

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11176 SENATE JUDICIARY

SJR

6

ALASKA STATE LEGISLATURE



SENATOR GRETCHEN GUESS

Memorandum

Date: May 12, 2003

To: Senator Ralph Seekins
Chair, Senate Judiciary Committee

From: Senator Gretchen Guess

Re: Hearing Request

Please consider this a formal request for a hearing of SJR 6, *"Proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session."*

Currently, the Constitution requires the Alaska State Legislature meets for no more than 120 days each session. SJR 6 proposes an amendment to Alaska's Constitution that would limit regular legislative sessions to 90 consecutive calendar days. If this resolution passes, the proposed constitutional amendment would be placed on the next general election ballot.

If you have any questions regarding SJR 6 please feel free to contact me or my aide Maridon Boario at 2435.

Thank you very much for your consideration.

ALASKA STATE LEGISLATURE



SENATOR GRETCHEN GUESS

Sponsor Statement

SJR 6

"Proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session."

Currently, the Constitution requires the Alaska State Legislature meet for no more than 120 days each session. SJR 6 proposes an amendment to Alaska's Constitution limiting regular legislative sessions from the current 120 days to 90 consecutive calendar days. If this resolution passes, the proposed constitutional amendment would be placed on the next general election ballot.

Ninety days is more than enough time for the Legislature to complete its business. A slowing economy and a need for Alaska to tighten its belt only adds to the common sense approach of shortening the legislative session. Shorter sessions would save the state approximately \$900,000 per year in per diem and staffing costs.

Prior to 1984, the Legislature had no time limit on the number of days it could remain in session. The voters approved the present 120-day limit in November of 1984. Since that time, it has been proven the Alaska Legislature can operate within a time limit.

Thank you for your consideration.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SJR6
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
Title Constitutional Amendment relating to BRU Elections
the duration of regular session Component Elections
Sponsor Senator Guess
Requester Senate State Affairs Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual		1.5				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	1.5	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		1.5				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	1.5	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Lauri Allred Phone 465-5347
Division: Division of Elections Date/Time 5/6/03 10:28 AM
Approved by: Laura A. Glaiser, Director Date 5/6/2003
Agency: Office of the Lt. Governor, Division of Elections

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SJR 6
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title Proposing an amendment to the BRU Leg Council, Leg Operating Budget
Constitution of the State of Alaska relating to the duration..... Component All
Sponsor Senators Guess, Dyson..
Requester Senate State Affairs Component No. 782

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	(516.0)	(516.0)	(516.0)	(516.0)	(516.0)
Travel	0.0	(330.0)	(330.0)	(330.0)	(330.0)	(330.0)
Contractual	0.0	(21.0)	(21.0)	(21.0)	(21.0)	(21.0)
Supplies	0.0	(21.0)	(21.0)	(21.0)	(21.0)	(21.0)
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	(888.0)	(888.0)	(888.0)	(888.0)	(888.0)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	(888.0)	(888.0)	(888.0)	(888.0)	(888.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	(888.0)	(888.0)	(888.0)	(888.0)	(888.0)

Estimate of any current year (FY2003) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SJR 6 would amend the Constitution of the State of Alaska by limiting the regular session to 90 days. If this resolution is passed and approved by the voters at the next general election in 2004, the earliest the 90 day session limit would be in effect would be 2005. The Legislature would realize a cost savings of approximately \$29.6 per day for each day of a shorter session. Shortening the session by 30 days would result in a cost savings of, 30 times \$29.6, or \$888.0 per year.

The Legislature traditionally charges expenses occurring during session to session expense accounts and expenses occurring during the interim to interim expense accounts. For example: Most legislative staff payroll costs are charged to operating expense accounts during the interim. Staff salaries for most

Prepared by: Karla Schofield, Deputy Director Phone 465-3850
Division Administrative Services Date/Time 5/6/03 8:40 AM
Approved by: Pamela A. Varni, Executive Director Date 5/6/2003
Agency Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SJR 6

ANALYSIS CONTINUATION

legislative staffers are charged to session during the session. The legislative payroll is higher during a legislative session. If the regular session were shortened to 90 days, the session payroll would decrease and the interim payroll would increase. There would be a decrease in the total amount of the payroll due to the higher cost of personal services during a session. The majority of the personal services costs would be a transfer of costs between allocations.

The costs below are for items not needed for a shorter session.

	Per Day	times 30 days	Total
Personal Services	17.2	30	516.0
Travel			
Session per diem costs 12.0 per day. If session were shortened more long term per diem claims would be filed during the year, approximately 1.0 per day 12.0 - 1.0 = 11.0	11.0	30	330.0
Contractual			
Telephones, chaplin fees, copier maintenance	0.7	30	21.0
Supplies	0.7	30	21.0
Lounge supplies			
Printshop paper supplies	_____		_____
	29.6		888.0
Current number of session days	120		
Proposed number of session days	90		

	30		

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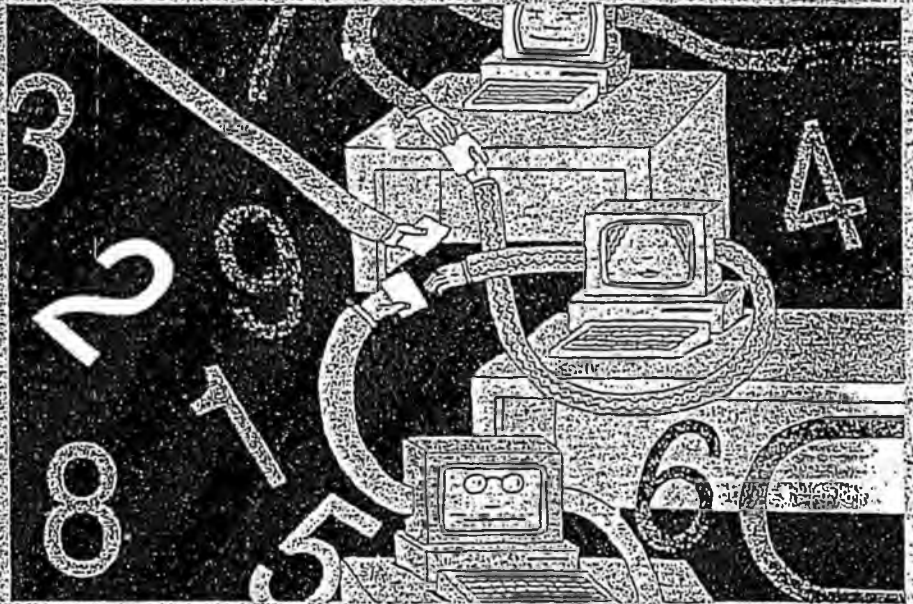
2000 LEGISLATIVE SESSIONS

ALABAMA	Feb. 1 - May 15
ALASKA	Jan. 19 - May 9
ARIZONA	Jan. 19 - late April
ARKANSAS	No regular session
CALIFORNIA	Jan. 3 - Aug. 11
COLORADO	Jan. 12 - May 10
CONNECTICUT	Feb. 9 - May 3
DELAWARE	Jan. 11 - June 30
FLORIDA	March 2 - May 5
GEORGIA	Jan. 10 - mid-March
HAWAII	Jan. 19 - early May
IDAHO	Jan. 10 - mid-March
ILLINOIS	Jan. 12
INDIANA	Jan. 10 - March 15
IOWA	Jan. 10 - late April
KANSAS	Jan. 10 - late April
KENTUCKY	Jan. 4 - April 12
LOUISIANA	April 24 - June 7
MAINE	Jan. 6 - April 19
MARYLAND	Jan. 12 - April 10
MASSACHUSETTS	Jan. 6
MICHIGAN	Jan. 12
MINNESOTA	Feb. 1 - late April
MISSISSIPPI	Jan. 4 - May 7
MISSOURI	Jan. 15 - May 30
MONTANA	No regular session
NEBRASKA	Jan. 5 - mid-April
NEVADA	No regular session
NEW HAMPSHIRE	Jan. 5 - mid-June
NEW JERSEY	Jan. 11
NEW MEXICO	Jan. 18 - Feb. 16
NEW YORK	Jan. 5
NORTH CAROLINA	May 8 - July
NORTH DAKOTA	No regular session
OHIO	Jan. 3
OKLAHOMA	Feb. 7 - May 26
OREGON	No regular session
PENNSYLVANIA	Jan. 4
RHODE ISLAND	Jan. 4 - late June
SOUTH CAROLINA	Jan. 11 - June 1
SOUTH DAKOTA	Jan. 11 - mid-March
TENNESSEE	Jan. 11 - late April
TEXAS	No regular session
UTAH	Jan. 17 - March 1
VERMONT	Jan. 5 - early May
VIRGINIA	Jan. 12 - March 11
WASHINGTON	Jan. 10 - March 9
WEST VIRGINIA	Jan. 12 - March 11
WISCONSIN	Jan. 3
WYOMING	Feb. 14 - March 10
AMERICAN SAMOA	Jan. 10
DISTRICT OF COLUMBIA	Jan. 2
GUAM	Jan. 10
PUERTO RICO	Jan. 10 - June 30
VIRGIN ISLANDS	Jan. 10

* Legislature meets throughout the year.

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(Published: April 19, 2003)

LENGTH OF SESSION STILL A ...Worthy topic

WE'VE SEEN no reports that the Legislature is giving much consideration to a bill that would shorten the length of time Alaska lawmakers hang around Juneau every year.

Too bad. The measure deserves passage, promptly and without more months of dilly-dallying.

As things now stand, Alaska pays for legislative sessions that last four months every year.

A third of every year, year in and year out, is spent with the state House and Senate going at it -- trying to make political points and enacting laws to serve 600,000 people. How many laws do that many people really need every year, anyway?

Arizona's Legislature meets every year, but it does its work in three months. Idaho, another state where comparisons can be made to Alaska, also meets on an annual basis, but its sessions last only 81 days.

In Utah, legislators meet each year for just 44 days.

Wyoming's annual sessions last for only 55 days.

In Oregon, legislators gather only every other year for a session lasting 186 days.

Montana lawmakers meet in Helena every other year, and then for only 109 days.

Alaskans are simply nuts to support an annual session lasting one-third of every year.

WE'VE LONG contended that all government work stops in Juneau during the time the Legislature is in session -- because commissioners, department heads, division chiefs and their support staffs are totally fixed on what's happening to them in the lawmaking chambers.

Then, for the next three months, not much progress is made either because all the departments are kept busy trying to figure out what happened to their agencies and they concentrate on trying to figure out how to deal with all the new laws that affect their operations.

The final three months of the year are then spent trying to get ready for the next session -- with each agency building arguments on why it needs more money, more people, more authority.

It is a goofy system that does more harm than good.

The legislation pending to shorten the sessions was introduced some weeks ago by Democratic Sen. Gretchen Guess of Anchorage. It proposes that legislators should do their job in 90 days and then hit the road for home.

That's still three months in Juneau. Surely that should be time aplenty.

And think of the money that would be saved.

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2003 LEGISLATIVE REGULAR SESSION CALENDAR

as of May 6, 2003

State	Convenes	Adjourns	Comments
Alabama	Mar 4	Jun 16	Organizational session begins Jan. 14, 2003
Alaska	Jan 21	May 21	
Arizona	Jan 13	Mid May	
Arkansas	Jan 13	April 16	
California	Dec 2, 2002	mid-Sept	
Colorado	Jan 8	May 7	
Connecticut	Jan 8	Jun 4	
Delaware	Jan 14	Jun 30	
Florida	Mar 4	May 2	Organizational session begins Nov 19, 2002
Georgia	Jan 13	April 25	
Hawaii	Jan 15	May 1	
Idaho	Jan 6	May 3	Organizational session begins Dec. 5, 2002
Illinois	Jan 8	*	
Indiana	Jan 07	Apr 27	Organizational session begins Nov 19, 2002
Iowa	Jan 13	May 2	

Kansas	Jan 13	Early May	
Kentucky	Jan 7	Mar 25	
Louisiana	Mar 31	Jun 23	
Maine	Dec 4, 2002	Jun 18	
Maryland	Jan 8	Apr 7	
Massachusetts	Jan 1	*	
Michigan	Jan 8	*	
Minnesota	Jan 7	May 19	
Mississippi	Jan 7	Apr 6	
Missouri	Jan 8	May 30	
Montana	Jan 6	April 26	
Nebraska	Jan 8	early June	
Nevada	Feb 3	Jun 2	
New Hampshire	Jan 8	late June	Organizational day is Dec 4, 2002
New Jersey	Jan 14	*	
New Mexico	Jan 21	Mar 22	
New York	Jan 8	*	
North Carolina	Jan 29	early July	
North Dakota	Jan 7	Apr 25	Organizational session is Dec 2-4, 2002
Ohio	Jan 6	*	
Oklahoma	Feb 3	May 30	Organizational day is Jan. 7, 2003
Oregon	Jan 13	mid-July	
Pennsylvania	Jan 7	*	
Rhode Island	Jan 7	late June	
South Carolina	Jan 14	Jun 5	
South Dakota	Jan 14	March 24	

Tennessee	Jan 14	late May	
Texas	Jan 14	Jun 2	
Utah	Jan 20	Mar 5	
Vermont	Jan 8	mid-May	
Virginia	Jan 8	Feb 22	Odd-yr session traditionally is extended 15 days; if done, adjournment will change to Feb. 22
Washington	Jan 13	Apr 27	
West Virginia	Jan 8	Mar 16	
Wisconsin	Jan 6	*	
Wyoming	Jan 14	March 6	
American Samoa	Jan 13		Second part begins July 14, 2003
District of Columbia	Jan 2	*	
Guam	Jan 13	*	
Puerto Rico	Jan 13	Jun 30	Second part runs Sept-Oct
Virgin Islands	Jan 13	*	

Key:

*=Legislature meets throughout the year

Contact for More Information

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ALASKA STATE LEGISLATURE
SESSION LENGTH AND PERCENTAGE OF DAYS WITH FLOOR SESSIONS, 1981-2000

LEGISLATURE	YEAR	HOUSE				SENATE			
		SPEAKER	SESSION LENGTH(1)	DAYS NOT IN SESSION(2)	PERCENTAGE OF DAYS IN SESSION	PRESIDENT	SESSION LENGTH(1)	DAYS NOT IN SESSION(2)	PERCENTAGE OF DAYS IN SESSION
Twelfth	1981(4) 1982	J. Duncan	165	45	68%	J. Kerttula	164	46	73%
		J. Duncan	143	54		J. Kerttula	144	38	
Thirteenth	1983 1984	J. Hayes	161	62	64%	J. Kerttula	162	45	71%
		J. Hayes	152	53		J. Kerttula	152	46	
Fourteenth (First legislature under 120-day session limit)	1985(4) 1986	B. Grussendorf	119	50	57%	D. Bennett	119	33	73%
		B. Grussendorf	120	52		D. Bennett	120	33	
Fifteenth	1987(4) 1988	B. Grussendorf	122	54	58%	J. Falks	121	33	72%
		B. Grussendorf	121	49		J. Falks	121	36	
Sixteenth	1989 1990(4)	S. Cotten	121	50	61%	T. Kelly	121	32	74%
		S. Cotten	122(3)	46		T. Kelly	121	33	
Seventeenth	1991 1992(4)	B. Grussendorf	122(3)	54	57%	R. Eliason	121	55	55%
		B. Grussendorf	122(3)	53		R. Eliason	121	56	
Eighteenth	1993 1994(4)	R. Barnes	121	54	57%	R. Halford	121	44	60%
		R. Barnes	121	51		R. Halford	121	54	
Nineteenth	1995 1996(4)	G. Phillips	121	46	59%	D. Pearce	121	42	60%
		G. Phillips	122(3)	54		D. Pearce	122(3)	54	
Twentieth	1997 1998(4)	G. Phillips	119	50	50%	M. Miller	119	48	65%
		G. Phillips	121	49		M. Miller	121	37	
Twenty-First	1999(4) 2000(4)	B. Porter	121	52	56%	D. Pearce	121	38	69%
		B. Porter	115	53		D. Pearce	115	35	

Notes:

- (1) Session lengths as published in "Summary of Alaska Legislation," Legislative Affairs Agency, Alaska State Legislature.
- (2) Information obtained from Alaska State Legislature's printed House and Senate Journals, and Legislative Affairs Agency Follows Database.
- (3) House adjourned after midnight on the 121st day.
- (4) Legislature went into special session.

May 9, 1997

Vo

The Anchorage Times

Publisher: BILL J. ALLEN

"Believing in Alaskans, putting Alaska first"

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

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Too darned long

WITH THE end of the 1997 legislative session in sight, let's suggest again that it's time to make a fundamental change in the way Alaska lawmakers do their business.

We're not talking about the conduct or results of this session. We are not criticizing legislators, individually or collectively.

The change that's needed is in the system itself

Simply put, the state's annual legislative sessions last too long.

As things now stand, lawmakers meet for four months every year.

For one-third of every year, the principal focus of government is on events happening in the state House and Senate. The workings of the bureaucracy may go on, albeit with some considerable distractions from the Capitol, but the attention of the top administration leaders — the commissioners, their deputies and various department heads — is riveted on what is happening in the Legislature.

Once adjournment is reached, each department of the government spends the next three months dealing with implementation of any new laws that affect their respective operations, and struggling with financial changes caused by budget cuts and changes in line-item appropriations.

And during the final one-third of the year the administration — all the departments, commissioners, deputy commissioners and workers down the line — must concentrate on planning for the next session, preparing new bills for introduction, working on the next budget, and generally gearing up to do battle all over again.

It's a wonder anything gets done.

THERE IS a solution.

By statute or by constitutional amendment, it should be mandated that the Legislature handle the state budget process on a two-year cycle — rather than dealing with appropriations annually.

Every other year, legislators should meet for a short session — 45 days at the maximum — to consider only a biennial budget. No other legislation would be considered, other than that required to address items that are judged to be absolute emergencies.

On the alternate years, the legislators would meet to consider general legislation — no budget work at all. Without the need to deal with budgets and funding, the work of this session would not require lawmakers to be in Juneau for four months of the year.

Maybe, under this scenario, they could get the work done in 60 days. Certainly 90 would be sufficient, under any circumstances.

The grim need for legislators to be in Juneau for a third of the year would be eliminated. And the administration would have much more time to concentrate on the job of running the state.

This is not rocket science. This is not plowing new fields in gov-

Sam Bishop, Opinion Page Editor, 459-7574

1 Feb 1997

FAIRBANKS

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WHAT OTHERS SAY

Set a 90-day legislative session

Among the more pertinent pieces of legislation filed this session is a proposed amendment to the state Constitution that would limit the 120-day session to 90 days. If passed, House Joint Resolution No. 1 would require a vote of the people.

It's a worthy concept that keeps surfacing, especially with legislators who live elsewhere, and we think it merits discussion.

Here's why: Every year, Christmas and New Year holidays are very nearly ruined for people preparing to return to Juneau for the session. First, they must wind down their duties and close up their offices before Christmas. Then, they must pack up their belongings and hit the road around the New Year to make it to Juneau in time to settle in for the session.

New legislators must be in Juneau by about Jan. 4 so they can take part in orientations. Some legislators and staff members must catch a ferry. Many arrive in the capital exhausted, having had their family time over the holidays completely disrupted.

This has spawned an annual sense of dread among many involved in the Legislature, a dread that isn't easily dissolved by the friendliness of Juneau. As one staff member put it, they feel as though they are gerbils on a treadmill: "We get here (Juneau) with a bad attitude."

Rep. Norm Rokeberg and Rep. Jerry Sanders are putting their efforts behind the resolution, the very one that died of neglect last session. Rokeberg argues the Legislature could start later, perhaps in February or early March. So much of what the Legislature does must wait until the March budget forecast from the Department of Revenue, so why not wait to get started until some of the real nuts-and-bolts work can be done?

Years ago, the people of Alaska became frustrated with the Legislature when sessions-without-limits dragged on until June or July. Thus, the 120-day limit was passed by voters. We think an even shorter session would be just as responsive, more cost-effective for the people of Alaska, and possibly even more productive. Other states do it.

Although Juneau would feel an economic impact, the perceived need to move the capital to Anchorage or elsewhere would become far less important.

The idea of a shorter session also is in line with the concept of a citizen-statesman government, one that has legislators spending more time in their districts, working in their own professions and being available to listen to their constituents. And that's a capital idea that would benefit the state as a whole.

-Juneau Empire, Jan. 26

LETTERS TO THE EDITOR

The Fairbanks Daily News-Miner reserves the right to edit or

Did Lippo

Strange sequence smells no good

WASHINGTON — In his "errors were made" press conference, President Clinton became flustered when asked by The Washington Post's John Harris if he had found anything "unusual or suspicious" in large payments by the Lippo Group to Clinton's friend Webster Hubbell just after he was forced out of the Justice Department and before he went to jail.

"I didn't know about it," he insisted. "And I can't imagine who could have ever arranged to do something improper like that and no one around here know about it. It's just not — we — we did not know anything about it."

Later in his answer he added "before it happened," because his blanket denial was untrue. His closest confidential aide, Bruce Lindsey, had already told the Senate he was aware of the payments to the disgraced Hubbell by Clinton's Asian friends. But the president now claims that the "improper" arrangement was kept secret from him "till I read about it in the press."

Consider: The financially desperate Hubbell, who could have sunk the Clintons if he turned against them, received a bundle from the same Asian crew bankrolling Clinton campaigns; he

When bala

Sen. Lott wants Social Security, not highway fund, in the formula

By LAWRENCE M. O'ROURKE

WASHINGTON — Trent Lott, the Senate Republican Leader, has a bit of an inconsistency problem with trust funds.

It's a critical inconsistency because it lies at the center of the debate over whether the Constitution should be amended to require an annual balanced federal budget.

Both the Senate and House intend to vote in February. If each chamber approves the amendment by a two-thirds majority, it will be sent to the states. If three-fourths of the states ratify, the balanced budget amendment becomes part of the Constitution.

The resolution of Lott's inconsistency is pivotal because his issues involve two of America's most popular federal programs: Social Security and the building

Thumb up to discussion of a shorter legislative session.

The group of freshman and sophomore representatives investigating the measure raise some strong arguments for a more compact session. A number of other states have shorter sessions than Alaska's 121 days.

The Wyoming Legislature meets for not more than 40 days in odd-numbered years in General Session and for approximately 20 days in even numbered years for a Budget Session. South Dakota conducts the state's business in an annual 40-day session. Kentucky for the first time this year injected a 30-day session between its traditional 90-day biennial sessions.

Many Alaska legislators, especially first timers, become frustrated with the slow, unproductive pace of the first half of the session. A shorter session would require a greater sense of urgency and allow for far less posturing and lobbying.

A House State Affairs subcommittee this week considered four proposed constitutional amendments, all of which would reduce the length of the session. Rep. Lisa Murkowski's amendment calls for the state budget to follow a two-year cycle, noting that more long range planning would need to come first.

There are many extenuating factors to examine before deciding on the merits of a shorter session, however, the efficiencies of short sessions are well proven in other states. A shorter session may look pretty good to our state legislators if they are going to be moving into a vacant Wal-Mart building in Wasilla as suggested this week by Mark Chryson, a sponsor of the petition to move the legislature from Juneau to the Matanuska-Susitna Borough near Anchorage.

JUNEAU EMPIRE

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Shorter session, better government

Among the more pertinent pieces of legislation filed this session is a proposed amendment to the state Constitution that would limit the 120-day session to 90 days. If passed, House Joint Resolution No. 1 would require a vote of the people.

It's a worthy concept that keeps surfacing, especially with legislators who live elsewhere, and we think it merits discussion.

Here's why: Every year, Christmas and New Year holidays are very nearly ruined for people preparing to return to Juneau for the session. First, they must wind down their duties and close up their offices before Christmas. Then, they must pack up their belongings and hit the road around the New Year to make it to Juneau in time to settle in for the session. New legislators must be in Juneau by about Jan. 4 so they can take part in orientations. Some legislators and staff members must catch a ferry. Many of them arrive in the capital exhausted, having had their family time over the holidays completely disrupted.

This has spawned an annual sense of dread among many involved in the Legislature, a dread that isn't easily dissolved by the friendliness of Juneau. As one staff member put it, they feel as though they are gerbils on a treadmill: "We get here (Juneau) with a bad attitude."

Rep. Norm Rokeberg and Rep. Jerry Sanders are putting their efforts behind the resolution, the very one that died of neglect last session. Rokeberg argues the Legislature could start later, perhaps in February or early March. So much of what the Legislature does must wait until the March budget forecast from the Department of Revenue, so why not wait to get started until some of the real nuts-and-bolts work can be done?

Years ago, the people of Alaska became frustrated with the Legislature when sessions without limits dragged on until June or July. Thus, the 120-day limit was passed by voters. We think an even shorter session would be just as responsive, more cost-effective for the people of Alaska, and possibly even more productive. Other states do it.

Although Juneau would feel an economic impact, the perceived need to move the capital to Anchorage or elsewhere would become far less important.

The idea of a shorter session is also in line with the concept of a citizen-statesman government, one that has legislators spending more time in their districts, working in their own professions and being available to listen to their constituents. And that's a capital idea that would benefit the state as a whole.


Legislative Research Services

Alaska State Legislature
Legislative Affairs Agency
Division of Legal and Research Services

State Capitol
Juneau, AK 99801
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March 25, 2003

Memorandum

TO: Representative Ralph Samuels
FROM: Patricia Young 
Manager
RE: Session Length and Bills Passed

You asked for information on session length and the number of bills passed during various Legislatures. We include, as Attachment A, pertinent pages from the *Summary of Alaska Legislation 2002* showing information on legislative sessions since statehood, as well as pages showing the numbers of bills introduced in each chamber and the number that became law during each Legislature.

For each Legislature, the Legislative Affairs Agency also publishes a *Final Status of Bills and Resolutions*, and these contain a statistical summary of measures before the House and a similar summary for measures before the Senate. As Attachment B, we include information on the number of bills and resolutions passed by both chambers from 1979 through 1992. This information was taken from the various editions of the *Final Status of Bills and Resolutions*. Please note that because of the way legislation was tabulated in prior years, the numbers may be somewhat high. In some instances, a bill may have passed one chamber in a different form than it passed the other chamber and no concurrence or rescission occurred. While such legislation is counted as having passed both bodies, it did not pass in the same form and, thus, could not become law.

We also include, as Attachment C, a copy of a research report showing the number of bills passed during the final two weeks of session in 1985-87. This report, and supplemental information, is 88.113.

I hope this is helpful. Please let us know if you have questions or need additional information.

LEGISLATIVE SESSIONS SINCE STATEHOOD

Legislature/Session & Number of Days	Day/Date Convened	Day/Date Adjourned	Adjournment Time	
			SENATE	HOUSE
1ST LEGISLATURE: 1959 - 1960 1st Session - 81 days 2nd Session - 65 days	Mo 1/26/59 Mo 1/25/60	Tu 4/16/59 Tu 3/29/60	9:50pm 12:00pm	9:45pm 12:00pm
2ND LEGISLATURE: 1961 - 1962 1st Session - 74 days 2nd Session - 81 days	Mo 1/23/61 Mo 1/22/62	Th 4/6/61 Th 4/12/62	2:01am 1:22am	2:20am 1:10am
3RD LEGISLATURE: 1963 - 1964 1st Session - 76 days 2nd Session - 85 days* 1st Special Session - 3 days *Formal recess, 40 days	Mo 1/28/63 Mo 1/27/64 Mo 8/31/64	Sa 4/13/63 Sa 5/30/64 We 9/2/64	10:06am 1:00am 11:12am	10:45am 1:00am 11:08am
4TH LEGISLATURE: 1965 - 1966 1st Session - 75 days 2nd Session - 84 days	Mo 1/25/65 Mo 1/24/66	Fr 4/9/65 Su 4/17/66	4:32am 1:14am	4:35am 1:28am
5TH LEGISLATURE: 1967 - 1968 1st Session - 77 days 1st Special Session - 6 days 2nd Session - 86 days	Mo 1/23/67 Fr 9/29/67 Mo 1/22/68	Su 4/9/67 We 10/4/67 Tu 4/16/68	11:35am 2:37am 8:05am	11:32am 2:35am 8:00am
6TH LEGISLATURE: 1969 - 1970 1st Session - 95 days 2nd Session - 147 days	Mo 1/27/69 Mo 1/12/70	Th 5/1/69 Su 6/7/70	4:18am 3:33am	4:30am 3:51am
7TH LEGISLATURE: 1971 - 1972 1st Session - 121 days 2nd Session - 161 days	Mo 1/11/71 Mo 1/10/72	Tu 5/11/71 Tu 6/18/72	3:23am 12:50am	3:26am 12:59am
8TH LEGISLATURE: 1973 - 1974 1st Session - 90 days 1st Special Session - 27 days 2nd Session - 96 days 2nd Special Session - 4 days	Mo 1/8/73 We 10/17/73 Mo 1/21/74 Mo 6/17/74	Sa 4/7/73 Mo 11/12/73 Fr 4/27/74 Th 6/20/74	5:45pm 4:35pm 8:21pm 6:17pm	5:50pm 4:35pm 8:25pm 6:12pm
9TH LEGISLATURE: 1975 - 1976 1st Session - 139 days 2nd Session - 142 days	Mo 1/20/75 Mo 1/12/76	Sa 6/7/75 Tu 6/1/76	2:30am 8:19am	2:43am 8:14am
10TH LEGISLATURE: 1977 - 1978 1st Session - 141 days 2nd Session - 161 days	Mo 1/10/77 Mo 1/9/78	Mo 5/30/77 Su 6/18/78	10:41am 9:32pm	12:33pm 11:36pm
11TH LEGISLATURE: 1979 - 1980 1st Session - 112 days 1st Special Session - 3 days 2nd Session - 145 days 2nd Special Session - 3 days	Mo 1/15/79 Mo 8/6/79 Mo 1/14/80 Mo 9/22/80	Su 5/6/79 We 8/8/79 Fr 6/6/80 We 9/24/80	12:15pm 2:16pm 8:43pm (6/5) 9:38am	3:00pm 7:26pm (8/7) 1:01am 2:55am (9/23)
12TH LEGISLATURE: 1981 - 1982 1st Session - 165 days 1st Special Session - 3 days 2nd Session - 144 days	Mo 1/12/81 Mo 7/13/81 Mo 1/11/82	Th 6/25/81 We 7/15/81 We 6/3/82	7:06pm (6/24) 6:11pm (7/14) 5:35pm	12:23am 1:32am 7:23am (6/2)
13TH LEGISLATURE: 1983 - 1984 1st Session - 162 days 2nd Session - 152 days	Mo 1/17/83 Mo 1/9/84	Mo 6/27/83 Fr 6/8/84	9:39am 4:38pm	9:28pm (6/26) 4:05pm

Sent to you by
**LEGISLATIVE RESEARCH
SERVICES**

Terry Miller LOB, Room 305
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LEGISLATIVE SESSIONS SINCE STATEHOOD

Legislature/Session & Number of Days	Day/Date Convened	Day/Date Adjourned	Adjournment Time	
			SENATE	HOUSE
14TH LEGISLATURE: 1985 - 1986 1st Session - 119 days 1st Special Session - 30 days* 2nd Session - 120 days	Mo 1/14/85 Mo 7/15/85 Mo 1/13/86	Su 5/12/85 Tu 8/13/85 Mo 5/12/86	9:42pm * 11:54pm	10:52pm * 11:59pm
* The First Special Session of the Fourteenth Legislature (considering the question of impeachment of Governor Sheffield) adjourned in 30 days under Article II, Section 9, Constitution of the State of Alaska.				
15TH LEGISLATURE: 1987 - 1988 1st Session - 122 days** 1st Special Session - 3 days 2nd Session - 121 days	Mo 1/19/87 Mo 7/1/87 Mo 1/11/88	We 5/20/87 Fr 7/3/87 Tu 5/10/88	11:58pm (5/19) 1:31am 4:12am	1:30am 12:12am 6:04am
** The First Session of the Fifteenth Legislature was extended by a proclamation by the Governor.				
16TH LEGISLATURE: 1989 - 1990 1st Session - 121 days 2nd Session - 122 days 1st Special Session - 14 days	Mo 1/9/89 Mo 1/8/90 Mo 6/25/90	Tu 5/9/89 We 5/9/90 Su 7/8/90	11:59pm 11:59pm (5/8) 5:13pm	11:32pm 12:01am 5:00pm
17TH LEGISLATURE: 1991 - 1992 1st Session - 122 days 2nd Session - 122 days 1st Special Session - 4 days 2nd Special Session - 8 days	Mo 1/21/91 Mo 1/13/92 We 05/13/92 Mo 06/15/92	We 5/22/91 We 5/13/92 Sat 5/16/92 Mon 6/22/92	9:39pm (5/21) 11:59pm (5/12) 4:56pm (5/15) 3:44pm	12:37am 12:06am 5:40am 4:17pm
18TH LEGISLATURE: 1993 - 1994 1st Session - 121 days 2nd Session - 121 days 1st Special Session: Senate - 7 days House - 5 days 2nd Special Session - 3 days	Mo 1/11/93 Mo 1/10/94 Tu 5/10/94 Th 5/12/94 Mo 9/26/94	Tu 5/11/93 Tu 5/10/94 Mon 5/16/94 Mon 5/16/94 We 9/28/94	9:02pm unclear 4:36pm 12:35am	9:11pm 11:59pm 6:15pm 12:40am
19TH LEGISLATURE: 1995 - 1996 1st Session - 121 days 2nd Session - 122 days 1st Special Session - 30 days	Mo 1/16/95 Mo 1/8/96 We 5/8/96	Tu 5/16/95 We 5/8/96 Th 6/6/96	10:05pm 12:18am 4:37pm	10:13pm 12:13am 4:51pm
20TH LEGISLATURE: 1997 - 1998 1st Session - 119 days 2nd Session - 122 days 1st Special Session - 7 days 2nd Special Session - 2 days	Mo 1/13/97 Mo 1/12/98 Tu 5/26/98 Mo 7/20/98	Su 5/11/97 We 5/13/98 Mon 6/1/98 Tu 7/21/98	11:04pm 12:09am 1:26pm 9:25pm	11:43pm 12:03am 1:51pm 8:57pm
21ST LEGISLATURE - 1999 - 2000 1st Session - 121 days 1st Special Session - 6 days 2nd Special Session - 9 days 2nd Session - 115 days 3rd Special Session - 3 days	Tu 1/19/99 Th 5/20/99 We 9/22/99 Mo 1/10/00 Th 5/4/00	Tu 5/19/99 Tu 5/25/99 Th 9/30/99 We 5/3/00 Sa 5/6/00	11:56pm 6:06pm 6:55pm 7:11pm 11:47am	11:53pm 6:10pm 6:39pm 7:46pm 11:40am
22ND LEGISLATURE - 2001 - 2002 1st Session - 121 days 1st Special Session - 3 days 2nd Session - 123 days (extended) 2nd Special Session - 5 days 3rd Special Session - 4 days	Mo 1/8/01 Th 6/7/01 Mo 1/14/02 Fr 5/17/02 Mo 6/24/02	Tu 5/8/01 Sa 6/9/01 Th 5/16/02 Tu 5/21/02 Th 6/27/02	11:48pm 10:55am 11:59:59pm*** 5:32pm 12:41am	11:52pm 10:41am 11:58pm 5:08pm 1:42am

***Under the provisions of art. II, sec. 8 of the Alaska Constitution, the Senate was adjourned sine die at midnight, May 16, 2002.

NOTE: All Special Sessions were called by the Governor, except the 1st Special Session of the 14th Legislature, and the 1st Special Session of the 17th Legislature, which were called by the Legislature.

HISTORICAL SUMMARY
1959 - present

LEGISLATURE/SESSION & NUMBER OF DAYS	BILLS INTRODUCED HOUSE SENATE TOTAL			BILLS BECAME LAW
1ST LEGISLATURE: 1959 - 1960				
1st Session - 81 days	249	132	381	200
2nd Session - 65 days	<u>225</u>	<u>127</u>	<u>352</u>	<u>187</u>
Total	474	259	733	387
2ND LEGISLATURE: 1961 - 1962				
1st Session - 74 days	285	178	463	147
2nd Session - 81 days	<u>211</u>	<u>120</u>	<u>331</u>	<u>169</u>
Total	496	298	794	316
3RD LEGISLATURE: 1963 - 1964				
1st Session - 76 days	238	191	429	104
2nd Session - 85 days*	230	168	398	119
1st Special Session - 3 days	<u>9</u>	<u>0</u>	<u>9</u>	<u>8</u>
Total	477	359	836	231
*Formal recess, 40 days				
4TH LEGISLATURE: 1965 - 1966				
1st Session - 75 days	289	192	481	117
2nd Session - 84 days	<u>238</u>	<u>149</u>	<u>387</u>	<u>169</u>
Total	527	341	868	286
5TH LEGISLATURE: 1967 - 1968				
1st Session - 77 days	348	203	551	139
1st Special Session - 6 days	17	17	34	31
2nd Session - 86 days	<u>364</u>	<u>209</u>	<u>573</u>	<u>236</u>
Total	729	429	1,158	406
6TH LEGISLATURE: 1969 - 1970				
1st Session - 95 days	411	350	761	120
2nd Session - 147 days	<u>466</u>	<u>252</u>	<u>718</u>	<u>253</u>
Total	877	602	1,479	373
7TH LEGISLATURE: 1971 - 1972				
1st Session - 121 days	470	247	717	131
2nd Session - 161 days	<u>363</u>	<u>189</u>	<u>552</u>	<u>208</u>
Total	833	436	1,269	339
8TH LEGISLATURE: 1973 - 1974				
1st Session - 90 days	424	259	683	91
1st Special Session - 27 days	10	9	19	8
2nd Session - 96 days	438	278	716	147
2nd Special Session - 4 days	<u>9</u>	<u>8</u>	<u>17</u>	<u>9</u>
Total	881	554	1,435	255
9TH LEGISLATURE: 1975 - 1976				
1st Session - 139 days	538	474	1,010	220
2nd Session - 142 days	<u>397</u>	<u>289</u>	<u>686</u>	<u>279</u>
Total	935	761	1,696	499
10TH LEGISLATURE: 1977 - 1978				
1st Session - 141 days	552	370	922	155
2nd Session - 161 days	<u>434</u>	<u>272</u>	<u>706</u>	<u>182</u>
Total	986	642	1,628	337
11TH LEGISLATURE: 1979 - 1980				
1st Session - 112 days	503	289	792	87
1st Special Session - 3 days	3	2	5	4
2nd Session - 145 days	533	299	832	176
2nd Special Session - 3 days	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Total	1,039	590	1,629	270

LEGISLATURE/SESSION & NUMBER OF DAYS	BILLS INTRODUCED			BILLS BECAME LAW
	HOUSE	SENATE	TOTAL	
12TH LEGISLATURE: 1981 - 1982				
1st Session - 165 days	620	606	1,226	120
1st Special Session - 3 days	0	1	1	0
2nd Session - 144 days	<u>274</u>	<u>292</u>	<u>566</u>	<u>144</u>
Total	894	899	1,793	264
13TH LEGISLATURE: 1983 - 1984				
1st Session - 162 days	449	318	767	109
2nd Session - 152 days	<u>273</u>	<u>236</u>	<u>509</u>	<u>171</u>
Total	722	554	1,276	280
14TH LEGISLATURE: 1985 - 1986				
1st Session - 119 days	448	322	770	105
1st Special Session - 30 days	0	0	0	0
2nd Session - 120 days	<u>262</u>	<u>167</u>	<u>429</u>	<u>146</u>
Total	710	489	1,199	251
15TH LEGISLATURE: 1987 - 1988				
1st Session - 122 days	327	310	637	96
1st Special Session - 3 days	2	2	4	5
2nd Session - 121 days	<u>238</u>	<u>208</u>	<u>446</u>	<u>173</u>
Total	567	520	1,087	274
16TH LEGISLATURE: 1989 - 1990				
1st Session - 121 days	360	331	691	117
2nd Session - 122 days	230	221	459	211
1st Special Session - 14 days	<u>5</u>	<u>4</u>	<u>9</u>	<u>1</u>
Total	603	556	1,159	329
17TH LEGISLATURE: 1991 - 1992				
1st Session - 122 days	356	313	669	96
2nd Session - 122 days	236	164	400	137
1st Special Session - 4 days	6	6	12	5
2nd Special Session - 8 days	<u>4</u>	<u>2</u>	<u>6</u>	<u>1</u>
Total	602	485	1,087	239
18TH LEGISLATURE: 1993 - 1994				
1st Session - 121 days	304	218	522	83
2nd Session - 121 days	244	163	407	131
1st Special session (7 days Senate, 5 days House)	0	0	0	8
2nd Special session - 3 days	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
Total	550	383	933	224
19TH LEGISLATURE: 1995 - 1996				
1st Session - 121 days	352	187	539	105
2nd Session - 122 days	202	140	342	146
1st Special Session - 30 days	<u>10</u>	<u>12</u>	<u>22</u>	<u>6</u>
Total	564	339	903	257
20TH LEGISLATURE: 1997 - 1998				
1st Session - 119 days	289	206	495	113
2nd Session - 122 days	202	154	356	142
1st Special Session - 7 days	1	2	3	1
2nd Special Session - 2 days	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>
Total	493	363	856	256

LEGISLATURE/SESSION & NUMBER OF DAYS	BILLS INTRODUCED			BILLS BECAME LAW
	HOUSE	SENATE	TOTAL	
21ST LEGISLATURE: 1999 - 2000				
1st Session - 121 days	253	185	438	94
1st Special Session - 6 days	1	1	2	2
2nd Special Session - 9 days	0	0	0	2
2nd Session - 115 days	195	129	324	136
3rd Special Session - 3 days	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
Total	451	317	768	236
22ND LEGISLATURE: 2001 - 2002				
1st Session - 121 days	276	229	505	103
1st Special Session - 3 days	0	0	0	1
2nd Session - 123 days	256	143	399	143
2nd Special Session - 5 days	8	12	20	5
3rd Special Session - 4 days	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
Total	542	386	928	254

**Legislation Passed by Both Houses
1979 - 1992**

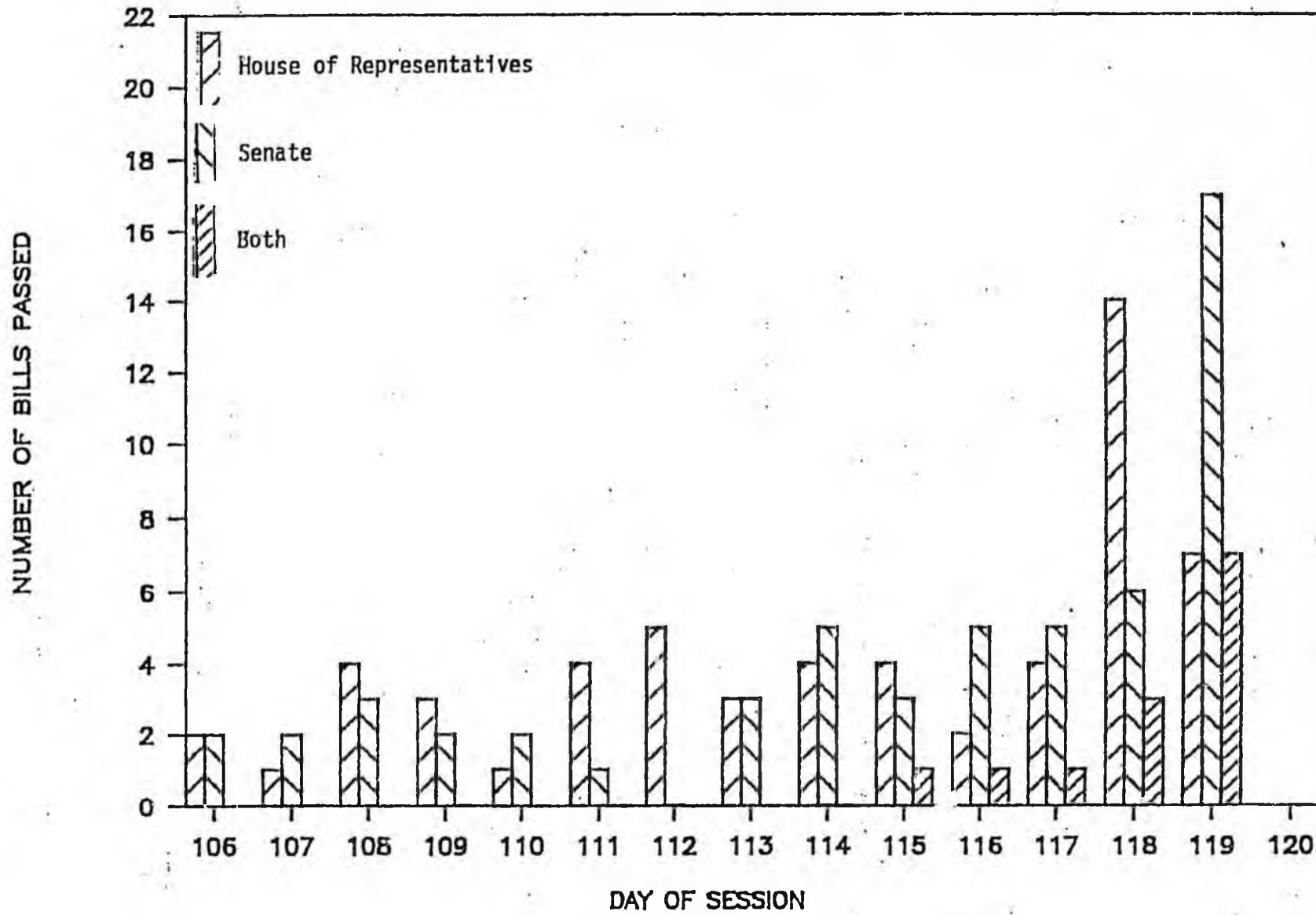
Legislature	Senate Bills	House Bills	Total Bills	Senate Resolutions	House Resolutions	Total Resolutions
11th						
1979	54	62	116	18	15	33
1980	95	104	199	20	29	49
Total	149	166	315	38	44	82
12th						
1981	75	58	133	26	20	46
1982	92	69	161	10	10	20
Total	167	127	294	36	30	66
13th						
1983	54	59	113	11	18	29
1984	90	92	182	17	24	41
Total	144	151	295	28	42	70
14th						
1985	48	59	107	8	17	25
1986	64	90	154	19	15	34
Total	112	149	261	27	32	59
15th						
1987	47	57	104	18	22	40
1988	94	88	182	36	33	69
Total	141	145	286	54	55	109
16th						
1989	60	59	119	42	31	73
1990	103	112	215	38	45	83
Total	163	171	334	80	76	156
17th						
1991	52	54	106	27	34	61
1992	74	75	149	21	29	50
Total	126	129	255	48	63	111

Source: Final Status of Bills and Resolutions, Statistical Summary, Legislative Affairs Agency.
 Statistics used: House Bills and Resolutions--Number that passed the Senate.
 Senate Bills and Resolutions--Number that passed the House.

Prepared by the Legislative Research Agency, August 1992.

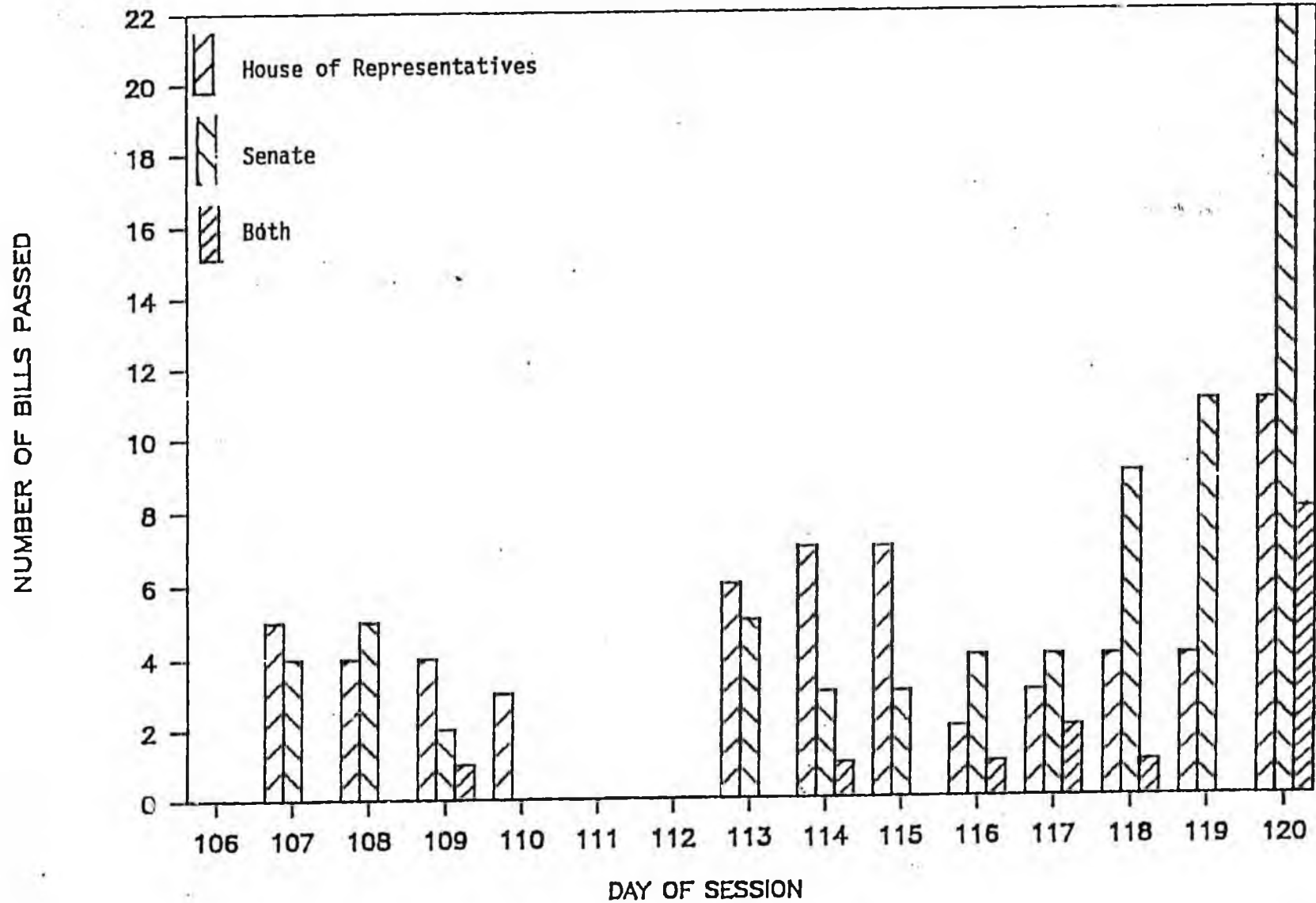
BILLS PASSED BY LEGISLATURE — 1985

LAST TWO WEEKS OF SESSION



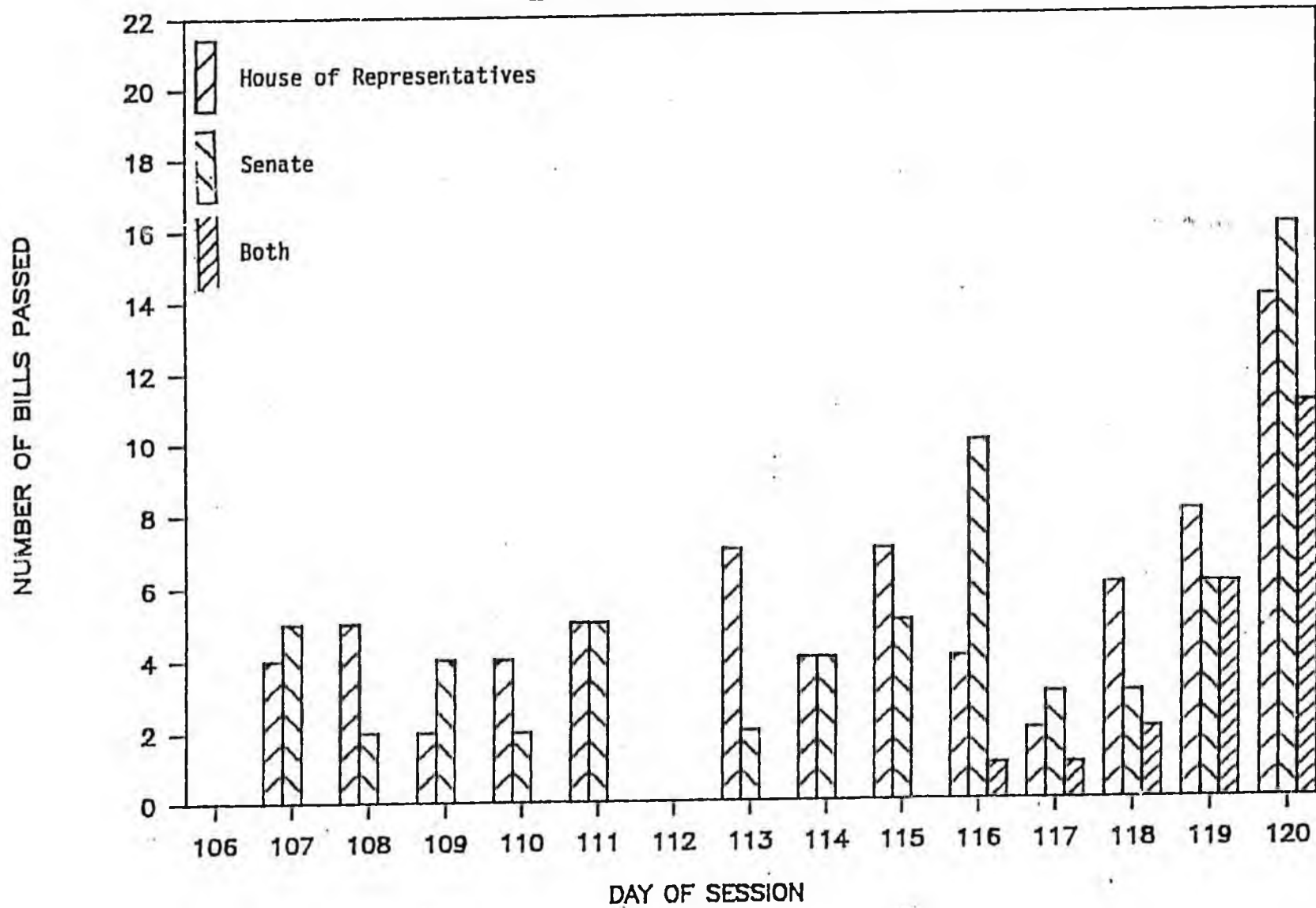
BILLS PASSED BY LEGISLATURE — 1986

LAST TWO WEEKS OF SESSION



BILLS PASSED BY LEGISLATURE — 1987

LAST TWO WEEKS OF SESSION



BILLS PASSED BY THE ALASKA LEGISLATURE
DURING THE LAST TWO WEEKS OF SESSION
1985-1987

1985				1986				1987			
DAY	BILLS PASSED BY			DAY	BILLS PASSED BY			DAY	BILLS PASSED BY		
	HOUSE	SENATE	BOTH		HOUSE	SENATE	BOTH		HOUSE	SENATE	BOTH
106	2.0	2.0		106				106			
107	1.0	2.0		107	5.0	4.0		107	4.0	5.0	
108	4.0	3.0		108	4.0	5.0		108	5.0	2.0	
109	3.0	2.0		109	4.0	2.0	1.0	109	2.0	4.0	
110	1.0	2.0		110	3.0			110	4.0	2.0	
111	4.0	1.0		111				111	5.0	5.0	
112	5.0			112				112			
113	3.0	3.0		113	6.0	5.0		113	7.0	2.0	
114	4.0	5.0		114	7.0	3.0	1.0	114	4.0	4.0	
115	4.0	3.0	1.0	115	7.0	3.0		115	7.0	5.0	
116	2.0	5.0	1.0	116	2.0	4.0	1.0	116	4.0	10.0	1.0
117	4.0	5.0	1.0	117	3.0	4.0	2.0	117	2.0	3.0	1.0
118	14.0	6.0	3.0	118	4.0	9.0	1.0	118	6.0	3.0	2.0
119	7.0	17.0	7.0	119	4.0	11.0		119	8.0	6.0	6.0
120				120	11.0	22.0	8.0	120	14.0	16.0	11.0
TOTAL	58.0	56.0	13.0		60.0	72.0	14.0		72.0	67.0	21.0
AVERAGE	4.1	4.0	0.9		4.3	5.1	1.0		5.1	4.8	1.5

Prepared by the House Research Agency, January 13, 1987, (100287-12; 88-113A).

Table 1
 Number of Bills and Resolutions Passed During Legislative Session
 Fourteenth Alaska Legislature - 1st Session - 1985

	HOUSE NUMBER OF BILLS PASSED				SENATE NUMBER OF BILLS PASSED				BOTH NUMBER OF BILLS PASSED			
	HB	SB	HR	SR	HB	SB	HR	SR	HB	SB	HR	SR

Session Total	110	48	38	8	59	83	17	20	59	48	17	8
Day 106	2	0	1	0	0	2	0	0	0	0	0	0
Day 107	1	0	0	0	0	2	0	1	0	0	0	0
Day 108	2	2	2	0	1	2	0	0	0	0	0	0
Day 109	3	0	0	0	1	1	0	0	0	0	0	0
Day 110	1	0	0	1	0	2	1	0	0	0	0	0
Day 111	4	0	0	0	0	1	0	2	0	0	0	0
Day 112	5	0	0	0	0	0	0	0	0	0	0	0
Day 113	2	1	0	0	0	3	0	0	0	0	0	0
Day 114	4	0	0	0	2	3	1	1	0	0	1	0
Day 115	3	1	2	0	0	3	0	2	0	1	0	0
Day 116	1	1	2	0	1	4	0	0	1	0	0	0
Day 117	3	1	2	0	4	1	0	1	1	0	0	0
Day 118	10	4	1	0	2	4	0	1	1	2	0	0
Day 119	1	6	0	0	16	1	0	1	4	3	0	0
Day 120	0	0	0	0	0	0	0	0	0	0	0	0
14 Day Totals	42	16	10	1	27	29	2	9	6	7	1	0
Daily Percent of Total												
Day 106	1.8	0.0	2.6	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0
Day 107	0.9	0.0	0.0	0.0	0.0	2.4	0.0	5.0	0.0	0.0	0.0	0.0
Day 108	1.8	4.2	5.3	0.0	1.7	2.4	0.0	0.0	0.0	0.0	0.0	0.0
Day 109	2.7	0.0	0.0	0.0	1.7	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Day 110	0.9	0.0	0.0	12.5	0.0	2.4	5.9	0.0	0.0	0.0	0.0	0.0
Day 111	3.6	0.0	0.0	0.0	0.0	1.2	0.0	10.0	0.0	0.0	0.0	0.0
Day 112	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 113	1.8	2.1	0.0	0.0	0.0	3.6	0.0	0.0	0.0	0.0	0.0	0.0
Day 114	3.6	0.0	0.0	0.0	3.4	3.6	5.9	5.0	0.0	0.0	5.9	0.0
Day 115	2.7	2.1	5.3	0.0	0.0	3.6	0.0	10.0	0.0	2.1	0.0	0.0
Day 116	0.9	2.1	5.3	0.0	1.7	4.8	0.0	0.0	0.0	2.1	0.0	0.0
Day 117	2.7	2.1	5.3	0.0	6.8	1.2	0.0	5.0	1.7	0.0	0.0	0.0
Day 118	9.1	8.3	2.6	0.0	3.4	4.8	0.0	5.0	1.7	4.2	0.0	0.0
Day 119	0.9	12.5	0.0	0.0	27.1	1.2	0.0	5.0	6.8	6.3	0.0	0.0
Day 120	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 Day Totals	38.2	33.3	26.3	12.5	45.8	34.9	11.8	45.0	10.2	14.6	5.9	0.0

Note: HB - House Bills
 SB - Senate Bills
 HR - House Resolutions
 SR - Senate Resolutions

Prepared by the House Research Agency, January 1985, (88.11351; 100287-12).

Table 2
 Number of Bills and Resolutions Passed During Legislative Session
 Fourteenth Alaska Legislature - 2nd Session - 1966

	HOUSE NUMBER OF BILLS PASSED				SENATE NUMBER OF BILLS PASSED				BOTH NUMBER OF BILLS PASSED			
	HB	SB	HR	SR	HB	SB	HR	SR	HB	SB	HR	SR
Session Total	144	64	24	19	90	94	15	32	90	64	15	19
Day 106	0	0	0	0	0	0	0	0	0	0	0	0
Day 107	5	0	0	0	0	4	0	1	0	0	0	0
Day 108	4	0	0	0	1	4	0	0	0	0	0	0
Day 109	3	1	0	0	1	1	0	0	0	1	0	0
Day 110	2	1	1	0	0	0	0	0	0	0	0	0
Day 111	0	0	0	0	0	0	0	0	0	0	0	0
Day 112	0	0	0	0	0	0	0	0	0	0	0	0
Day 113	6	0	1	0	0	5	0	0	0	1	0	0
Day 114	4	3	1	0	0	3	0	3	0	0	0	0
Day 115	5	2	0	0	0	3	0	0	0	0	0	0
Day 116	1	1	0	0	2	2	0	1	0	1	0	0
Day 117	0	3	0	0	2	2	0	0	2	0	0	0
Day 118	1	3	0	1	6	3	0	0	0	1	0	1
Day 119	0	4	0	1	10	1	0	0	0	0	0	0
Day 120	1	10	1	2	22	0	3	0	6	2	0	0
14 Day Totals	32	28	4	4	44	28	3	5	8	6	0	1

Daily Percent of Total

Day 106	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 107	3.5	0.0	0.0	0.0	0.0	4.3	0.0	3.1	0.0	0.0	0.0	0.0
Day 108	2.8	0.0	0.0	0.0	1.1	4.3	0.0	0.0	0.0	0.0	0.0	0.0
Day 109	2.1	1.6	0.0	0.0	1.1	1.1	0.0	0.0	0.0	1.6	0.0	0.0
Day 110	1.4	1.6	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 111	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 112	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 113	4.2	0.0	4.2	0.0	0.0	5.3	0.0	0.0	0.0	0.0	0.0	0.0
Day 114	2.8	4.7	4.2	0.0	0.0	3.2	0.0	9.4	0.0	1.6	0.0	0.0
Day 115	3.5	3.1	0.0	0.0	0.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Day 116	0.7	1.6	0.0	0.0	2.2	2.1	0.0	3.1	0.0	1.6	0.0	0.0
Day 117	0.0	4.7	0.0	0.0	2.2	2.1	0.0	0.0	2.2	0.0	0.0	0.0
Day 118	0.7	4.7	0.0	5.3	6.7	3.2	0.0	0.0	0.0	1.6	0.0	5.3
Day 119	0.0	6.3	0.0	5.3	11.1	1.1	0.0	9.0	0.0	0.0	0.0	0.0
Day 120	0.7	15.6	4.2	10.5	24.4	0.0	20.0	0.0	6.7	3.1	0.0	0.0
14 Day Totals	22.2	43.8	16.7	21.1	48.9	29.8	20.0	15.6	8.9	9.4	0.0	5.3

Note: HB - House Bills
 SB - Senate Bills
 HR - House Resolutions
 SR - Senate Resolutions

Prepared by the House Research Agency, January 1968, (66-11352; 100287-12).

Table 3
 Number of Bills and Resolutions Passed During Legislative Session
 Fifteenth Alaska Legislature - 1st Session - 1987

	HOUSE NUMBER OF BILLS PASSED				SENATE NUMBER OF BILLS PASSED				BOTH NUMBER OF BILLS PASSED			
	HB	SB	HR	SR	HB	SB	HR	SR	HB	SB	HR	SR
Session Total	106	47	41	18	57	106	22	48	57	47	22	18
Day 106	0	0	0	0	0	0	0	0	0	0	0	0
Day 107	4	0	2	0	0	5	0	2	0	0	0	0
Day 108	4	1	2	0	0	2	0	0	0	0	0	0
Day 109	2	0	0	0	0	4	0	1	0	0	0	0
Day 110	3	1	1	0	0	2	1	0	0	0	0	0
Day 111	4	1	1	0	0	5	0	1	0	0	0	0
Day 112	0	0	0	0	0	0	0	0	0	0	0	0
Day 113	7	0	0	0	0	2	1	0	0	0	0	0
Day 114	4	0	0	0	1	3	0	1	0	0	0	0
Day 115	6	1	1	0	1	4	0	0	0	0	0	0
Day 116	3	1	1	0	3	7	0	0	1	0	0	0
Day 117	1	1	0	0	0	3	0	1	0	1	0	0
Day 118	2	4	3	1	2	1	1	2	1	1	0	1
Day 119	1	7	0	0	4	2	0	1	1	5	0	0
Day 120	4	10	2	0	11	5	0	0	8	3	0	0
14 Day Totals	45	27	13	1	22	45	3	9	11	10	0	1
Daily Percent of Total												
Day 106	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 107	3.8	0.0	4.9	0.0	0.0	4.7	0.0	4.2	0.0	0.0	0.0	0.0
Day 108	3.8	2.1	4.9	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0.0	0.0
Day 109	1.9	0.0	0.0	0.0	0.0	3.8	0.0	2.1	0.0	0.0	0.0	0.0
Day 110	2.8	2.1	2.4	0.0	0.0	1.9	4.5	0.0	0.0	0.0	0.0	0.0
Day 111	3.8	2.1	2.4	0.0	0.0	4.7	0.0	2.1	0.0	0.0	0.0	0.0
Day 112	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Day 113	6.6	0.0	0.0	0.0	0.0	1.9	4.5	0.0	0.0	0.0	0.0	0.0
Day 114	3.8	0.0	0.0	0.0	1.8	2.8	0.0	2.1	0.0	0.0	0.0	0.0
Day 115	5.7	2.1	2.4	0.0	1.8	3.8	0.0	0.0	0.0	0.0	0.0	0.0
Day 116	2.8	2.1	2.4	0.0	5.3	6.6	0.0	0.0	1.8	0.0	0.0	0.0
Day 117	0.9	2.1	0.0	0.0	0.0	2.8	0.0	2.1	0.0	2.1	0.0	0.0
Day 118	1.9	8.5	7.3	5.6	3.5	0.9	4.5	4.2	1.8	2.1	0.0	5.6
Day 119	0.9	14.9	0.0	0.0	7.0	1.9	0.0	2.1	1.8	10.6	0.0	0.0
Day 120	3.8	21.3	4.9	0.0	19.3	4.7	0.0	0.0	14.0	6.4	0.0	0.0
14 Day Totals	42.5	57.4	31.7	5.6	38.6	42.5	13.6	18.8	19.3	21.3	0.0	5.6

Note: HB - House Bills
 SB - Senate Bills
 HR - House Resolutions
 SR - Senate Resolutions

Prepared by the House Research Agency, January 1988, (88-11333; 100287-12).

SJR

8

ALASKA STATE SENATE



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Senator Ralph Seekins
District D

SJR 8 Sponsor Statement

On February 28, 2003 the Ninth Circuit Court of Appeals upheld its controversial June 2002 decision declaring a portion of the Pledge of Allegiance unconstitutional. This ruling exemplifies the relational disconnect the Ninth Circuit Court has with many Western States including Alaska.

On February 28, 2003 Senate Joint Resolution 8 — calling upon Congress to divide the Ninth Circuit Court — was read across the floor of the Alaska State Senate. This action is necessitated for a variety of reasons not the least of which includes the vast geographical *and* philosophical distance separating Alaska from the San Francisco based Court.

The Ninth Circuit Court oversees a population — and a concomitant caseload — far beyond that which is reasonably manageable. In total, there are *eleven* Circuit Courts of Appeal throughout the country, yet the Ninth Circuit Court oversees nearly 20% of the U.S. population. In other words, the Ninth Circuit is *twice* the ideal size. This size disparity is cited as the principal reason for the Ninth Circuit Court's relatively high reversal record in cases heard by the U.S. Supreme Court.

SJR 8 endorses legislation introduced in the 106th and 107th Congress by Senators Ted Stevens and Frank Murkowski that would split the Ninth Circuit Court in two. The reconfigured Ninth would encompass Arizona, California and Nevada. The new Twelfth Circuit Court would take in Alaska, Hawaii, Idaho, Montana, Nevada, Oregon and Washington (as well as the Northern Marianas and Guam). Similar legislation was also recently introduced in the 108th Congress by Senator Lisa Murkowski.

SJR 8 simply seeks to accomplish two objectives: (1) correct a considerable imbalance in the Ninth Circuit Courts' caseload, and; (2) provide the disparate regions falling within the Ninth Circuit Court's current purview with a better informed panel of Judges. These objectives are best accomplished by splitting the Ninth Circuit Court. The benefit accruing to Alaska of a smaller, closer Twelfth Circuit Court is self evident and undoubtedly long overdue.

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According to fore-
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a quarter of an
is predicted to
it could still make
roads slippery.

OUTH

With only days
ore the start of the
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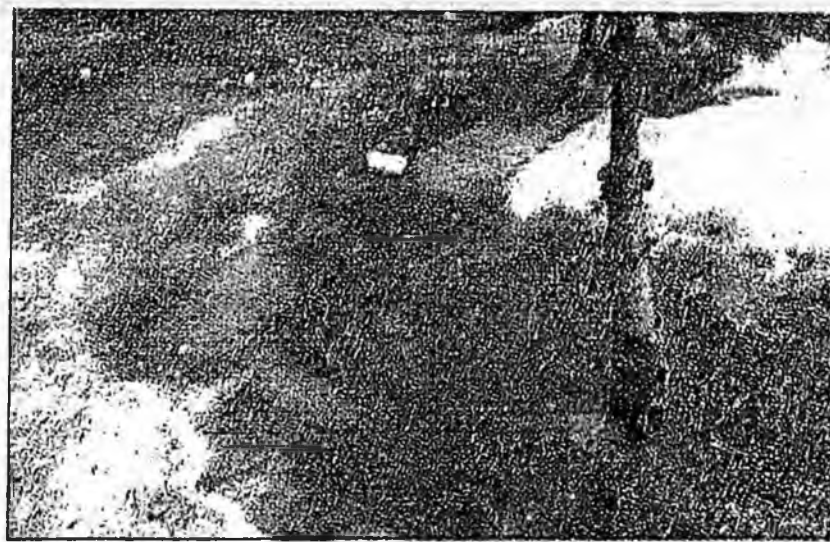
It seems race manager Jack Nigge-
meyer and executive director Stan
Hooley have dealt with as many chal-
lenges before the race as the 64 mush-
ers will encounter during it.

This year's restart was moved to
Fairbanks from the Wasilla-Willow area
because of a lack of snow created by
unseasonably warm weather in South-
central Alaska, necessitating a last-
minute scramble by organizers. The
restart begins at 10 a.m. Monday on
the Chena River at Pike's Landing.

"Obviously, when you have to make
a decision of this magnitude, sleep
becomes a forgotten memory at this
time of the year," Niggemeyer said
from his office at the Iditarod head-
quarters in Wasilla.

For Iditarod officials, getting good
rest these days has been as difficult as
a bad singer getting to the finals of
American Idol. Niggemeyer admits

See IDITAROD, Page A9



Al Grillo/The Associated

SCRAPING THE BOTTOM—City of Anchorage snow removal person-
gather snow in Anchorage Thursday for the ceremonial start of the 2003
tarod Trail Sled Dog Race. Due to the warm weather and the lack of snow
Anchorage, the Iditarod Trail Committee has been gathering snow to
down along the 11 mile race route through Anchorage.

Sourdough
Jack
Sez:



h off to those
h school students—
y know how to appre-
e a ski race."

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Appeals court upholds ban on 'under God' in pledge

The New York Times

The federal appeals court that outraged
much of the country last summer when it
declared the Pledge of Allegiance unconsti-
tutional because of the words "under God"
refused Friday to reconsider that ruling.

At least until the U.S. Supreme Court
takes up the case, which legal experts con-
sider highly likely, children in public schools
in the nine Western states that the appeals
court covers will be barred from reciting the
full pledge.

Over the vehement objections of nine of
its 24 judges, the appeals court, the U.S.
Court of Appeals for the 9th Circuit, in San

Francisco, let stand a slightly modified ver-
sion of the 2-1 decision that a three-judge
panel of that court handed down in June.
The panel said then that the phrase "under
God" in the pledge violated the separation of
church and state mandated by the Constitu-
tion. On Friday, the panel shifted the focus
to public school decisions that allow the vol-
untary recitation of the words.

The June ruling was almost immediately
stayed, pending a review and decision by the
full court. The decision on Friday surprised
legal experts. Some experts speculated that
some of the judges had voted against rehear-

See PLEDGE, Page A10

Iraq to begin destroying missiles

The Associated Press

BAGHDAD, Iraq—A top U.N. weapons
inspector met with an Iraqi general Satur-
day to work out final details of Iraq's
destruction of its Al Samoud 2 missile pro-
gram, expected to begin within hours.

The dismantling of the finned white rock-
ets was seen as a key test of Baghdad's
resolve to disarm and avert a U.S.-led war.
Chief U.N. weapons inspector Hans Blix,
who ordered the missiles' destruction,
praised the Iraqi decision as "a very signifi-
cant piece of real disarmament."

Iraqi sources in the capital, speaking on
condition of anonymity, said destruction of
the missiles would start today. Predictably,
the 11th-hour concession was greeted with
celebration by governments opposed to war
and skepticism by those advocating it.

In Washington, White House spokesman
Ari Fleischer dismissed the idea that the
Iraqi move reflected progress. "This is the
deception the president predicted," he said
Friday.

He said President Bush expected Iraq to

See IRAQ, Page A9

Ski race



Jenny Coe, center, trie
Holden, right, as they
School Activities Assc
Hill Recreation Area Fr
rying the couch around
mates who were corr
Babcock laughed as th
ground, drags a barbe
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PLEDGE: Judges, federal officials expect Supreme Court to take up issue

Continued from Page A1

ing the case simply to hasten a Supreme Court review.

Attorney General John Ashcroft indicated that the government would ask the Supreme Court to review the case. "The Justice Department," Ashcroft said in a statement, "will spare no effort to preserve the rights of all our citizens to pledge allegiance to the American flag. We will defend the ability of Americans to declare their patriotism through the time-honored tradition of voluntarily reciting the pledge."

Lawyers for the states and the federal government did not respond to questions about asking the Supreme Court to stay the decision, which formally takes effect next Friday. The appeals court covers Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon and Washington.

Gov. Gray Davis of California said: "At the start of every court session, the Supreme Court invokes God's blessing. So does the Senate and the House of Representatives. Surely, the Supreme Court will permit schoolchildren to invoke God's name while recit-

ing the Pledge of Allegiance."

Eugene Volokh, a professor of law at the University of California at Los Angeles, said that "the Supreme Court will almost certainly agree to hear the case," partly because "this is a hot button issue in which a majority of the justices probably disagree with the panel" and partly because of a disagreement between two appeals courts. The 9th Circuit decision is at odds with a decision in 1992 by the U.S. Court of Appeals for the 7th Circuit, in Chicago.

The 9th Circuit panel that ren-

dered the pledge ruling in June issued an amended version of that decision on Friday. Like the earlier decision, the vote was 2-1. The decision now stops short of declaring the law passed by Congress in 1954 that added the words "under God" to the pledge unconstitutional. The panel focuses instead on public school decisions that allow voluntary recitations of the words.

The distinction makes the decision less sweeping. It may now not apply by implication to reciting the pledge in other official settings or to similar phrases

in other laws and governmental statements.

The panel majority sided with the plaintiff, Michael A. Newdow of Sacramento, an atheist who said his daughter was injured when forced to listen to teachers lead a pledge that includes the assertion that there is a God. Newdow did not respond to requests for comment.

Denials of petitions for full-court rehearings are usually dry one- or two-sentence affairs. That was not so on Friday.

Judge Diarmuid F. O'Scannlain, writing for six judges,

called the very wronging the simply no two-judge as a mat precedent wrong be conflict w circuit, at common s

"If reci 'a religious Establish the recita itself, the dence, th the Nation of the nat of which s to: In God The Cc "year of National trust."

Judge s along wit was one o original i judge wh against re tions are hardt said felt "com turbingly to constiti in the dis O'Scannle exceptione reaction" t

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TODAY ONLY! 9AM TO 9PM

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Sealy



ing the Pledge of Allegiance." Eugene Volokh, a professor of law at the University of California at Los Angeles, said that "the Supreme Court will almost certainly agree to hear the case," partly because "this is a hot button issue in which a majority of the justices probably disagree with the panel" and partly because of a disagreement between two appeals courts. The 9th Circuit decision is at odds with a decision in 1992 by the U.S. Court of Appeals for the 7th Circuit, in Chicago.

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Denials of petitions for full-court rehearings are usually dry one- or two-sentence affairs. That was not so on Friday.

Judge Diarmuid F. O'Scannlain, writing for six judges,

called the panel decision "wrong, very wrong—wrong because reciting the Pledge of Allegiance is simply not a 'religious act' as the two-judge majority asserts, wrong as a matter of Supreme Court precedent properly understood, wrong because it set up a direct conflict with the law of another circuit, and wrong as a matter of common sense.

"If reciting the pledge is truly 'a religious act' in violation of the Establishment Clause, then so is the recitation of the Constitution itself, the Declaration of Independence, the Gettysburg Address, the National Motto or the singing of the national anthem," a verse of which says, 'And this our motto: In God is our trust.'

The Constitution refers to the "year of our Lord," and the National Motto is "In God we trust."

Judge Stephen Reinhardt, who along with Alfred T. Goodwin, was one of the two judges in the original majority, was the sole judge who explained his vote against rehearing. Such explanations are uncommon, and Reinhardt said he wrote because he felt "compelled to discuss a disturbingly wrongheaded approach to constitutional law manifested in the dissent authored by Judge O'Scannlain" that noted the exceptional "public and political reaction" to the original decision.

"We may not—we must not—allow public sentiment or outcry to guide our decisions," Reinhardt wrote. "Any suggestion, whenever or wherever made, that federal judges should be encouraged by the approval of the majority or deterred by popular disfavor is fundamentally inconsistent with the Constitution and must be firmly rejected."

O'Scannlain responded that his opinion had "nothing to do with bending to the will of an outraged populace and everything to do with the fact that Judge Goodwin and Judge Reinhardt misinterpret the Constitution and 40 years of Supreme Court precedent. That most people understand this makes the decision no less wrong."

O'Scannlain conceded, however, that Supreme Court precedent in this area could be "fractured and incoherent." Legal experts on both sides have said the original decision was a careful and coherent work of judicial craftsmanship.

Supreme Court decisions have prohibited many forms of religious observance in public

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gious observance in public schools, including prayers, Bible readings and minutes of silence. O'Scannlain said the pledge was at bottom not about religion.

"Most assuredly," he wrote, "to pledge allegiance to flag and country is a patriotic act. After the public and political reaction last summer, it is difficult to believe that anyone can continue to think otherwise."

A number of Supreme Court decisions have indicated that the pledge is constitutional. The panel's decision said that those statements were observations made in passing, points that lawyers call dicta, and that they did not bind lower courts.

Legal experts said the 15 judges who voted not to rehear the case might have done so for any number of reasons, including agreeing with the original decision.

"There is a good argument that the 9th Circuit's ruling is correct under United States Supreme Court case law, which is unclear," said Howard J. Bashman of Philadelphia, a specialist in appellate litigation.

The judges may have believed that case was not exceptionally important, the showing required by the rules that seek to discourage petitions for rehearings by the full court.

Four judges, including one who also joined O'Scainlann's decision, would have granted the rehearing not on the ground that it was necessarily wrong, but because, as Judge M. Margaret McKeown said, "The recitation of the Pledge of Allegiance by schoolchildren presents a constitutional question of exceptional importance."

They may have been wary of the makeup of the 11-judge panel that would rehear the case. The 9th Circuit is alone among the federal appeals courts in not having every active judge participate in so-called en banc, or full court, rehearings.

Some judges may have just wanted to hasten what they viewed as the inevitable Supreme Court review.

"You know this has the Supreme Court written all over it," Volokh said. "So let them figure it out."

Rod Boyce, Assistant Managing Editor: 459-7574; e-mail: letters@newsminer.com

3/6/03

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Please, God, split the 9th Circuit

If there was any doubt that Alaska needed to be separated from the exceptionally liberal, San Francisco-based (need we say more?) 9th Circuit, consider the fiasco of the court's ruling that it is unconstitutional for students to recite the Pledge of Allegiance in public schools.

Although the court on Tuesday temporarily suspended its ruling, which stated the words "under God" in the pledge amount to a government endorsement of religion, the court's general tenor does not match that of Alaska. The 9th Circuit has jurisdiction over nine Western states, including Alaska.

There are many other reasons, of a more practical and less political nature, to split the 9th Circuit into two or even three additional appellate courts, however.

The court consists of 28 judges and is by far the nation's largest appellate circuit, with jurisdiction over one-fifth of the U.S. population. The number of cases the 9th Circuit accepts each year does not allow each judge sufficient time to analyze rulings of the court's three-judge panels, from which most rulings stem. That leads to inconsistency and a propensity, more so than with other circuit courts, to have rulings overturned by the U.S. Supreme Court.

From Alaska's interest, the court is so large that judges cannot become as familiar as we would like with laws that affect our state. The Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act, for example, are complex and controversial laws that touch on many facets of Alaska life. A smaller circuit court would allow judges to visit the state more often.

Creating additional circuits out of the 9th Circuit is not a new idea. Nor is the general concept of dividing Circuit Courts: In 1980 the 5th Circuit, because of its size, was broken apart to create the 11th Circuit.

The idea for remaking the 9th Circuit is one that could be gaining momentum after years of struggle. U.S. Sen. Lisa Murkowski said this week that she will introduce legislation to split the 9th Circuit, and the state Legislature will consider a resolution by Fairbanks Sen. Ralph Seekins calling for the court's breakup.

We rule in favor of both.



Art enhanc

Quick, name the first 10 things that come to mind when I say Fairbanks arts. Jo Scott, June Rogers, Peggy Ferguson, the University of Alaska Museum, Fairbanks Drama, concert and symphony associations, New Horizons Gallery, Summer Music Festival, Denali Bar &

Denali Bank?

Yes. Last year the bank won the first ever Business in the Arts Award for its extraordinary support of Fairbanks' cultural community.

This award is presented by the Fairbanks Business Committee for the Arts, in partnership with the national Business Committee for the Arts and the Greater Fairbanks Chamber of Commerce.

Arts often suffer from a narrow focus on the aesthetic and cultural. However, Fairbanks arts are also a vital part of our

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SJR

18

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSJR18(STA)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Constitutional Amendment RDU AK Permanent Fund Corporation
Permanent Fund Appropriations Component AK Permanent Fund Corporation
Sponsor Senate Rules Committee
Requester Senate Judiciary Committee Component No. 109

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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						
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SJR18 would ask the voters at the next general election whether to approve an amendment to the Constitution of the State of Alaska that would limit appropriations from the Permanent Fund to no more than 5% of the average year-end market values of the fund for the preceding five years.

SJR18 would not affect the budgeted costs to manage and invest the Permanent Fund, nor would it change the amount of income earned by Permanent Fund investments.

See the attached schedules for financial projections and analysis of the Fund comparing the "Status Quo" to a 5% percent-of-market-value (POMV) spending limit.

Prepared by: Robert D. Storer, Executive Director Phone (907) 465-2047
Division Alaska Permanent Fund Corporation Date/Time 1/18/04 8:51 AM
Approved by: Steve Porter, Deputy Commissioner Date 1/18/2004
Agency Department of Revenue



Alaska Permanent Fund Corporation
 SJR 18 - Financial projection comparison of the Alaska Permanent
 Fund under status quo versus POMV spending limit beginning in
 \$ millions

Status Quo	-----projected-----												
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	
Total Return	15.25%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Contributions & appropriations (after payouts)	23,300	24,179	25,042	25,922	26,824	27,748	28,688	29,652	30,628	31,623	32,668	33,725	
Unrealized appreciation/depreciation on invested assets	3,451	3,898	4,284	4,634	4,958	5,262	5,546	5,824	6,105	6,391	6,682	6,978	
Realized earnings account (after payouts)	850	1,341	1,943	2,516	3,041	3,591	4,180	4,809	5,480	6,200	7,000	7,942	
Total market value end of year (after payouts)	<u>27,601</u>	<u>29,417</u>	<u>31,268</u>	<u>33,072</u>	<u>34,823</u>	<u>36,600</u>	<u>38,414</u>	<u>40,245</u>	<u>42,133</u>	<u>44,084</u>	<u>46,087</u>	<u>48,165</u>	
Annual realized income	1,311	1,602	1,796	1,969	2,129	2,280	2,430	2,666	2,843	2,999	3,329	3,044	
Dividend (lump sum) - status quo	561	499	560	739	925	1,027	1,113	1,226	1,297	1,367	1,477	1,542	
Transfer status quo Inflation-proofing (ER to principal)	0	613	635	657	680	703	727	751	776	801	828	855	

POMV - 5% (beginning in FY05)	-----projected 5% POMV beginning in FY05-----											
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Total Return		7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Total Market Value End of Year (after payouts)	<u>27,601</u>	<u>28,605</u>	<u>29,621</u>	<u>30,654</u>	<u>31,686</u>	<u>32,710</u>	<u>33,739</u>	<u>34,782</u>	<u>35,840</u>	<u>36,912</u>	<u>38,025</u>	<u>39,153</u>
5 year average market value lagged one year		26,224	26,669	27,674	29,191	30,843	32,061	33,146	34,243	35,346	36,453	37,572
POMV Payout available for appropriation in lump sum		1,311	1,333	1,384	1,460	1,542	1,603	1,657	1,712	1,767	1,823	1,879

Assumptions:

- Both scenarios show payouts net of inflation.
- POMV payout assumes calculation methodology is 5% of the ending market value (pre payout) for the first five of the last six fiscal years.
- Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Fall 2003 revenue forecast, financial statements through 12/31/03. All payouts are assumed to happen at fiscal year end, all dollar values in millions.
- Per SB 100, currently there is no FY04 Inflation-proofing appropriation, and \$354 million of FY04's projected Inflation-proofing of \$523 was pre-funded in FY03.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SJR 18
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title Constitutional amendment relating to limiting RDU Elections
appropriations from State of AK and inflation-proofing the APF Component Elections
 Sponsor Rules
 Requester Senate Judiciary Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	1.5					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1.5	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	1.5					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Leonard G. Jones Phone 465-3051
 Division: Division of Elections Date/Time 1/16/04 10:36 AM
 Approved by: Laura A. Glaiser, Director Date 1/16/2004
 Agency: Office of the Lt. Governor, Division of Elections



Alaska Permanent Fund

An overview of POMV

- the 5% solution -

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS



Trustees' proposal

The APFC Board of Trustees proposes
a constitutional amendment
to limit annual Fund spending
to five percent
of the Fund's total market value.

POMV

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS



What is POMV?

POMV, or "Percent of Market Value," is a formula that limits spending to a set percent of a fund's total market value.

The set percent is based on the expected difference between total annual return on investments and the rate of inflation.

8% projected average annual return

-3% projected average annual inflation

5% maximum annual sustainable payout

retained in the Fund for inflation proofing

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS



"To benefit all generations..."

AS 37.13.020 (1)

...the Fund should provide
a means of conserving a portion
of the state's revenue from mineral resources
to benefit all generations of Alaskans.



POMV protects the Fund

- **Protects the entire Fund** by eliminating the distinction between principal and earnings
- **Protects the option** of an annual distribution (i.e. dividends)
- **Protects the Fund for future generations** by restricting spending

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS



POMV payout formula

1. Compute the Fund's
FY04 five-year
average market value

2. Multiplying by 5 percent
= the FY05 payout

\$25.9 billion

average market value FY00-FY04

x .05

= \$1.3 billion

FY05 payout

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS



POMV constitutional amendment

SJR 18 and HJR 26

- APFC Board of Trustees supports the resolutions as written.
- The single difference between the resolutions is a line of intent language found only in HJR 26.
- The Board urges the Senate Judiciary Committee to pass this resolution in January.

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS



Why we need POMV

For the present

- Ensure the option of an annual payout
- Make payout amounts more stable from year to year
- Make payout method compatible with investment strategy

For the future

- Prevent overspending in the good years
- Maintain purchasing power for the entire Fund

ACCOUNTABILITY

TO ALASKANS, FOR ALASKANS

HOME | ABOUT THE APFC | CONTACT US | HOW THE FUND WORKS | STOCKS | BONDS | REAL ESTATE |

ALASKA PERMANENT FUND

ACCOUNTABILITY

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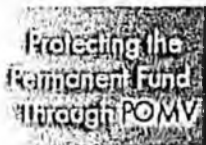
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ANNUAL REPORT



POMV



FUND HISTORY

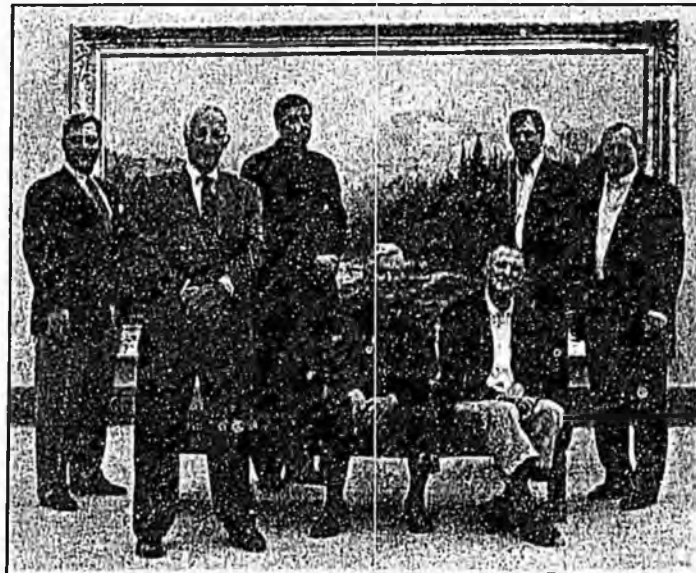


QUESTIONS AND ANSWERS ON POMV

The Board of Trustees of the Alaska Permanent Fund Corporation is supporting a new structure for the Permanent Fund that will determine how much money may be paid from the Fund each year. This method is called a "percent of market value" system also known as the "5% solution."

Why POMV?

The Board of Trustees is charged, according to Alaska law, with managing the Fund for all generation, which means we are responsible for assuring long-term benefits and saving the Fund for future generations. POMV meets both needs. The "5% solution" (or POMV) is not a new idea.



- The Alaska Permanent Fund Board of Trustees has supported this change for a number of years.
- Many large endowments and foundations across the country use a similar system, including Yale and Columbia University foundations, the Ford Foundation, the Pew Charitable Trusts and even Alaskan funds such as the Rasmuson Foundation.

How would POMV work?

Each year, the total market value of the Fund (principal and earnings combined) would be averaged over the previous five years. Five percent of that average would be available to be withdrawn from the Fund.

How is POMV different?

Fund balances at the end of each fiscal year

billions

Realized income account

The chart at the left shows the ending balance of the Fund for each of the last four fiscal years. Under the current system, the Permanent Fund is divided into two parts.

The first part is the principal of the Fund, the money that is invested in assets such as stocks, bonds and real estate, and cannot be spent.

The second part is realized earnings, which is the cash that the Fund receives as income from investments or as profits from the sale of investments. *Realized earnings may be spent.*

It's important to understand that the realized earnings are not sitting in a savings account, but are in fact reinvested into the same assets as the reserved part of the Fund. This allows the realized earnings to continue to gain value and earn money until they are withdrawn from the Fund.

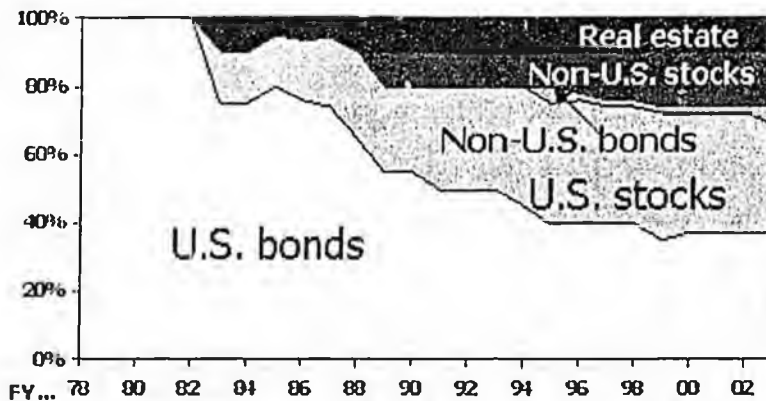
The APFC uses the amount of the Fund's realized earnings each year to calculate the Permanent Fund Dividend, and pays the dividend out of the realized earnings account. The Legislature then transfers a calculated amount of money each year from the earnings to the principal to inflation-proof the Fund.

In years where the markets are good and there are a lot of realized earnings, there is often money left over in the earnings account after the dividend is paid. This was the case on June 30, 2000, when \$3 billion was still in the account after money had been withdrawn to pay dividends in October and inflation proof the Fund.

But in other years there might not be realized earnings in the account. This scenario came close to occurring when the markets were down during the fall of 2002, and it looked like there might not be enough in the account to pay dividends or inflation proof the Fund in 2003.

Why POMV now?

In 1980, the Permanent Fund was invested entirely in bonds. Bonds provide stable and predictable



cash earnings each year, and basing the method for paying money from the Fund on earnings made sense.

Now, the Fund is invested in stocks and real estate in addition to bonds. While stocks and real estate sometimes provide cash

earnings, most of their benefit is in the ability to rise in value. But the Permanent Fund doesn't receive cash income from the rise in value until these assets are sold. This means that it is possible for the overall value of the Fund to rise without producing any realized earnings, and therefore no money that may be spent from the earnings reserve account.

Basing the amount available for payout on the value of the Fund rather than its earnings makes sense in light of how the Fund is invested today. It allows Alaskans to take advantage of any increase in the value of the assets that the Fund owns without having to sell the assets.

What about inflation?

Inflation is an increase in the cost of goods or services over time. If the value of the Fund does not increase by at least the same amount, then future generations will not be able to buy as much with their Fund dollars as we can today.

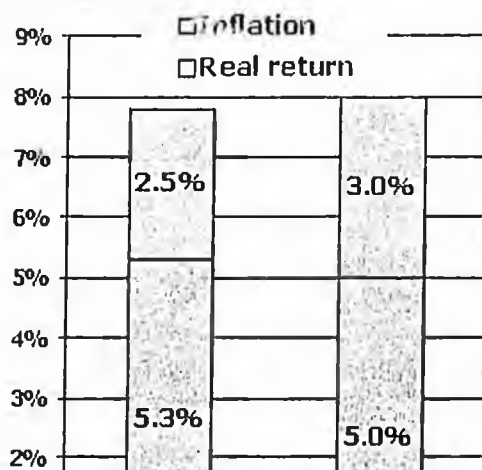
Under the current system, part of the Fund is inflation proofed using a formula that puts money into the principal where it cannot be spent. But this process requires a vote of the Legislature each year, and does not inflation-proof the entire Fund. In addition, pressure on the Legislature to balance the state budget in years when oil-revenues are low could put inflation proofing at risk.

When the Board of Trustees makes decisions regarding how the money in the Fund will be invested, its goal is a five percent real rate of return over inflation. This means that if inflation for a particular year is expected to be three percent, then the goal is a return of eight percent:

$$\begin{array}{r}
 8\% \quad \text{projected rate of return} \\
 - 3\% \quad \text{projected rate of inflation} \\
 \hline
 5\% \quad \text{real rate of return}
 \end{array}$$

This equation shows that if five percent is withdrawn from the Fund, over time enough money is left behind to automatically inflation proof the entire Fund.

Why five percent?



The Board of Trustees believes that five percent is the maximum amount that can be paid out of the Fund each year without harming the Fund in the future. This is called "sustainability," and to withdraw more could place the future health and earning potential of the Fund in jeopardy

As you can see in the chart at the left, over the last ten

years the Fund earned a 7.8 percent total return, which produced a 5.3 percent real rate of return after inflation. While past performance isn't a guarantee of future performance, it does show that the Board of Trustees was realistic when it chose a target 5 percent real rate of return.

What about years where the market goes down - won't allowing a payout cut into the value of the Fund?

POMV does not require a five percent payout each year, it simply says that no more than five percent may be paid out. However, Alaskans and the Alaska economy have come to depend on an annual dividend, and decision makers might want to have the option of paying dividends even in bad years.

The protection that POMV would provide from overspending the Fund in good years outweighs the risk of withdrawing money from the Fund in bad years.

What do you mean by "protection from overspending?"

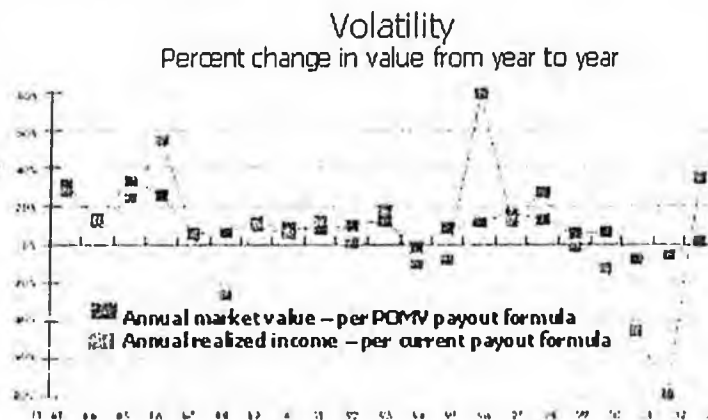
Under current law, realized earnings of the Permanent Fund go into the Earnings Reserve Account where they are available for appropriation. Permanent Fund dividends and inflation proofing are calculated and paid from those earnings. In a good year there is often money left behind in the Earnings Reserve Account after dividends are paid, and the Legislature may withdraw this money at any time.

Over the Fund's history, the Legislature has placed the extra money back into the Permanent Fund, but the law does not require

this. As we saw in the chart showing the balance of the Permanent Fund for the last four years, in 2000 and 2001 more than five percent of the value of the Fund was available in the Earnings Reserve Account and could have been appropriated.

The volatility graph above provides another illustration of how POMV would smooth out the effects of both the good years and the bad. The purple line represents the overall value of the Fund. This graph is not in dollars, but represents how much the value changes from year to year. As you can see, while the value of the Fund has grown from \$700 million to \$25 billion over the last 22 years, the rate of growth has been very steady.

Conversely, the blue line represents the realized earnings of the



Fund. In 1996 earnings shot up dramatically, leaving a lot of money behind in the earnings reserve that could have been withdrawn from the Fund. In 2002 we see the opposite effect, with earnings falling dramatically and almost wiping out the earnings reserve.

The current system bases payouts on the blue line. POMV would base the amount available for withdrawal from the Fund on the purple line, creating greater stability from year to year.

Will POMV make money available to spend on government services?

Currently, any earnings left over after the dividend is paid and the Fund is inflation proofed are available for spending on anything the Legislature chooses, including government services.

How much will my dividend be under POMV?

The Board of Trustees has not made any recommendations regarding how much of the five percent available for appropriation should go to dividends. Alaska's decision makers must determine what part of that five percent would go to dividends and what part would go to other uses, if any.

Where are we now?

There are two resolutions in the Legislature right now that would propose the necessary Constitutional change to enact POMV, SJR 18 and HJR 26. First, the Legislature must approve one of these resolutions, and the Governor must sign it. If this happens a question would be placed on the ballot in November 2004 asking the people of Alaska to approve changing from the current system to a POMV payout method.

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465-5241

January 21, 2004

To Senate Judiciary Committee members:

Re: SJR18

I am a long-time advocate for 5 POMV payout because it inflation-proofs the entire permanent fund and because it makes the fund's payout policy compatible with its evolved investment strategy to include real estate and equities rather than only the income producing investments originally allowed.

Implementing POMV must be kept simple and comparable to the existing dividend program to gain voter acceptance as required for a constitutional amendment. Dedicating 80% of the annual payout to dividends in the Constitution will assure voters that their dividend program will continue in a manner comparable to the current earnings-based formula. Government will gain access to 20% of the annual payout and be assured of a predictable, sustainable revenue stream. Best of all, we will, after years and years of chatter, take a critical first step toward solving our fiscal dilemma.

Mary Griswold
Mary Griswold
P.O. Box 1417
Homer, AK 99603

235-3725

mgrt@xyz.net



Alaska State Legislature

Please enter into the record my testimony to the Senate Judiciary
committee name

Committee on SJR 18 Date, January 21, 2004
bill # / subject

I do not support SJR 18, because I feel that it does not contain provisions for inflation proofing, or for paying dividends. From the way SJR 18 is worded, it appears as if SJR 18 was written to use our PFD's as a source of revenue to pay for financing our state government! It was a very clear and resounding NO in the 1999 advisory vote. We don't want representatives touching our permanent dividend funds. Please vote NO on SJR 18 and vote yes on SJR 19.

Signed: Laurie Churchill
Testifier

self
Representing (optional)

PO Box 7043 Nikiski, AK 99635
Address

907-776-3499

Phone number

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SJR 18
 (S) Publish Date: 5/7/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Constitutional Amendment: BRU Permanent Fund Corp
Permanent Fund Appropriations Component Permanent Fund Corp
 Sponsor Senate Rules
 Requester Senate State Affairs Component No. 109

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SJR 18 would ask voters in the next general election whether to approve a constitutional amendment that would limit annual appropriations to no more than 5% of the average year-end market value of the Fund for the preceeding five years.

SJR 18 would not affect the budgeted costs to manage and invest the Permanent Fund, nor would it change the amount of income earned by Permanent Fund investments.

See the attached schedule for financial projections of the Fund comparing the "Status Quo" to a 5% POMV spending limit.

Prepared by: Robert D. Storer, Executive Director Phone (907)465-2047
 Division Alaska Permanent Fund Corporation Date/Time 4/25/03 5:00 PM
 Approved by: William Corbus, Commissioner Date 4/29/2003
 Agency Department of Revenue



Alaska Permanent Fund Corporation
 SJR 18 FN #2 Pg 2 of 2 - Financial projection comparison of the Alaska Permanent Fund
 under status quo versus POMV spending limit, beginning in FY05.

\$ millions

Status Quo	-----projected-----										
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Total Return	-3.42%	7.38%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Principal - end of year (after payouts)	22,348	23,268	24,149	25,057	25,988	26,937	27,910	28,899	29,899	30,918	31,956
Realized earnings reserve (after payouts)	633	398	648	1,102	1,581	2,028	2,446	2,886	3,358	3,865	4,487
Unrealized earnings reserve	(632)	118	610	960	1,232	1,468	1,708	1,929	2,135	2,332	2,434
Total earnings reserve - end of year (after payouts)	0	516	1,258	2,062	2,813	3,496	4,154	4,816	5,493	6,197	6,921
Total Market Value End of Year (after payouts)	<u>22,349</u>	<u>23,784</u>	<u>25,407</u>	<u>27,118</u>	<u>28,801</u>	<u>30,433</u>	<u>32,065</u>	<u>33,715</u>	<u>35,392</u>	<u>37,115</u>	<u>38,876</u>
Annual net income	(851)	1,620	1,775	1,897	2,026	2,152	2,275	2,397	2,521	2,647	2,776
Dividend (lump sum) - Status Quo	686	510	409	442	597	766	887	979	1,059	1,131	1,209
Transfer status quo Inflation-proofing (ER to principal)	102	590	612	635	659	683	707	732	758	783	810

* The APFC FY03 projected dividend, paid to Alaska citizens in October, 2003 is subject to available earnings reserve. The volatility in the stock market has taken earnings reserve to zero or below several times this fiscal year. If the earnings reserve balance is zero or negative on 6/30/03, no dividend distribution will be paid to the Department of Revenue.

POMV - 5% (beginning in FY05)	-----projected 5% POMV beginning in FY05 -----										
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Total Return			7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Total Market Value End of Year (after payouts)		<u>23,784</u>	<u>24,581</u>	<u>25,429</u>	<u>26,307</u>	<u>27,186</u>	<u>28,078</u>	<u>28,978</u>	<u>29,881</u>	<u>30,795</u>	<u>31,717</u>
Annual net income			1,775	1,834	1,898	1,963	2,028	2,094	2,161	2,228	2,295
POMV Payout available for appropriation in lump sum			1,235	1,243	1,274	1,329	1,380	1,426	1,473	1,520	1,568
5 year average market value			24,706	24,854	25,480	26,576	27,608	28,526	29,463	30,409	31,363

Assumptions: Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Spring 2003 revenue forecast, financial statements through 3/31/03. All payouts are assumed to happen at fiscal year end, all dollar values in millions.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SJR 18
 (S) Publish Date: 5/7/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
 Title Constitutional Amendment relating to BRU Elections
limiting appropriations from and inflation-proofing the APF... Component Elections
 Sponsor Senate Rules Committee
 Requester Senate State Affairs Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual		1.5				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	1.5	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		1.5				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	1.5	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Lauri Allred
 Division: Division of Elections
 Approved by: Laura A. Glaiser, Director
 Agency: Office of the Lt. Governor, Division of Elections

Phone 465-5347
 Date/Time 4/28/03 1:33 PM
 Date 4/28/2003

**Testimony before the
House Special Committee on Ways & Means
Clark S. Gruening
April 22, 2003**

Mr. Chairman and members of the House Special Committee on Ways & Means, thank you for the opportunity to discuss with you HJR 26, a proposed constitutional amendment for inflation-proofing the Alaska Permanent Fund.

Before speaking to how this proposal changes the way the Permanent Fund is inflation-proofed, I'd like to make some brief comments about how the Board came to recommend this change.

For 23 of the Fund's 27 years of existence, the APFC has been governed by a six-member Board of Trustees. Protecting the Fund against inflation has been the highest public policy goal of the Trustees since the original Board was appointed in 1980. The first Board testified to the legislature that the greatest threat to the permanence of the Fund is inflation. In response, the legislature adopted statutory inflation-proofing in 1982.

In more recent years, the Board has examined the use by various large endowments and public funds of a formula approach to determine the method and size of payouts from these funds. This approach is generally referred to as "percentage of market value" payouts or "POMV" for short.

The purpose of placing this formula in the state constitution is to protect the long-term real value of the Fund and to provide consistent and predictable distributions for the long-term. After considerable review and discussion, the Board recommended in February of 2001, a constitutional change in the form of

HJR 15 and SJR 13 which received committee hearings but did not come to the floor for a vote.

As in the prior proposal, the language in HJR 26 provides a spending limit on what can be currently spent or, in legislative parlance, appropriated. The existing constitutional language establishing the Alaska Permanent Fund only prohibits the appropriation of principal. In other words, anything but "principal" is income and can be spent.

Since the first Board of Trustees, 23 years ago, the Permanent Fund corporation has calculated principal as a notational number that simply equals the sum of the constitutionally mandated 25 percent of mineral deposits and the non-mandated (or voluntary) deposits the legislature has chosen to make. Principal does not vary or move up or down with the market.

Unlike the present statutory provision for inflation-proofing, HJR 26 provides for inflation-proofing of the entire Fund. But clearly, one of the most important reasons to support the proposal is that it would maximize distributions over the long term by establishing a percent of market value spending limit. By eliminating the distinction between principal and income, this proposal would also avoid the situation where market volatility on the down side prevents any distribution from the fund for any purpose, whether for dividends or anything else.

This is significant because since 1982, Alaska's fiscal picture has changed dramatically. The Alaska Permanent Fund can be reasonably expected to produce more future state revenue than any single Alaska resource – more than oil or natural gas, more than fishing or any other natural resource.

Whatever future decisions are made by the legislature or the voters regarding the use of Fund earnings, the five percent payout of market value limit will assure complete and protected inflation-proofing while providing predictable and sustainable distributions over the long term.

In managing Alaska's fishery stocks, the only sensible choice is to avoid taking too much of any fish stock so that, over the long term, the harvest is maximized. Of course, over-harvesting can reap short-term rewards of more fish, but the inevitable result is, at best, fewer fish, and at worst, permanent impairment or destruction of a fisheries stock. The same is true for managing distributions from a large investment fund like the Alaska Permanent Fund.

I want to close by emphasizing two key points regarding the Board's proposed constitutional amendment. The first point is that if Alaska is going to have a Fund that is truly permanent, we must take those steps necessary to ensure permanence. This means investing for future generations as well as current generations. This will require commitment to basic principles of long-term investing.

But the critical flip side of a sound long-term investment strategy is a sound, sustainable, and predictable distribution plan – a plan that will sustain and provide benefits to each generation of Alaskans.

The second and last point I want to leave you with is that if the Permanent Fund is going to continue to serve each generation of Alaskans it has to be able to make distributions so that current generations receive some benefit while not

"over harvesting" the fund so that there is little or nothing left for future generations.

We all want to avoid, at all costs, defaulting to the position where the Constitutional Budget Reserve (or "CBR") is today. Within the next three to four years, the CBR is destined for extinction. As the investment horizon of the CBR steadily shortens, it will be necessary to keep the assets of the CBR in very short-term and less-profitable investments.

I believe that as the day of the CBR's demise grows near, the Trustees and staff of the Fund may have to seriously consider a shorter investment horizon for a significant portion of the Fund.

So, whether we liken the Alaska Permanent Fund to a resource industry like Alaska's fisheries, one thing is clear: the Alaska Permanent Fund can continue to import significant new money into our state year after year.

Properly invested and protected, the Alaska Permanent Fund will successfully convert the non-renewable petroleum wealth of our State into a permanent and substantial stream of revenue for generations after the last barrel of oil has been pumped.

Legislative passage and voter approval of the Board's proposed amendment would protect the ability of the Fund to be managed for the long-term and to continue to pour money into the Alaska economy over the long-term.

The proposed constitutional change before you in the form of HJR 26 is more compatible with the Fund's diversified, long-term investment strategy of achieving a five percent real rate of return over time. The present constitutional

language was designed over a quarter century ago for a Fund that was invested 100 percent in bonds.

I believe that succeeding generations will rightly view this proposed amendment with the same degree of appreciation and admiration as the original one Alaskans overwhelmingly approved 27 years ago. The Trustees believe that this proposal for complete and protected inflation-proofing makes ultimate good sense for Alaska's Permanent Fund and for Alaska's future.

ALASKA PERMANENT FUND CORPORATION

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
ALASKA PERMANENT FUND CORPORATION RELATING TO A
CONSTITUTIONAL AMENDMENT LIMITING APPROPRIATIONS FROM
AND INFLATION-PROOFING THE ALASKA PERMANENT FUND
BY ESTABLISHING A PERCENT OF MARKET VALUE SPENDING LIMIT

RESOLUTION 03-05

Preserving the real value of the money deposited into the Alaska Permanent Fund ("Fund") over the long term has been a public policy priority of the Board of Trustees ("Board") since the original Board was appointed over 20 years ago. In response to the Board's concerns in 1982 about the effects of inflation on the value of the Fund, the legislature adopted statutory inflation-proofing that same year. That change has successfully protected (by statute) the principal of the Fund for the past 20 years. After several years of review, the Board believes it is now time for the People of Alaska to make another decision that would: 1) constitutionally protect the current purchasing power of the whole Fund (both principal and income) against inflation; and 2) improve the rules governing distributions from the Fund.

To accomplish these goals, the Board has examined the use by various large endowment and public funds of a formula approach to establish appropriate limits on the size of payouts from those funds. This formula approach, generally referred to as a "percent of market value" ("POMV") spending limit, is applied by those funds in a manner that assures that, on average, only *real* income of a fund (i.e. income *net of inflation*) can be spent, thereby assuring that the real value of the contributions paid into the fund will not be touched. Because a POMV spending limit would provide for distributions from the Fund that are

predictable and limited, the Board believes that its use is in the best interest of the Fund and of the people of the State of Alaska.

The Board further believes that the best way to implement a POMV spending limit methodology for determining a level of distributions from the Fund that is predictable and limited is to amend the constitutional provision that established the Fund (Article IX, section 15 of the Alaska Constitution). Providing for a POMV spending limit in this manner would assure all Alaskans that the real value of the contributions to the Fund will be preserved for all time.

At the Board's request, APFC staff has presented a draft constitutional amendment for further discussion by the Board which, if adopted by the people of the State of Alaska, would provide for the following:

1. an annual limit on appropriations from the Fund of up to five percent of the total market value of the Fund, averaged over a period of five years;
2. using a five year period that allows the legislature and the governor to know before a fiscal year begins the exact amount that will be available for distribution from the Fund;
3. Fund income is part of the Fund, rather than being subject to appropriation by the legislature, as currently provided;
4. assures that the current statutory earnings reserve account established by AS 37.13.145 becomes part of the Fund when the constitutional amendment takes effect; and
5. the current references to "principal" and "income" are removed, as POMV ensures protection of the principal over the long-term through a constitutional spending limit.

The Board believes that this approach effectively balances the goal of providing for an annual distribution from the Fund that is predictable and limited with the long-term goal of protecting the real value of contributions to the Fund.

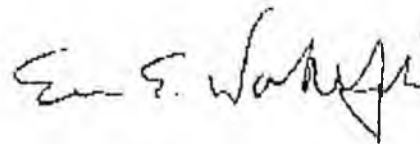
In addition, the Board believes strongly that implementing a POMV spending limit approach by constitutional amendment is such an important public policy goal that proposals for incorporating any other amendments to Article IX, section 15 which might in any way either lessen the chances of approval of such an amendment by the voters or undermine the legal status of the Fund should be rejected by the legislature.

Finally, the Board recognizes that implementation of a POMV spending limit methodology by constitutional amendment may necessitate changes to existing statutes that deal with the formula for determining and distributing the amount of the Fund that may be spent each year, including, but not necessarily limited to, payment of Permanent Fund Dividends and inflation-proofing the Fund. In anticipation of voter approval of a constitutional amendment providing for a POMV spending limit, the Board is hopeful that the legislature and the governor will work together to develop appropriate legislation to harmonize existing statutory provisions with the operation of the amendment and/or to adopt such new statutes as they may consider desirable. In this regard, the Board and APFC staff stand ready to provide any information or other assistance that may be helpful.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that the legislature of the State of Alaska, in consultation with the governor and the Board, are urged to consider and approve the proposal (dated 4/14/03) for a constitutional amendment that would implement a POMV spending limit mechanism that would provide an annual distribution from the Fund that is predictable and limited.

BE IT FURTHER RESOLVED by the Board of Trustees that the proposal for such an amendment be limited solely to implementation of the foregoing goal.

PASSED AND APPROVED by the Board of Trustees of the Alaska Permanent Fund Corporation this 14th day of April 2003.



Eric E. Wohlforth

Chair, Board of Trustees

ATTEST:



Robert D. Storer, Corporate Secretary

Methods to determine funds available for appropriation:

**Five key differences between the
Status quo and the proposed
Percent of Market Value (P.O.M.V.)**

A presentation by the Alaska Permanent Fund Corporation
to the House Ways and Means Committee
April 21, 2003



Five key differences between the status quo and POMV

1. POMV offers constitutional inflation-proofing protection of the entire Fund. The status quo statutorily inflation-proofs Fund principal.
2. POMV is a spending limit. It limits funds available for appropriations to real income over time. Under the status quo, the entire earnings reserve may be appropriated.
3. During volatile markets, POMV offers greatly improved stability in year-to-year amounts available for appropriation as compared to the status quo.



Differences between the status quo and POMV

4. POMV is compatible with the Fund's diversified, long-term investment strategy of achieving a 5% real rate of return over time. The status quo was designed a quarter century ago for a Fund invested 100% in bonds.
5. Predictable annual appropriations are provided under POMV. Under the status quo, it is not known whether funds will be available for appropriation in any given year.





Alaska Permanent Fund Corporation
HJR 26 - Financial projection comparison of the Alaska Permanent Fund
under status quo versus POMV spending limit, beginning in FY05.
\$ millions

Status Quo	-----projected-----											
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	
Total Return	-3.42%	7.38%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Principal - end of year (after payouts)	22,348	23,268	24,149	25,057	25,988	26,937	27,910	28,899	29,899	30,918	31,956	
Realized earnings reserve (after payouts)	633	398	648	1,102	1,581	2,028	2,446	2,886	3,358	3,865	4,487	
Unrealized earnings reserve	(632)	118	610	960	1,232	1,468	1,708	1,929	2,135	2,332	2,434	
Total earnings reserve - end of year (after payouts)	0	516	1,258	2,062	2,813	3,496	4,154	4,816	5,493	6,197	6,921	
Total Market Value End of Year (after payouts)	22,349	23,784	25,407	27,118	28,801	30,433	32,065	33,715	35,392	37,115	38,876	
Annual net income	(851)	1,620	1,775	1,897	2,026	2,152	2,275	2,397	2,521	2,647	2,776	
Dividend (lump sum) - Status Quo	686	510	409	442	597	766	887	979	1,059	1,131	1,209	
Transfer status quo Inflation-proofing (ER to principal)	102	590	612	635	659	683	707	732	758	783	810	

POMV - 5% (beginning in FY05)	-----projected 5% POMV beginning in FY05-----										
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Total Return			7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Total Market Value End of Year (after payouts)		23,784	24,581	25,429	26,307	27,186	28,078	28,978	29,881	30,795	31,717
Annual net income			1,775	1,834	1,898	1,963	2,028	2,094	2,161	2,223	2,295
POMV Payout available for appropriation in lump sum			1,235	1,243	1,274	1,329	1,380	1,426	1,473	1,520	1,568
5 year average market value			24,706	24,854	25,480	26,576	27,608	28,526	29,463	30,409	31,363

Assumptions: Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Spring 2003 revenue forecast, financial statements through 3/31/03. All payouts are assumed to happen at fiscal year end, all dollar values in millions.



Alaska Permanent Fund Corporation

Calculation of annual effective rates of 5% POMV spending limit
\$ millions

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Payout based on 5 year moving average	1,235	1,243	1,274	1,329	1,380	1,426	1,473	1,520	1,568
Ending market value (after payout)	24,581	25,429	26,307	27,186	28,078	28,978	29,881	30,795	31,717
Ending market value (pre payout)	25,816	26,672	27,581	28,515	29,458	30,404	31,354	32,315	33,285
Effective payout rate *	4.78%	4.66%	4.62%	4.66%	4.69%	4.69%	4.70%	4.71%	4.71%
	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Payout based on 5 year moving average	1,235	1,243	1,274	1,329	1,380	1,426	1,473	1,520	1,568
less APFC costs to manage the Fund	38	39	41	42	43	44	46	47	49
5% available for spending after deducting APFC costs	1,197	1,203	1,233	1,287	1,337	1,382	1,427	1,473	1,520
Effective rate after deducting APFC costs *	4.64%	4.51%	4.47%	4.51%	4.54%	4.55%	4.55%	4.56%	4.57%
APFC costs to manage the Fund in %	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%

* Note: The effective rate is defined as the payout over the ending market value of the Fund (pre-payout) expressed as a percentage.