS REQUIRED.**—Not later than the end of the third quarter of each fiscal year, the head of each executive agency shall submit to the Director of the Office of Management and Budget a list of activities performed by Federal Government sources for the executive agency that, in the judgment of the head of the executive agency, are not inherently governmental functions. The entry for an activity on the list shall include the following:

(1) The fiscal year for which the activity first appeared on a list prepared under this section.

(2) The number of full-time employees (or its equivalent) that are necessary for the performance of the activity by a Federal Government source.

(3) The name of a Federal Government employee responsible for the activity from whom additional information about the activity may be obtained.

(b) **OMB REVIEW AND CONSULTATION.**—The Director of the Office of Management and Budget shall review the executive agency's list for a fiscal year and consult with the head of the executive agency regarding the content of the final list for that fiscal year.

(c) **PUBLIC AVAILABILITY OF LISTS.**—

(1) **PUBLICATION.**—Upon the completion of the review and consultation regarding a list of an executive agency—

(A) the head of the executive agency shall promptly transmit a copy of the list to Congress and make the list available to the public; and

(B) the Director of the Office of Management and Budget shall promptly publish in the Federal Register a notice that the list is available to the public.

(2) **CHANGES.**—If the list changes after the publication of the notice as a result of the resolution of a challenge under section 3, the head of the executive agency shall promptly—

(A) make each such change available to the public and transmit a copy of the change to Congress; and

Federal Register,
Publication.

PUBLIC LAW 105-270—OCT. 19, 1998

112 STAT. 1383

(B) publish in the Federal Register a notice that the change is available to the public.

Federal Register,
Publication.

(d) **COMPETITION REQUIRED.**—Within a reasonable time after the date on which a notice of the public availability of a list is published under subsection (c), the head of the executive agency concerned shall review the activities on the list. Each time that the head of the executive agency considers contracting with a private sector source for the performance of such an activity, the head of the executive agency shall use a competitive process to select the source (except as may otherwise be provided in a law other than this Act, an Executive order, regulations, or any executive branch circular setting forth requirements or guidance that is issued by competent executive authority). The Director of the Office of Management and Budget shall issue guidance for the administration of this subsection.

(e) **REALISTIC AND FAIR COST COMPARISONS.**—For the purpose of determining whether to contract with a source in the private sector for the performance of an executive agency activity on the list on the basis of a comparison of the costs of procuring services from such a source with the costs of performing that activity by the executive agency, the head of the executive agency shall ensure that all costs (including the costs of quality assurance, technical monitoring of the performance of such function, liability insurance, employee retirement and disability benefits, and all other overhead costs) are considered and that the costs considered are realistic and fair.

SEC. 3. CHALLENGES TO THE LIST.

(a) **CHALLENGE AUTHORIZED.**—An interested party may submit to an executive agency a challenge of an omission of a particular activity from, or an inclusion of a particular activity on, a list for which a notice of public availability has been published under section 2.

(b) **INTERESTED PARTY DEFINED.**—For the purposes of this section, the term “interested party”, with respect to an activity referred to in subsection (a), means the following:

(1) A private sector source that—

(A) is an actual or prospective offeror for any contract, or other form of agreement, to perform the activity; and

(B) has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from a private sector source.

(2) A representative of any business or professional association that includes within its membership private sector sources referred to in paragraph (1).

(3) An officer or employee of an organization within an executive agency that is an actual or prospective offeror to perform the activity.

(4) The head of any labor organization referred to in section 7103(a)(4) of title 5, United States Code, that includes within its membership officers or employees of an organization referred to in paragraph (3).

(c) **TIME FOR SUBMISSION.**—A challenge to a list shall be submitted to the executive agency concerned within 30 days after the publication of the notice of the public availability of the list under section 2.

112 STAT. 2384

PUBLIC LAW 105-270—OCT. 19, 1998

Deadline. (d) **INITIAL DECISION.**—Within 28 days after an executive agency receives a challenge, an official designated by the head of the executive agency shall—

(1) decide the challenge; and

(2) transmit to the party submitting the challenge a written notification of the decision together with a discussion of the rationale for the decision and an explanation of the party's right to appeal under subsection (c).

(e) **APPEAL.**—

Deadline.

(1) **AUTHORIZATION OF APPEAL.**—An interested party may appeal an adverse decision of the official to the head of the executive agency within 10 days after receiving a notification of the decision under subsection (d).

(2) **DECISION ON APPEAL.**—Within 10 days after the head of an executive agency receives an appeal of a decision under paragraph (1), the head of the executive agency shall decide the appeal and transmit to the party submitting the appeal a written notification of the decision together with a discussion of the rationale for the decision.

SEC. 4. APPLICABILITY.

(a) **EXECUTIVE AGENCIES COVERED.**—Except as provided in subsection (b), this Act applies to the following executive agencies:

(1) **EXECUTIVE DEPARTMENT.**—An executive department named in section 101 of title 5, United States Code.

(2) **MILITARY DEPARTMENT.**—A military department named in section 102 of title 5, United States Code.

(3) **INDEPENDENT ESTABLISHMENT.**—An independent establishment, as defined in section 104 of title 5, United States Code.

(b) **EXCEPTIONS.**—This Act does not apply to or with respect to the following:

(1) **GENERAL ACCOUNTING OFFICE.**—The General Accounting Office.

(2) **GOVERNMENT CORPORATION.**—A Government corporation or a Government controlled corporation, as those terms are defined in section 103 of title 5, United States Code.

(3) **NONAPPROPRIATED FUNDS INSTRUMENTALITY.**—A part of a department or agency if all of the employees of that part of the department or agency are employees referred to in section 2105(c) of title 5, United States Code.

(4) **CERTAIN DEPOT-LEVEL MAINTENANCE AND REPAIR.**—Depot-level maintenance and repair of the Department of Defense (as defined in section 2460 of title 10, United States Code).

SEC. 5. DEFINITIONS.

In this Act:

(1) **FEDERAL GOVERNMENT SOURCE.**—The term "Federal Government source", with respect to performance of an activity, means any organization within an executive agency that uses Federal Government employees to perform the activity.

(2) **INHERENTLY GOVERNMENTAL FUNCTION.**—

(A) **DEFINITION.**—The term "inherently governmental function" means a function that is so intimately related to the public interest as to require performance by Federal Government employees.

PUBLIC LAW 105-270—OCT. 19, 1998

112 STAT. 2385

(B) **FUNCTIONS INCLUDED.**—The term includes activities that require either the exercise of discretion in applying Federal Government authority or the making of value judgments in making decisions for the Federal Government, including judgments relating to monetary transactions and entitlements. An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as—

(i) to bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;

(ii) to determine, protect, and advance United States economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;

(iii) to significantly affect the life, liberty, or property of private persons;

(iv) to commission, appoint, direct, or control officers or employees of the United States; or

(v) to exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.

(C) **FUNCTIONS EXCLUDED.**—The term does not normally include—

(i) gathering information for or providing advice, opinions, recommendations, or ideas to Federal Government officials; or

(ii) any function that is primarily ministerial and internal in nature (such as building security, mail operations, operation of cafeterias, housekeeping, facilities operations and maintenance, warehouse operations, motor vehicle fleet management operations, or other routine electrical or mechanical services).

SEC. 6. EFFECTIVE DATE.

This Act shall take effect on October 1, 1998.

Approved October 19, 1998.

LEGISLATIVE HISTORY—S. 314:

SENATE REPORTS: No. 105-269 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 144 (1996):

July 30, considered and passed Senate.

Oct. 5, considered and passed House.

○

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Representative
John J. Cowdery
Chairman
House Rules
Committee

Session:
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204
Juneau, AK 99801

Phone: 907-465-3879
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Toll Free: 1-888-269-3879

MEMORANDUM:

DATE: April 6, 2000

TO: Representative Jeannette James
Chair, House State Affairs

FROM: Representative John J. Cowdery
House Rules Committee

RE: HB 444

This memo is a request to have HB 444, "An act relating to nongovernmental activities of state agencies, including the University of Alaska; and providing for and effective date.", scheduled for a hearing.

This bill was introduced today, and State Affairs is the first committee of referral.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 444

Revision Date/Time (Note if correction) _____ Dept. Affected All state agencies
 Title An Act relating to nongovernmental activities of BRU Multiple
state agencies. Component Multiple
 Sponsor House Rules Committee
 Requester House State Affairs Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|---------|---------|---------|---------|---------|---------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | * | * | * | * | * | * |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

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

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | * | * | * | * | * | * |

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

HB 444 would require all state agencies to annually prepare a list of activities performed by employees that are not "inherently governmental activities". In addition, the bill provides for a challenge and appeal process regarding activities that are included or omitted from these lists. The fiscal impact of this provision would depend on the volume of challenges and appeals, which is difficult to predict. Therefore, this fiscal note has asterisks above to indicate this uncertain fiscal impact.

Prepared by: Jack Kreinheder, Senior Policy Analyst *JK* Phone 465-4676
 Division Office of Management and Budget Date/Time 4/11/00 2:17 PM
 Approved by Director: Annalee McConnell *Annalee McConnell* Date 4/11/00
Office of the Governor

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Subject: fiscal note

Date: Fri, 07 Apr 2000 13:06:50 -0800

From: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>

Organization: Alaska State Legislature

To: shari_kochman@gov.state.ak.us

I have scheduled HB 444, State Government Activities, for hearing in House State Affairs on Tuesday April 11 and need fiscal notes.

Thanks.

Barbara

*Not received.
as of 4/10/00.
hee*