STATE OF ALASKA
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 2, 1982

The Honorable Vic Fisher
Chairman
Senate State Affairs Committee
Room 423 - Capitol Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 689

Senate Bill No. 689, an Act relating to appropriations and general obligation bonds for capital projects, was introduced in the Senate on January 27, 1982 and was referred to the Senate State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosure

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA SB 689
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 689 (1/27/82)
Title Operating Cost Fund for Capital Projects
Requested by Senate State Affairs Committee Date 3/1/82

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Treasury Management
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		46.3	92.6	101.9	112.1	123.3
200 TRAVEL		3.0	6.0	6.6	7.3	8.0
300 CONTRACTUAL		65.5	130.0	143.0	157.3	173.0
400 COMMODITIES		1.5	3.0	3.3	3.6	4.0
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL		122.3	231.6	254.8	280.3	308.3

FUNDING (Thousands of Dollars)

GENERAL FUND		122.3	231.6	254.8	280.3	308.3
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
Establishes an Operating Cost Fund for capital projects in Department of Revenue. Fund consists of monies appropriated to it and interest earned on fund balance.

Administrative costs to invest and manage fund balances and account for disbursement to appropriate department. Personal Services for Investment Officer II (R22,X) to invest and manage assets; Accounting Tech. II (R14,G) for associated accounting and reporting. Contractual Services (FY 84 base): Comm. $5.0; Print & Adv. $5.0; Safekeeping and related accounting/reporting $100.0; Audit $15.0; Misc. $5.0. Equipment is for new positions. Effective 1/1/83.

valid for $60m to $1B

Anselm C. Staack

IV. DATE March 1, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Department of Revenue, Treasury Division
PHONE 465-2350

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

Mgt. invested fund portion

BILL ANALYSIS - SB 689 (1/27/83)

1. Establishes an Operating Cost Fund (OCF) for capital projects for Department of Revenue.

2. Fund consists of money appropriated to it and interest earned on fund and balance.

3. Account to be established in fund for each capital project for which an appropriation is made.

4. Revenue to transfer funds to department which operates capital project, each year, to pay operating costs.

5. Operating costs of projects, for which general obligation bonds are to be sold, are to be estimated to provide a schedule of expected cost of operating the proposed capital project. Net present value (NPV) of the operating cost of a project to be determined. NPV of operating cost is to be placed, as information for the voters to review, on the ballot.

6. Provisions do not apply to project with an NPV of operating costs of less than $100,000.

7. Takes effect January 1, 1984.

(2/1/83)

SB 686 (cont'd)

Outlines requirements for proper entries in property book.

Chapter 39 relates to the disposition of property used as evidence in court, and the return of that property after final determination of the case. In the case of property used in the commission of a crime for which the accused is convicted or that is considered unlawful property the court shall order the destruction, sale, or other appropriate disposition. Provides "Nothing in this chapter affects the rights of a person aggrieved by an unlawful search and seizure to seek redress under the provisions of Rule 37, Rules of Criminal Procedure.

Repeals AS 12.35.080 - 12.35.110 (current laws relating to disposal of property).

Does not provide for an effective date.

Introduced January 27 and referred to Judiciary.

Search Warrants (issuance by telephone testimony)

SENATE BILL NO. 687, by Senators Rodey, Bradley, Dankworth, Kelly, Kerttula and Ray. Permits issuance of a search warrant upon sworn oral testimony conducted by telephone or other appropriate means if if judicial officer finds there is probable cause to believe personal testimony would result in delay and delay might result in loss or destruction of evidence subject to seizure. Person testifying to be placed under oath, and conversation to be recorded. Testimony is to be transcribed and certified as to accuracy, then filed. The bill states: "Absent a finding of bad faith, evidence obtained under a warrant issued under this section is not subject to a motion to suppress on the ground that the circumstances did not support its issuance under (a) of this section." (subsection (a) states warrant may be issued upon sworn oral testimony and outlines reasons for believing there is probable cause to issue the warrant). Provides language added has the effect of changing Rule 37, Rules of Criminal Procedure, by allowing search warrants to be issued upon sworn oral testimony communicated by telephone or other appropriate means. Does not provide for an effective date.

Introduced January 27 and referred to Judiciary.

Appropriation (special) (computerized fingerprints)

SENATE BILL NO. 688, by Senators Rodey, Bradley, Dankworth, Kelly and Ray. Makes a special appropriation in the amount of $4,282,900 to the Department of Public Safety for a computerized fingerprint system. Provides appropriation is for a capital project and does not lapse. Provides Act takes effectimmediately.

Introduced January 27 and referred to Judiciary, then to Finance.

Capital Projects (operating cost fund)

SENATE BILL NO. 689, by Senators Sturgulewski, Ferguson, Fischer and and Stimson. Sets up an operating cost fund in the Department of Revenue for capital projects financed by the Legislature. Each project financed is to have a separate account consisting of the unexpended amount of the appropriation, and a proportional amount of income earned through investment of the capital project fund. The Commissioner of Revenue is responsible for withdrawing amounts

SB 689 (cont'd)

annually for each project and shall pay that amount to Departments responsible for the project.

Provides any capital project funded by the state that is not financed by bond sales shall include an appropriation for operating costs for up to 30 years. Commissioner of Department responsible for the project is to set up a schedule for operating costs. Defines "cost of operating" and "operating cost" as in section below.

Section relating to bondable projects provides the Commissioner of responsible department shall prepare a schedule of the expected cost of operating the proposed project for its useful life. The schedule is to serve as the basis for calculating the net present value of the operating cost of the project. Defines "cost of operating" and "operating cost" to mean the normal, anticipated costs of maintenance and operation of a capital project, including expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes; and exclude costs offset by fees imposed on users, and for contributions from federal, municipal, and private sources. Provides election pamphlet contain a statement of the net present value of the operating cost for bondable projects.

Provides Act takes effect January 1, 1983.

Introduced January 27 and referred to State Affairs, then to Finance.

Tax Credits (property taxes & rentals)

SENATE BILL NO. 690, by Senator Kelly. Provides for a tax credit for property taxes and for rents of up to $300, depending upon the amounts paid. Outlines formula for determining tax credit. Provides credit for individual who paid only part of the property taxes or rent during the year (up to $150). States only one dwelling at a time may be claimed as the principal place of abode, and provides for separate calculations if taxes or rents were paid on more than one abode. Outlines procedure for individual or joint filing. Provides Act retroactive to January 1, 1982, and authorizes a credit for taxes or rent paid after December 31, 1981. Act terminates January 1, 1985. Provides Act takes effect immediately.

Introduced January 27 and referred to Community & Regional Affairs, then to Finance.

Appropriation (special) (Fairbanks hospital)

SENATE BILL NO. 691, by Senators Fahrenkamp, Bennett and Parr. Makes a special appropriation in the amount of $20,000,000 for payment as a grant to the Fairbanks North Star Borough for expansion and improvement of Fairbanks Memorial Hospital. Provides Act takes effect immediately. (Identical to HB 700, this report.)

Introduced January 28 and referred to Health, Education & Social Services, then to Finance.

Coroners (duties/ inquests)

SENATE BILL NO. 692, by the Judiciary Committee. Makes changes in the duties of the coroner and those duties of the district judges and magistrates as coroner. Under this bill:

3-5-82

RESOLUTION

Life time

Loans.

? 2 year cycle process for capital budgeting

Life cycle costing

pilot project – of rural schools

- gradual phasing in

- consider infl. impacts of capit. proj's
  - new projects cost more, & fut. M&O
  - affect bus costs

→ incl bonded projects
  → municipal finance.

→ house life cycle costing in BUM

- require enough project planning to provide accurate cost est.'s

- rel. to spending limit

Mark Seeger

Rob McD

State of the art — MKO accts.
- did for all school dists. in MA.
? could add program costs ?

→ think as annually

Capital Costs

		Source
F.Y. 1981 Capital Expenditures including general fund, special revenue fund and capital project fund	*1,595,545,000	1983 Executive Budget Summary
F.Y. 1982 Capital Expenditures inclusive	unknown	
F.Y. 1982 Capital Expenditures general fund only	*1,380,000,000	Budget & Management, estimate
F.Y. 1981 Capital Appropriations including General Appropriations Act, excluding new legislation, loan funds, special appropriations and bond measures	*779,655,100	1981 Free Conference Committee Report
F.Y. 1982 Capital Appropriations including General Appropriations Act, excluding new legislation, loan funds, special appropriations and bond measures.	*782,793,100	1982 Free Conference Committee Report
F.Y. 1982 DOTPF Capital Appropriations Data Base. Including General Appropriations, excluding new legislation ($46,849,400), loan funds ($25,800,000), special appropriations ($2,862,447,400), bond measures ($1,012,000,000) and road rehabilitation costs.*	*727,566,500	F.Y. 82 CIP Lifetime Ownership Costs

The DOTPF data base is probably one half of total FY82 Capital Expenditures

* These appropriations have not been separated into capital and operations categories.

Mark Kissel

VALUE OF EXPECTED RETURNS FROM EXISTING HATCHERIES
OPERATING AT FULL CAPACITY 1/

Southeast	-	$26,911,222.66
Prince Wm. Sound	-	7,776,976.34
Cook Inlet	-	7,739,775.80
Kodiak and Ak. Peninsula	-	3,749,469.40
Bristol Bay and AYK	-	641,691.80
TOTAL	-	$46,819,136.00

Commercial fisheries

1/ Bases upon 1981 ex-vessel prices per pound.

VALUE OF EXPECTED RETURNS FOR 1982 1/

Southeast	-	$ 779,670.35
Prince Wm. Sound	-	1,047,737.00
Cook Inlet	-	986,654.65
Kodiak and Ak. Peninsula	-	1,228,905.00
Bristol Bay and AYK	-	63,820.00
TOTAL	-	$ 4,126,787.00

$438 million
NET Present Value
all fisheries over 20 years hence
Net state income in 1982 dollars
B:C ratio 2.8:1

VALUE OF EXPECTED RETURNS FROM EXISTING HATCHERIES
OPERATING AT FULL CAPACITY

Southeast	-	$ 23,323,000
Prince Wm. Sound	-	9,600,000
Cook Inlet	-	57,167,000
Kodiak and Ak. Peninsula	-	3,488,000
Bristol Bay and AYK	-	19,226,000
TOTAL	-	$112,804,000

commercial plus sport value

VALUE OF EXPECTED RETURNS FOR 1982 1/

Southeast	-	$ 779,670.35
Prince Wm. Sound	-	1,047,737.00
Cook Inlet	-	986,654.65
Kodiak and Ak. Peninsula	-	1,228,905.00
Bristol Bay and AYK	-	63,820.00
TOTAL	-	$ 4,126,787.00

1/ Sport fish values not included.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954
Interim office: 511 West 4th Ave., Suite 5,
Official Business Anchorage, Alaska 99501 phone: 278-3654

M E M O R A N D U M

TO: All senators

FROM: Sen. Vic Fischer

DATE: November 24, 1981

SUBJECT: Funding, maintenance and operation for future capital projects

I have become increasingly concerned about the ease with which we fund capital projects without much concern, if any, for meeting the cost of maintaining and operating each project. The problem exists at both the state and local levels.

I would appreciate your considering the attached analysis of and proposal for controlling capital project maintenance and operation costs.

The state has embarked on an ever increasing volume of public works and other construction programs, and there is a growing concern about the impact that the cost of maintaining and operating capital projects will have on future state operating budgets. The prospective constitutional limit on operating budgets may cause a real squeeze on ongoing programs when new capital projects come on line.

Maintenance and operations expenses can, over the life of a capital project, exceed original construction costs by as much as 400%. Although authorizing a capital project guarantees that the state will incur future maintenance and operating expenditures, the legislature does not provide for the financing of such future expenses. It is quite possible that in future years the state might not be able to afford to meet costs that are being committed at this time.

The burden of future maintenance and operation expenses

can be controlled by: (1) not constructing capital projects with excessive maintenance and operation costs and (2) providing current appropriations to meet future maintenance and operation expenses. The second course is discussed in the attached paper. This paper, prepared at my request by Ira Winograd and Anne DeVries of the House Research Agency, examines a proposal for creating a Maintenance and Operation Fund that would require state government to take realistic fiscal responsibility for the full costs of capital projects, including both the construction and the maintenance and operation expenses.

I believe we have to establish such an approach or some other method if the projects we build today are to serve us effectively in the future. Otherwise we may have jails that we can't afford to operate, transportation facilities that can't be maintained, or other projects that don't serve the function for which they were developed. And although this paper deals strictly with state level projects, I believe we must also make sure that attention is given to a similar situation existing at the municipal level, frequently encouraged by state grants to localities.

I would greatly appreciate your comments on the alternatives in this report and any suggestions about other options that ought to be considered to control the capital project maintenance and operations component of operating budgets.

Thanks for your consideration, and best regards.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

August 24, 1981

TO: Senator Vic Fischer

FROM: Ira Winograd IW and Anne DeVries AD
Research Staff

RE: Feasibility of a Maintenance and Operation Fund

In response to your request, this memorandum discusses issues surrounding the creation of a fund to finance future maintenance and operation (M&O) expenditures on State capital projects. We have circulated a review draft of this memorandum to staff of the executive and legislative branch agencies that are involved in the capital budgeting process. Many of their comments are reflected in this final memorandum; in addition, we have attached a letter from Kit Duke, Regional Director for Planning and Programming in DOTPF's Central Region with her comments (Appendix A).

Our discussion is divided into five sections covering:

- the problem of financing future maintenance and operations expenditures for those capital projects currently being planned or built;
- the mechanics of how an M&O fund might be structured and funded;
- the problems associated with financing future M&O expenditures through a special fund; and,
- a summary of findings and a discussion of other M&O research.

Definition of M&O Costs

Maintenance and operating costs are not well-defined in the State's capital budgeting process. For the purposes of this memorandum, M&O costs will be those associated with: 1) the day-to-day operation of the physical plant of a capital project, such as lights, heat, plumbing, cleaning and garbage pick-up; and, 2) those associated with routine maintenance, such as replacement of broken windows, roof repairs, road and dock repairs. Program costs associated with the operation of a facility, such as additional State troopers to service highways, nurses and therapists in Pioneers' Homes, teachers and administrators in school buildings, and biologists in fish hatcheries, are not included within the definition of M&O costs used in this paper.

THE PROBLEM OF MAINTENANCE AND OPERATING COSTS

As a result of the rapid growth in oil lease and tax revenues, the State has embarked on a substantial capital construction program. There is a growing concern about the impact that the costs of maintaining and operating these capital projects will have on the State's operating budget.

This concern has been prompted by three inter-related factors:

1) the anticipated decline in State revenues due to production declines on the Prudhoe Bay oil field later in this decade;

2) the proposed constitutional spending limit, which would limit growth in the State's operating expenditures to the cumulative growth in inflation and population; and,

3) uncertainty about the size of future M&O expenditures.

Given the projected decline in real revenues from oil and gas taxes as production from Prudhoe Bay falls later in the decade, the State is expected to incur large budget deficits if the current rate of spending continues. Such deficits would require decisionmakers to reduce agency budgets. It is not clear how expenditures for maintaining and operating the State's capital stock will fare in a highly competitive contest for State funds.

The proposed constitutional amendment to limit State spending also raises concern regarding the funding of M&O costs. Under the terms of the proposed amendment, the operating budget may only grow as fast as the combined growth of population and inflation. Given that the State will soon be incurring new M&O expenses for the capital projects nearing completion or in the planning stages, it would appear some other elements of the budget would have to grow at a slower rate in order to absorb these costs within the proposed budget constraints.

In addition, the proposed constitutional amendment may not place an effective limit on capital spending. Not only does it require that at least one-third of the budget be used for capital projects, it permits unlimited use of bond issues to finance these projects. Passage of the amendment may create a situation where the State's capital investment increases while its ability to operate and maintain that investment is not permitted to expand accordingly.

The third factor giving rise to concern is simply that the magnitude of these future M&O costs cannot be estimated. The State's capital budgeting system does not have any reliable way of projecting M&O costs for all projects funded through State appropriations. The implications

of this lack of information are noted by the General Accounting Office, in its study of capital budgeting practices in different governmental and private organizations:

> Several of the [organizations] we surveyed were not only unaware of the condition of their existing capital infrastructure, they had also failed to make the connection between adding capital assets and the corresponding costs of operations and maintenance. Failure to grasp this connection is important because the relationship between the two is not linear. Accumulated physical capital can magnify the longterm effects of operations and maintenance, particularly when more staff are needed. Also, without careful advance planning, requirements for repairs can peak, causing a heavy financial burden when many assets are acquired in a relatively short space of time. [1]

Clearly, the uncertainty regarding the size of future M&O expenditures creates a serious problem for fiscal planners, particularly in light of uncertainty regarding both the amount of future State revenues and restrictions on how they may be spent.

The State has the following options for dealing with this anticipated problem of funding M&O costs:

1) Construction of some new capital projects might be curtailed, thereby reducing additions to future M&O obligations;

2) The budgets for other State programs might be decreased to insure that sufficient revenues are available for M&O expenditures;

3) Current revenues might be set aside in an income-producing fund which could be used solely for future M&O expenditures, thereby reducing competition for funds in the future;

4) Facilities might be: closed; operated at a reduced level of service; and/or allowed to deteriorate as required maintenance expenditures are deferred.

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[1] U.S. General Accounting Office, Federal Capital Budgeting: A Collection of Haphazard Practices, A Report to Congress, February 26, 1981, page 47. This study evaluates the successfulness of the capital budgeting process at different levels of government and in private industry.

Given the low priority usually given to M&O expenditures in governmental organizations across the country, there is speculation that the State's approach to these future funding requirements may rely primarily on the fourth option - that of spending fewer maintenance and operating dollars than are really needed because the funds cannot be diverted from other programs. Unfortunately, many local and state governments, as well as the federal government, are treating M&O expenses in this way, as noted by the GAO study:

> They [unsuccessful capital budgeting organizations] tended to add capital items inexorably with no thought as to how they would pay for operations and maintenance in the future. They are now finding it difficult to make repairs and renovations, and their bridges, roads, and other capital assets show signs of serious deterioration.[2]

The remainder of this paper discusses the feasibility of the third option mentioned above: that of setting aside current revenues into an income-producing fund for the purpose of funding future M&O expenditures.

THE MECHANICS OF AN M&O FUND

This section describes how an M&O fund might be structured and operated. The following section discusses whether or not such a fund would be able to achieve its objective of meeting future M&O funding needs.

Funding Options

A fund to finance future M&O costs could be structured in one of two ways:

1) an amount equal to the present value of estimated future M&O costs for a particular capital project(s) could be appropriated into a self-liquidating fund. Over the life of the project, principal and income from this fund would be used to pay M&O costs; a self-liquidating fund is not designed to finance the M&O expenses of capital projects having an indefinite life, such as highways.

2) an amount sufficient to generate annual income equal to projected M&O costs for a project(s) could be appropriated into a permanent

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[2] GAO, page 47.

> fund. Only the income off invested principal would be used to pay M&O costs. As only the earnings from this fund would be used, the initial appropriation would be much larger than that for a self-liquidating fund. For example, if the fund earns 10% on its principal and it must finance annual future M&O expenditures of $100 million, then its principal balance would need to be $1 billion.

Either a self-liquidating or permanent fund may be financed by a one-time appropriation or an annual appropriation; clearly, a fund receiving a one-time appropriation has a fixed amount of financial resources which limits its ability to finance increasing M&O costs.

An annual appropriation might consist of dedicated revenues or General Fund appropriations which are automatically transferred to the fund. Annual appropriations into a self-liquidating fund would ideally be calculated to cover all or part of the present value of the future M&O costs associated with that year's capital expenditures. Funds would be provided for those projects on a fixed liquidation schedule approximating the life of the project.

Legal Basis

Either legislation or a constitutional amendment could be used to create a self-liquidating fund. Although there is no guarantee that future legislation would not abolish the fund, AS 37.25.010 provides for the creation of "valid obligations", such as an endowment fund. If a fund is considered a valid obligation the unexpended balance is automatically reappropriated, as stated below:

> The unexpended balance of a one year appropriation authorized in an appropriations bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30, is automatically reappropriated for the fiscal year beginning the succeeding July 1, if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year. (AS 37.25.010)

In order to insure the continuation of a self-liquidating fund for its planned life, it might be preferable to adopt a constitutional amendment. However, constitutional amendments creating legal provisions with a fixed liquidation date are seldom adopted; in addition, the creation of several funds through amendments to the constitution is a cumbersome process.

A "permanent M&O fund" also could be created by either legislation or a constitutional amendment. However, a constitutional amendment would

be required to guarantee the continued existence of a "permanent" fund, fund, as future legislatures are not bound by prior legislation. In addition, a constitutional amendment is required to dedicate revenues: "The proceeds of any state tax or license shall not be dedicated to any special purpose except as provided in section 15 of this article..." (Art. IX Sec. 7)

Allocation

A permanent or a self-liquidating fund might finance the entire amount, or a portion of M&O expenses for single projects (e.g. Susitna), single entities (e.g. University of Alaska, Juneau), or single types of capital projects (e.g. airport runways).

In order to allocate funds, the M&O expenses of the selected projects must have their own budget classification. Legislation would be needed which required separate M&O accounts for specific capital projects or operating entities. A separate classification would allow monies to be allocated strictly for maintenance and operations. This data is needed to evaluate the accuracy of both expense projections and revenue allocations to the fund. If these estimates are inaccurate and the inaccuracy is not corrected, specified capital project(s) might not be funded at the level desired. In this event, it is likely that individual accounts would have to be revised by supplemental appropriations making corrections for inaccurate projections.

A formula for allocating funds to specific projects could be established by legislation and administrative responsibility could then be given to an executive branch agency. Allocation might also be considered a legislative or executive perogative. Direct allocation by a policy-making body would allow for more discretionary use of the fund. The allocations might be readily adjusted to reflect policy changes or earnings performance.

Administration

Administration includes management of the principal, and management of allocations to endowed projects. Although ultimate responsibility for managing a fund rests with State officials, the day to day management responsibility might rest with agency staff or professional financial managers. For instance, the principal of the Alaska Permanent Fund is administered by the Department of Revenue. The Commissioner of Revenue is advised by a committee appointed by the Governor and he may enter into contracts for services providing investment advice.

ISSUES ASSOCIATED WITH M&O FUND FINANCING

It would appear that setting aside current funds so that the State's growing capital stock can be adequately operated and maintained in the future is prudent fiscal policy. However, there are a number of problems involved in implementing such a concept which detract from its usefulness in practice. This section discusses these potential problems.

Accounting Constraints

In order to implement a "fund" approach to financing M&O expenditures, it is necessary to: 1) project these expenditures with some confidence; and, 2) isolate these costs in operating budgets so that the funds can be allocated properly. During the course of our research it became apparent that an M&O fund could not be implemented at this time in Alaska because:

1) existing budget procedures do not record M&O expenses by the project for which they are incurred; consequently, there is no cost history by project, under Alaskan conditions, on which to base a projection;

2) costs vary widely in different parts of the state for the same type of M&O activity; this makes "rules of thumb" less useful as a way of estimating M&O costs; and,

3) M&O expenses currently are not broken out as a budget category, so there is no straightforward way of matching M&O fund monies allocated for a capital project to the costs incurred. (A description of the State's capital budgeting process is found in Appendix B).

As Jay Hogan, the Director of the Legislative Finance Division, noted, 'it is technically impossible to make accurate maintenance and operation projections and it would be difficult to keep track of extensive supplemental appropriations.'

Under current procedures, it would not be possible to determine the amount of money which should be appropriated to the fund, nor would it be possible to distribute those funds as needed to different capital projects. Implementing an M&O fund concept given these limitations in accounting practices would result in either 1) some capital projects receiving more money than they needed while others received less, if the fund allocates on a project basis, or 2) M&O expenditures as a whole being overfunded or underfunded, if the fund is used for all M&O costs regardless of project.

Flexible Priorities

Advocates of M&O funds argue that the dedication of revenues to provide a consistent source of financing for financial obligations incurred now is an act of fiscal responsibility. Opponents, however, argue that fiscal responsibility is better maintained through the ongoing legislative process than through a dedication which is binding on the future. They argue that there should be competition for funding among diverse public needs on a regular basis, because such competition and repeated evaluation permit changing priorities to be accommodated through the budget process. Problems might be created in the future if an M&O fund has more revenues than it requires while other programs have to sustain budget cuts.

Increased Future Revenues Through Investment Earnings

Advocates of endowment funds argue that they have the potential to appreciate in value through profitable investment of the principal. However, endowment funds also have the potential to depreciate in value; if their yield is below the inflation rate, the real value of the principal would be decreased. For example, during fiscal year 1980 the Alaska Permanent Fund had a rate of return of 11.3 percent, which provided little if any real growth.

Greater investment risk generally yields greater rewards and a strong profit motive, not present in the public sector, is necessary for successful investing. Therefore, it can be argued that public bodies are not well suited to make profitable investments as they tend to avoid risk. At the same time that the Permanent Fund was earning 11.3 percent, many private sector financial managagement firms, including those with low risk investment policies, have obtained rates of return far superior to the rates of return earned by some of the largest publicly administered funds.

It is generally recognized that large financial markets provide better opportunities for conservative investment than smaller markets. As the large financial markets are external to Alaska, the best opportunities for profitable low risk investment are often outside the state. However, many Alaskans object to external investments as they result in less money being made available for in-state use.

Limitation of Current Expenditures

While endowment funds do provide an opportunity to save current excess revenues and limit current expenditures, opponents of such funds see two problems: 1) limiting current spending does not allow the State to take the opportunity to make up for years of insufficient

revenues which created a backlog of unmet needs; and 2) there are other ways of limiting current spending (such as the Permanent Fund) which do not lead to future distortions in the operating budget.

SUMMARY AND DISCUSSION OF OTHER M&O RESEARCH

Summary of Findings

Our research on the creation of a maintenance and operating fund has led to the following conclusions:

1) Maintenance and operating costs for capital projects under construction and in the planning stage will place a large but indeterminate financial burden on the State in future years.

2) Setting aside current revenues into a fund from which future M&O obligations could be met is one way the State has of coping with this problem.

3) Unfortunately, the State's current system of capital budgeting and accounting for costs related to capital projects would not facilitate the implementation of such a concept. If a fund were established under such conditions, it would lead to future distortions in the allocation of State funds.

Further Research

Advocates of M&O funds argue that a large appropriation to the fund would attract attention to the future costs associated with capital projects. Currently a number of State agencies, as well as the University of Alaska, are considering ways, other than the creation of an M&O fund, of increasing the public's awareness of these costs and their fiscal implications. The remainder of this paper discusses some of these efforts, as well as those by DOTPF to improve the accounting process.

Expanded Budget Process. We discussed the merits of amending budgetary reporting requirements for the M&O component of the capital budget with staff from DOTPF, the Division of Budget and Management, the Legislative Finance and Budget and Audit. There was general consensus among the people we interviewed that M&O projections could, and should, be given greater visibility in the capital budgeting process, but that the projections are not considered accurate enough to be used for budget purposes. Some of the ways to increase visibility are discussed in greater detail below.

The Director of the Legislative Finance Division, Jay Hogan, reports that the potential of the existing budget process is not fully realized. He suggests that the Capital Budget and Six Year Capital Program could be expanded to include the projected operation cost information contained on the Form 35's as amended by the Division of Budget and Management under the direction of the Governor. Each legislator would then receive an enlarged Capital Budget and Six Year Program which would contain most of the M&O information which is available to the Governor.

The Legislative Finance Division has distributed blank Form 35's to each legislator and is encouraging them to complete these forms for each project which they propose. Jay Hogan states that the capital projects with the least M&O cost information tend to to be the ones which are added during a legislative session by the legislature, especially those that are added towards the end of the session. Requiring legislators to complete Form 35's could place greater emphasis on the M&O cost components of capital projects and the long-term financial commitments resulting from capital expenditures. However, given the difficulty that DOTPF has in making accurate M&O projections, it is likely that legislators will also experience problems.

A study could also be performed to determine the actual M&O costs of existing capital projects. Results from this study could be used as the basis for projecting operating costs of projects proposed during the 1982 session. If a rule-of-thumb technique is established ,legislators could use it to analyze the M&O component of both their own projects and those contained in the executive budget.

M&C Rankings. In discussions with the Governor's Division of Budget and Management we discussed the possibility of ranking proposed capital projects by the ratio of projected M&O costs to capital construction costs, and including this information in the executive capital budget. The capital budget might also contain a subtotal of projected M&O costs for each budget category. Until more accurate M&O data is generated, the existing estimates could be used as long as their limitations are explained.

A ranking of capital projects by M&O costs might be designed to separate projects into general categories of low, medium, and high ratios of M&O costs to construction costs. Projects in the high ratio category could be flagged for further analysis and explanation. An average ratio might be computed for each capital budget category and this could be used to highlight budget categories containing large M&O cost commitments.

Comparisons of Budgeted versus Actual Expenditures. Subtotals of M&O costs could be used to make comparisons between budget categories in a

current budget year. Specific budget category M&O estimates could also be compared to prior year budget category M&O estimates to look for changes in M&O commitments. A running total of current and prior year M&O cost projections could be used as a rough estimate of total M&O commitments. If the basic accounting system is improved and M&O expenditures attributable to specific capital projects become available, these costs could be added to current year capital budget M&O projections to estimate total future M&O commitments attributable to capital projects.

Accounting Improvements. In 1980, the accounting firm of Peat, Marwick, Mitchell completed a "Conceptual Design of a Management Information System" for DOTPF. The report recommends changes in the M&O cost reporting system to provide management with basic operational cost and historical cost comparison reports which could be monitored periodically. These reports would be designed to provide a basis for forecasting future costs.

In conjunction with the Department of Administration, DOTPF has employed the acounting firm of Price-Waterhouse to redesign the State's accounting system and to implement the management information system proposed by the Peat, Marwick and Mitchell study. The design and implementation of the new system is expected to take approximately three years, and when it is completed DOTPF expects each regional office to initiate an on-line computerized maintenance and operation information base which would be used to make life cycle cost projections for a wide variety of capital projects.

Chuck Gant, the Chief of Life Cycle Cost Analysis in DOTPF's Capital Program Office, reports that the new accounting system is expected to be a definite improvement over the existing system, but there are special Alaska circumstances which may continue to limit the usefulness of M&O cost projections.

According to Mr. Gant, the short summer construction season, especially in many rural communities, necessitates flexibility between accounts. The highest maintenance priorities receive immediate attention even if they are not properly budgeted because a delay might mean postponement to the following construction season. Mr. Gant also notes that the domestic contracting market is very thin as there are only about a half dozen large contractors in the state and a large project might keep a firm tied up for one or more years. Even if the DOTPF makes a good projection of repair or renovation expenses, the actual cost may be inflated by the premium which Alaska bidders charge when there is a scarcity of available labor.

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IW:AHD

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

August 19, 1981

APPENDIX A

Ann DeVries
Research Agency
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. DeVries:

I am sending these preliminary comments, but encourage you to contact Burt Wagnon, our Assistant Deputy Commissioner for the Maintenance and Operations Unit at 266-1443, for further comments. He will return from annual leave on August 24, 1981 (I have previously given him a copy of your draft memorandum for review).

In summary, let me say that I believe that you have done very thorough research, and have obviously contacted the appropriate sources within the Department of Transportation for the background history on the development of the Life Cycle Costing System and the development of the Management Information System. It might also interest you to know that the department has previously investigated the possibility of establishing standards for amounts of and quality of maintenance for given facility types. No firm conclusions were reached and no manual was produced; however, there has been considerable research accumulated that resides within our library in Juneau. I believe that to achieve the benefits you have described, the state would have to adopt some standards so that, as you suggest, there could be clear distinctions made as to what was eligible to be paid for from the Maintenance fund.

The only two substantial comments I believe we have to make relate to the method by which the fund would be endowed and the fact that one considerable portion of the Capital Budget has not been included for consideration in the endowment fund.

1) We suggest that consideration could be given to the idea of developing a percentage to be applied by facility type as a method of determining the amount of money to be entered into the endowment fund in any given capital budget year. This would have the added advantage of causing careful consideration of the long term impact that a capital facility will make on the state's operating budget as a part of the normal capital budget review process.

25A-T2LH

2) We also suggest that, since a considerable portion of the capital budget for the previous two years has gone to local governments in the form of municipal grants, consideration should be given to entering a percentage into the endowment fund to cover any obligation that the state might have in future years toward these facilities. Even though, under present statutes, a municipality which accepts a grant under the provisions of this program cannot request maintenance and operating funds from the state, it is conceivable that a future legislature could change that situation and put responsibility on the state for maintaining and operating facilities built under this program.

Again, I would like to commend you on the thoroughness of this paper, and would also like to state that I think the concept of a maintenance and operation fund is an excellent way to focus attention on the fact that the effect on the operating budget of building capital facilities is a considerably more significant portion of the financial burden that the state will bear in upcoming years than has previously been recognized. Perhaps you found, when reading the Life Cycle Cost Report, that the consultant determined the initial capital cost of the facility to be a very small percentage (between 15% and 20%) of the overall lifetime cost of owning and operating a facility.

If you have any questions, please contact me. I will be in Juneau on the second and third of September, and could possibly be available to discuss this further if you desire.

Sincerely,

Kit Duke by ann

Kit Duke
Regional Director
Planning and Programming
Central Region

cc: Bert Wagnon

KD/g

APPENDIX B

This appendix reviews the shortcomings of the State's capital budgeting and accounting processes in relation to the use of a fund to finance M&O costs.

Budget Background

The executive budget currently includes M&O cost estimates for new capital projects. Each State department summarizes its proposed projects on a 'Form 35' which contains an operations cost section (see Attachment A). Form 35 is used to record projected annual operating cost, first year operating cost, ultimate annual operating cost and operational funding source. The forms are consolidated into nine program categories which contain a significant proportion of the capital project requests received by the Governor.

The Governor directs his Budget and Management Division to analyze the budget requests and prepare the executive budget which is summarized in two volumes, Book 1 - Operating Budget and Book 2 - Capital Budget and Six Year Program. The Capital Budget and Six Year Program contains an abbreviated summary of the Governor's recommended capital projects.

Each project is summarized on a form which contains only one reference to annual operating cost. The form does not include any explanation or qualification of the operating cost estimate. The summarized capital budget includes construction cost subtotals for each budget category and geographic region but it does not subtotal projected operation costs. The annual operating budget is divided into nine budget categories corresponding to the capital budget categories.

Maintenance expenditures over $25,000 are generally included in the capital budget with the exception of the transportation category. Transportation maintenance expenditures are classified by transportation mode. Each mode may include several different facilities and their total maintenance cost is included in the operations budget even if the allocation to a particular facility is more than $25,000.

Although many operating expenses are in some way related to specific capital projects, the operating budget does not aggregate operations costs which are attributable to specific facilities. Instead, operations costs are classified by budget program categories. Unfortunately, existing budget procedures do not list maintenance and operation expenses attributable to capital projects as an item in the budget categories of the operating budget.

Senator Fischer
August 24, 1981

M&O Cost Projections

When the Department of Public Works merged with the Department of Highways in 1977, a Life Cycle Costing Section was created and the new Department of Transportation and Public Facilities (DOTPF) initiated a major effort to devise a system of calculating life cycle costs for public facilities. The Department employed a consulting team (Maynard N.B.B.J., Hanscomb Assoc., Boeing Computer Services, and Industry Service Inc.) to assist in the project; the consultants submitted their report entitled "Alaska Life Cycle Cost System Users Manual," in 1979. The Department's data base was not adequate to operate the proposed system and it proved unworkable.

In 1979, legislation was passed requiring DOTPF to "... develop life cycle costs of public facilities...." describing, "... the first cost of procurement of the public facilities and the maintenance cost, operation cost, and occupancy cost of the facilities" [AS 35.10.175 (5) and AS 35.35.10.200 (1)]. In 1980, responsibility for capital project maintenance and operation cost projections was transferred to the regional offices of DOTPF.

Cost estimates are now prepared by facility planners at each regional office. However, the regional offices have a limited M&O data base for buildings and lack systematic data for roads, harbors and other facilities. The Southeast Regional Office is participating in an experimental program to develop an improved M&O program planning system (MOPPS) based on some of the original life cycle cost system recommendations.

DOTPF is also responsible for assisting other departments in their preparation of M&O projections for proposed public facilities. Alaska Statutes do not contain a clear definition of public facilities and Dick Brandt, the transportation analyst in the Office of Budget and Management, reports that life cycle costing is not performed on all capital projects.

Chuck Gant, the Chief of Life Cycle Cost Analysis in DOTPF's Capital Program Office reports that a combination of accounting limitations and special Alaska circumstances limit the accuracy of M&O cost projections so that the average projection has a 20 percent variation from actual expenditures. He estimates that the current cost accounting system is 25 years out of date. It was designed to record expenditures by program category, and this was considered adequate until the recent increase in capital expenditures.

The current accounting system does not allocate M&O expenditures to specific facilities. Supplies are typically purchased in bulk for a

group of facilities and are distributed as needed by each facility. The payment system is not standardized so it is even difficult to compare one group of facilities to another. Mr. Gant estimates that as much as 30 to 50 percent of building M&O costs may not be attributable to specific projects. Thus, it is very difficult to develop a useful data base for projecting M&O costs for specific capital construction projects based on historical experience.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Vic. Fischer

RE: S.B. 689, An Act Relating to Appropriations and General Obligation Bonds for Capital Projects. SCHEDULED FOR THURSDAY, MARCH 4th.

Date: March 2, 1982

Public wealth is not managed with the same planning considerations as private wealth. Oil revenue is the common property of all citizens and the size of each citizens share is dependent on the actions of other citizens. Common property imparts a tremendous incentive for each participant to take what he can, and for each legislator to obtain what he can, because if he does not someone else will. In the process, unprecedented numbers of ill thought out capital projects have been cast in cement. Last year, $1,595,545,000 was allocated for capital projects. Although future operations could easily exceed construction costs by 1,000%, no one has calculated the expense of operating and maintaining these projects. The management of common property does not require or encourage economic planning.

Several solutions to the problem of inadequate planning have been proposed: transfer of wealth to private ownership or imposition of arbitrary spending limits. These solutions seek to avoid the need to plan and they have not worked. Inadequate planning continues and the service sector of the operating budget is sacrificed to finance ever increasing operating costs created by prior year capital budgets. An alternative solution is to stop trying to avoid the need to plan and to start planning.

S.B. 689 would force the budget process to include economic planning. The present value of future maintenance and operating costs would have to be considered for each capital project. When a capital project is budgeted, the present value of future maintenance and operations would be budgeted. Total project costs, not just construction costs, could be compared for each project, and at any point in time we would know the size of outstanding maintenance and operations committments. S.B. 689 is a viable way to institute basic economic planning. The private sector uses economic planning to manage private wealth and the public sector should use economic planning to manage public wealth.

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John Bates, Deputy Commissioner
Division of Planning & Programming
Department of Transportation &
Public Facilities

DATE: February 24, 1982

FILE NO: 300C

TELEPHONE NO: 266 [illegible]

FROM: Kit Du[illegible] Director
Division of Planning & Programming
Central Region

SUBJECT: FY'82 CIP
Appropriation -
Lifetime Ownership
Costs

Attached is the FY'82 CIP Appropriation Lifetime Ownership Costs report you requested. The Lifetime Ownership Cost term has been used to differentiate the report from a Life Cycle Cost analysis. A Life Cycle Cost analysis assumes no inflation and costs are discounted at 10% per year. Lifetime Ownership Costs assume a 10% per year inflation rate and no discounting is involved. A Life Cycle Cost analysis presents a comparative index only. Lifetime Ownership Costs more effectively show the annual impact of capital appropriations on future operating budgets because of the compounding effect of inflation.

The Transportation Component contains several project types which we currently do not have a data base to develop Lifetime Operating Costs -- docks, bridges, runways, aprons, bike paths, pedestrian overpasses, etc. However, we have assumed 2% of the appropriations amount as the first year M&O cost and then projected this figure over the estimated life of the project.

Attachment

ESTIMATED LIFETIME OWNERSHIP COSTS
FY '82 CIP APPROPRIATIONS

The attached analysis shows the estimated lifetime ownership costs for the FY '82 CIP appropriations by budget component. These costs are defined as the capital and M&O (maintenance and operating) costs of a capital project for an anticipated 30 year life. This analysis can help determine the fiscal impact of the FY '82 capital appropriations on future operating budgets.

The data base for the Life Cycle Cost System was used in preparing this analysis; however, estimated lifetime ownership costs differ from life cycle costs in that life cycle costs have no inflation factor included. In addition, life cycle costs follow the United States Bureau of the Budget practice of discounting the costs at 10% per year. On the other hand, estimated lifetime ownership costs contain a 10% per year inflation factor and do not include discounting. In both cases, the estimated project life is 30 years.

The following is a detailed explanation of the Estimated Lifetime Ownership Cost Analysis. ~~Please refer to Exhibit "A" as the example for this review~~.

The "Component" column refers to the budget component of the appropriation. The "Appropriation Type/#" column divides the appropriations into three categories: State, Grant, and Other.

"State" includes non-grant project appropriations in each budget component. "Grants" are listed because the State may incur indirect M&O costs for these projects thru revenue sharing. "Other" includes projects listed in the CIP appropriations for which lifetime ownership costs may not apply or currently cannot be determined. Representative examples are loan programs, studies, equipment, code upgrades, engineering, land survey, water and sewer projects. Lifetime onwership costs for Transportation component projects such as docks, bridges, runways, aprons, bikepaths, and street lights have been estimated by assuming 2% of the appropriation as the basis for determining the 30 year M&O costs. Road rehabilitation costs are essentially deferred M&O costs and not subject to lifetime ownership cost analysis.

The number in parenthesis next to the appropriation type refers to the number of appropriations included for each appropriation type. For example, Exhibit "A" shows 40 appropriations in the "State", 30 appropriations in the "Grant", and 100 appropriations in the "Other" categories.

The "Appropriation ($K)" column is the appropriated amount for each type: State, Grant or Other. All figures are in thousands ($K) of dollars. The "Total" is the sum of the appropriations for each type which equals the CIP appropriation for each budget component.

The "Est. Lifetime Ownership Costs ($K)" column expresses the aggregate lifetime costs (capital and M&O costs) by budget component in thousands of dollars. The life of each project is assumed to be 30 years. The Department's Life Cycle Cost System data base was used to derive these costs. Estimates assume a 10% per year inflation factor. If inflation exceeds 10% per year, the lifetime ownership costs will be substantially higher because of the effects of compounding.

It should be noted that since these costs are for the aggregate of projects for a 30 year period, it is not possible to determine a "per year" cost by dividing by 30. To do this would result in a severely distorted figure.

The dollar amount in the "Other" appropriation type under the "Estimated Lifetime Ownership Costs ($K)" column will be the sum of the appropriations for this category. There are ownership costs involved with many of these appropriations; however, it is not currently possible to estimate these costs. The result is that the total lifetime ownership costs may be underestimated.

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

COMPONENT	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
Education	State (36)	51,574.5	608,332.0
	Grant (27)	38,746.0	457,021.0
	Other (106)	46,753.4	46,753.4
	Total (169)	137,073.9	1,112,106.4
Social Services	State (4)	3,836.2	66,922.0
	Grant (16)	8,108.0	97,307.0
	Other (17)	2,717.6	2,717.6
	Total (37)	14,661.8	166,946.6
Health	State (1)	525.0	9,153.0
	Grant (14)	8,213.0	142,210.0
	Other (40)	4,453.3	4,453.3
	Total (55)	13,191.3	155,816.3

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

COMPONENT	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
Nat. Resource Mgmt. & Environ. Conser.	State (3)	2,250.0	29,931.0
	Grant (14)	9,904.8	67,316.0
	Other (122)	67,388.2	67,388.2
	Total (139)	79,543.0	164,635.2
Public Protection	State (4)	9,335.9	112,044.0
	Grant (8)	1,904.0	33,461.0
	Other (73)	13,548.7	13,548.7
	Total (85)	24,788.6	159,053.7
Administration of Justice	State (6)	14,808.7	183,471.0
	Grant (6)	2,787.3	40,023.0
	Other (20)	18,149.0	18,149.0
	Total (32)	35,745.0	241,643.0

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

COMPONENT	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
Development	State (2)	202.0	2,350.0
	Grant (65)	17,357.3	169,951.0
	other (117)	35,283.9	35,283.9
	Total (184)	52,843.2	207,584.9
Transportation	State (107)	115,348.0	575,806.4
	Grant (108)	82,612.1	394,844.4
	Other (172)	131,861.0	131,861.0
	Total (387)	329,821.1	1,102,511.8
General Government	State (3)	9,159.0	161,917.0
	Grant (1)	10,000.0	157,204.0
	Other (42)	20,739.6	20,739.6
	Total (46)	39,898.6	339,860.6

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'82 CIP APPROPRIATIONS

	APPROPRIATION TYPE/#	APPROPRIATION ($K)	EST. LIFETIME OWNERSHIP COSTS ($K)
FY'82 Total	State (166)	207,039.3	1,749,926.4
FY'82 Total	Grant (259)	179,632.5	1,559,337.4
FY'82 Total	Other (709)	340,894.7	340,894.7
	FY'82 Grand Total (1134)	727,566.5	3,650,158.5

386,671.8

3,309,363.8

845.2%

868.1%

Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SB 689--An Act relating to appropriations and general obligation bonds for capital projects

Creating an Operating Cost Fund consisting of appropriations for the cost of operating and maintaining capital projects

Hearing: Senate State Affairs Committee
Thursday, March 4, 1:30 p.m.
Room 423 Capitol

Scheduled Witnesses	Topic
✓ Sen. Arliss Sturgulewski	Sponsor's introduction
✓ Ira Winograd	Background briefing
✓ Rep. Terry Gardiner	Overview
✓ Ron Lehr Director, Budget and Management	Administrative position
✓ John Bates DOTPF Deputy Commissioner Planning and Programming	Public Facilities Planning
• Annalee Stenek • Peter McDowell C.P.A. Management Consultant	Fiscal note Operations Cost Forecasting

STATEMENT ON CAPITAL SPENDING MANIA

BY SEN. VIC FISCHER, MARCH 4, 1982

THE IDEA SEEMS TO BE RAMPANT THESE DAYS THAT CAPITAL PROJECTS ARE GOOD WHILE OPERATING EXPENDITURES ARE BAD.

IT'S CRITICAL TO ACKNOWLEDGE WHAT WE ALL KNOW--CAPITAL PROJECTS BEGET MAINTENANCE AND OPERATING EXPENSES, AND THERE'S NO WAY WE CAN GET AWAY FROM THAT.

WHEN WE SPEND MONEY ON CAPITAL PROJECTS, IT'S NOT A ONE-TIME EXPENDITURE. WE WILL HAVE TO PAY TO RUN IT, YEAR AFTER YEAR AFTER YEAR. OVER AND OVER AGAIN WE'LL BE PAYING FOR IT NOT THROUGH THE POPULAR CAPITAL BUDGET CATEGORY, BUT THROUGH OPERATING EXPENDITURES.

IF WE IGNORE THIS SIMPLE FACT, OUR CRIME IS NOT JUST DELUDING OURSELVES. WE DECEIVE THE PUBLIC. WORSE, WE SADDLE THOSE WHO COME AFTER US WITH THE RESPONSIBILITY TO SUPPORT OUR PROJECTS, BE THEY NECESSITIES OR EXTRAVAGANCES.

TODAY, STATATE AFFAIRS COMMITTEE TAKES UP SB 689 -- TO CREATE AN OPERATING COST FUND TO RUN CAPITAL IMPROVEMENTS THE STATE CONSTRUCTS.

LAST NOVEMBER, DISTRIBUTED TO ALL MEMBERS A REPORT ON ESTABLISHMENT OF A MAINTENANCE AND OPERATION FUND TO COVER FUTURE COSTS OF CAPITAL PROJECTS. PREPARED BY IRA WINOGRAD AND ANNE DEVRIES OF HOUSE RESEARCH AGENCY.

IN TRYING TO EMPHASIZE THE IMPORTANCE OF THIS CONCEPT, MY TRANSMITTAL MEMO TO THE MEMBERS STATED: "MAINTENANCE AND OPERATIONS EXPENSES CAN, OVER THE LIFE OF A CAPITAL PROJECT, EXCEED ORIGINAL CONSTRUCTION COSTS BY AS MUCH AS 400%."

THIS WOULD MEAN THAT WHEN WE ALLOCATE $1 BILLION TO CAPITAL CONSTRUCTION, WE WOULD BE SADDLING OURSELVES WITH $4 BILLION IN FUTURE COSTS.

WELL, THE REALITY IS EVEN WORSE. IT LOOKS AS IF THE AVERAGE LIFETIME COSTS OF PROJECTS WILL EXCEED INITIAL INVESTMENT BY MORE THAN 8 1/2 TO 1. THAT IS, FOR EACH BILLION WE INVEST IN CAPITAL PROJECTS, OUR AVERAGE TOTAL OPERATING AND MAINTENANCE COSTS WILL BE EIGHT BILLION FIVE HUNDRED MILLION DOLLARS.

AT MY REQUEST, THE FIRST ESTIMATE OF LONG-TERM EFFECTS OF CAPITAL EXPENDITURES HAS BEEN PREPARED BY DOT/PF.

A SAMPLE OF FY 82 GENERAL FUND CAPITAL APPROPRIATIONS SHOWS THAT LIFETIME OWNERSHIP COSTS ARE 8.56 TIMES CAPITAL APPROPRIATIONS. (WE WILL BE EXAMINING THIS ANALYSIS DURING THIS AFTERNOON'S STATE AFFAIRS COMMITTEE MEETING.) TOTAL CAPITAL EXPENDITURES HAVE NOT BEEN CALCULATED FOR FY 82.

IN FY 81, TOTAL CAPITAL PROJECT EXPENDITURES EQUALED $1,595,545,000. APPLYING THE ABOVE PERCENTAGE, THE 1981 CAPITAL BUDGET WILL PRODUCE $13,657,865,000 IN BUDGET REQUIREMENTS FOR MAINTENANCE AND OPERATIONS OVER THE NEXT 30 YEARS.

THIS MEANS THAT THE 1980 LEGISLATURE HAS COMMITTED THE STATE OF ALASKA TO MEAN ANNUAL EXPENDITURES OF $455,262,160 PER YEAR!

IMAGINE THE KIND OF FUTURE BURDENS THAT HAVE BEEN IMPOSED BY THE CAPITAL EXPENDITURES MADE DURING THE LAST SESSION.

(THE RATIO BETWEEN CAPITAL EXPENDITURES AND LIFETIME M&O COSTS VARIES BY TYPES OF PROJECTS, RANGING FROM 1:3 TO 1:12)

IT'S CLEAR, THAT OUR BUDGETS WILL BECOME ASTRONOMICAL IF WE IGNORE THE CONSEQUENCES AND JUST KEEP POURING MONEY INTO CAPITAL PROJECTS.

LET ME NOW ADDRESS THE MORE SPECIFIC RELATIONSHIP BETWEEN CAPITAL EXPENDITURES AND OPERATING FUNDS BY CITING TWO EXAMPLES.

THE OPERATING BUDGET IS BEGINNING TO BEAR THE BURDEN OF INADEQUATE LONG-TERM FINANCIAL PLANNING. CUTS ARE BEING SUGGESTED IN THE OPERATING BUDGET WHICH WOULD CAUSE FULL OR PARTIAL ABANDONMENT OF CAPITAL PROJECTS OR SERVICES. IN 1982, WE MAY HAVE OUR FIRST ABANDONED NEW PROJECTS, SHINY CEMENT MONUMENTS TO GOVERNMENT INABILITY TO PLAN AHEAD.

EXAMPLE: STATE HATCHERIES

HATCHERIES ARE LIKE MACHINES; ONCE THEY ARE CONSTRUCTED, THE MORE THEY ARE USED, THE MORE VALUE THEY PRODUCE. THE STATE HAS CONSTRUCTED 20 HATCHERIES AT A COST OF $77 MILLION, YET NONE IS OPERATING AT ULTIMATE CAPACITY, AND THREE ARE NOT OPERATING AT ALL. THE THREE NON-OPERATING HATCHERIES, MAIN BAY, SIKUSUILAQ, AND TRAIL LAKES, COST OVER $16 MILLION. THEY HAVE JUST BEEN CONSTRUCTED AND WILL BE READY FOR OPERATION THIS SPRING. THESE THREE HATCHERIES REQUIRE $500,000 PER YEAR FOR OPERATIONS.

THE HOUSE FINANCE SUBCOMMITTEE ON NATURAL RESOURCES IS HAVING SECOND THOUGHTS ABOUT OPERATING ALL 20 HATCHERIES. THEY RECOMMEND A 65% CUT TO F.R.E.D., THE FISHERIES REHABILITATION SECTION OF FISH AND GAME. THIS CUT WOULD ELIMINATE ALL HATCHERY OPERATIONS.

THE ONLY ALTERNATIVE TO ABANDONMENT WOULD BE A TRANSFER OF OPERATING RESPONSIBILITIES TO PRIVATE NON-PROFIT HATCHERIES. MOST HATCHERIES ARE CONSTRUCTED ON FEDERAL LAND WITH THE STIPULATION THAT WHEN AND IF THE STATE ABANDONS OPERATIONS THE STATE IS RESPONSIBLE FOR REMOVING ALL STRUCTURES IN THEIR ENTIRETY. ANY CHANGES IN OPERATING RESPONSIBILITY WOULD HAVE TO BE APPROVED BY THE FEDERAL GOVERNMENT.

EVEN IF APPROVAL WERE POSSIBLE, THE PRIVATE NON-PROFIT HATCHERIES DO NOT HAVE ADEQUATE FUNDING TO OPERATE ADDITIONAL HATCHERIES. IN THE EVENT THAT BUDGET CUTS LEAD TO ABANDONMENT, DEMOLITION AND REMOVAL COSTS COULD BE SUBSTANTIAL.

THE COST OF AN ABANDONED HATCHERY PROGRAM INCLUDES THE VALUE OF LOST PRODUCTION. THE NET PRESENT VALUE OF HATCHERY CAUGHT FISH, OVER A 20 YEAR PERIOD, IS ESTIMATED TO BE $450 MILLION IN 1982 DOLLARS. THE DIRECT COST OF AN ABANDONED HATCHERY PROGRAM COULD BE $550 MILLION, NOT INCLUDING VALUE LOST TO SHORE BASED PROCESSORS AND LABORERS.

FISHERIES REHABILITATION NEEDS LONG-RUN FINANCIAL PLANNING. BUILD NOW, PLAN LATER, IS A FISHY POLICY INDEED.

EXAMPLE: PIONEER HOMES

NEW PIONEER HOME CONSTRUCTION PROJECTS WERE RECENTLY COMPLETED IN KETCHIKAN AND ANCHORAGE AT A COST OF $12.5 MILLION. CONSTRUCTION COSTS ARE ONLY A DROP IN THE BUCKET COMPARED TO THE COST OF OPERATING THESE FACILITIES. THE NEW FACILITIES REQUIRE 85 NEW FULL-TIME EMPLOYEES AND 32 PART-TIME EMPLOYEES. THERE CANNOT BE AN EFFECTIVE BAN ON NEW STATE EMPLOYEES WHILE NEW CAPITAL PROJECTS ARE BEING CONSTRUCTED.

THE TOTAL PIONEER HOME SYSTEM COST $42.5 MILLION TO CONSTRUCT. OVER A 30 YEAR PERIOD, IT WILL COST OVER $500 MILLION TO OPERATE THESE FACILITIES. IN TODAY'S DOLLARS, FOR EVERY SINGLE DOLLAR SPENT

ON CONSTRUCTION, $12 WILL BE SPENT ON OPERATIONS. IN OTHER WORDS, OPERATING COSTS ARE 1,200% OF CAPITAL COSTS.

THE CAPITAL BUDGET IS THE ENGINE WHICH DRIVES THE OPERATING BUDGET. IF WE CONTINUE TO CONSTRUCT CAPITAL PROJECTS, WITHOUT PLANNING FOR FUTURE OPERATIONS, WE WILL HAVE MANY MORE SURPRISES.

I'M NOT ADVOCATING THAT WE CUT OUT CAPITAL PROJECTS AND JUST SPEND MONEY ON OPERATIONS. THOUGH A CASE CAN BE MADE THAT PUTTING MONEY INTO OPERATING BUDGETS WILL HAVE A MUCH LESSER FISCAL AMPACT ON THE FUTURE THAN CONTINUOUSLY POURING MONEY INTO CONCRETE AND STEEL.

I SIMPLY BELIEVE THAT WE MUST THINK ABOUT THE LONG-TERM EFFECTS OF WHAT WE ARE DOING.

I'M APALLED AT THE EXTENT TO WHICH MANY LEGISLATORS SEEM TO IDOLIZE CAPITAL PROJECTS WHILE CONDEMNING OPERATING EXPENDITURES AS SOMETHING EVIL.

IF WE'RE EVER TO DEAL WITH STATE EXPENDITURES RESPONSIBLY AND EFFECTIVELY, WE'VE GOT TO THINK ABOUT THE FUTURE -- AND THAT REQUIRES BEING REALISTIC ABOUT THE RELATIONSHIP BETWEEN CAPITAL EXPENDITURES AND FUNDS NEEDED FOR MAINTENANCE AND OPERATION OF CAPITAL PROJECTS.

For cover: bond projects could include?

Introduced: 1/27/82
Referred: State Affairs and Finance

BY STURGULEWSKI, FERGUSON, FISCHER AND STIMSON

IN THE SENATE

SENATE BILL NO. 689

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to appropriations and general obligation bonds for capital projects; and providing for an effective date."

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

* Section 1. AS 37.10 is amended by adding a new section to read:

Sec. 37.10.067. OPERATING COST FUND. (a) An operating cost fund for capital projects is established in the Department of Revenue. The operating cost fund shall be managed in accordance with this section.

(b) The operating cost fund consists of

(1) all money appropriated to it by the legislature in accordance with AS 37.25.022; and

(2) appropriate interest earned by investment of the fund balance (of the fund)

(c) The commissioner of revenue shall invest and manage the money in the operating cost fund that the commissioner determines to be above an amount sufficient to meet current cash expenditure needs. An investment by the commissioner of revenue under this subsection shall be made in accordance with AS 37.10.070(b).

(d) The commissioner of revenue shall establish in the operating cost fund an account for each capital project for which an appropriation is made. The account consists of the unexpended amount of the appropriation for the capital project and income credited to the capital project under (e) of this section.

(e) Income earned from investment of money in the operating cost fund shall be allocated by the commissioner of revenue to the account

for each capital project for which an appropriation for the cost of operating the project has been made by the legislature. An allocation under this subsection shall be made to the account for each capital project specifically designated by the legislature by law in proportion to the account balance for that capital project as a percentage of the total amount in the operating cost fund.

(f) During each fiscal year, the commissioner of revenue shall withdraw and pay to the department that has responsibility for the operation of a capital project an amount equal to the operating cost of the capital project and the commissioner of revenue shall reduce the account balance of the capital project by the amount paid. The amount paid by the commissioner of revenue under this subsection shall be used by the department that has responsibility for the operation of the capital project for operating costs of the capital project. A withdrawal under this subsection may not exceed the account balance of the capital project.

(g) The commissioner of revenue may prescribe regulations applicable to withdrawal and payment of money from the operating cost fund to other departments for the operating cost of a capital project.

* Sec. 2. AS 37.15 is amended by adding a new section to read:

Sec. 37.15.013. OPERATING COSTS OF PROJECTS FOR WHICH GENERAL OBLIGATION BONDS MAY BE AUTHORIZED. (a) The commissioner of each department responsible for the operation of a proposed capital project for which general obligation bonds may be authorized shall prepare a schedule of the expected cost of operating the proposed capital project for its useful life. The schedule of the expected cost of operating the proposed capital project shall serve as the basis for calculating the net present value of the operating cost of the project.

(b) In determining the net present value of the operating cost for

a proposed capital project, the commissioner of each department responsible for the operation of the proposed capital project shall discount the total of all estimated future costs of operating the project to the construction completion date of the project. The discount factor to be applied is the estimated compound annual rate of return of the operating cost fund under AS 37.10.067 for the useful life of the capital project, or for the first 30 years of the useful life of the capital project, whichever is less.

(c) The provisions of this section do not apply to a proposed capital project in which the net present value of cost of operating the proposed capital project is less than $100,000.

(d) In this section, "cost of operating" and "operating cost" mean the normal, anticipated costs of maintenance and operation of a capital project. The terms

(1) include expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes;

(2) exclude costs that will be offset by fees imposed on persons who use the project, and for contributions from federal, municipal, and private sources.

* Sec. 3. AS 37.25 is amended by adding a new section to read:

Sec. 37.25.022. OPERATING COSTS OF CAPITAL PROJECTS. (a) An appropriation for a capital project other than a project financed by general obligation bond proceeds that will be owned and operated by the state shall include an appropriation for the cost of operating the capital project. The appropriation for the cost of operating the capital project may not be less than

(1) the net present value of the estimated cost of operating the capital project for its expected useful life, if the expected useful life of the capital project is 30 years or less; or

(2) the net present value of the estimated cost of operating the capital project for 30 years, if the expected useful life of the capital project exceeds 30 years

(b) The commissioner of each department responsible for the operation of a proposed capital project shall prepare a schedule of the expected cost of operating the proposed capital project for its useful life. The schedule of the expected cost of operating the proposed capital project shall serve as the basis for calculating the net present value of the operating cost of the proposed capital project.

(c) In determining the net present value of the operating cost for a proposed capital project, the commissioner of each department responsible for the operation of the proposed capital project shall discount the total of all estimated future costs of operating the project to the date on which the appropriation for the cost of operating the project will be paid to the operating cost fund (AS 37.10.067) in the Department of Revenue. The discount factor to be applied is the estimated compound annual rate of return of the operating cost fund for the useful life of the proposed capital project, or for the first 30 years of the useful life of the proposed capital project, whichever is less.

(d) The provisions of (a) of this section do not apply to a proposed capital project in which the net present value of cost of operating the proposed capital project is less than $100,000.

(e) In this section, "cost of operating" and "operating cost" mean the normal, anticipated costs of maintenance and operation of a proposed capital project. The terms

(1) include expenses for routine maintenance, minor repairs, utilities, local charges, fees and payments in place of taxes;

(2) exclude costs that will be offset by fees imposed on persons who use the project, and for contributions from federal, muni-

cipal, and private sources.

* Sec. 4. AS 15.58.020(7) is amended to read:

(7) for each bond question,

(A) a statement of the scope of each project as it appears in the Bond Authorization Act; and

(B) a statement of the net present value of the operating cost for the project;

* Sec. 5. This Act takes effect January 1, 1983.

ESTIMATED LIFETIME OWNERSHIP COSTS

FY '83-'84 EXECUTIVE BUDGET
CAPITAL PROGRAM

MARCH 1982

Prepared By

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
DIVISION OF PLANNING & PROGRAMMING

TABLE OF CONTENTS

PART I

INTRODUCTION

ESTIMATED LIFETIME OWNERSHIP COSTS
FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM

This report analyzes the Estimated Lifetime Ownership Costs for the FY'83 Cash and FY'83-'84 Voter Approval Capital Programs as contained in the FY'83 Executive Budget. These costs are defined as the initial capital and M&O (Maintenance & Operations) costs of a capital project for an estimated 30-year life. This analysis can help determine the fiscal impact of these capital projects on future operating budgets.

The data base for the Life Cycle Cost System was used in preparing this analysis; however, Estimated Lifetime Ownership Costs differ from Life Cycle Costs in that Life Cycle Costs have no inflation factor included. In addition, a Life Cycle Cost Analysis follows the United States Bureau of the Budget practice of discounting costs at 10% per year. On the other hand, Estimated Lifetime Ownership Costs contain a 10% per year inflation factor and do not include discounting. In both cases, the estimated project life is 30 years.

A Life Cycle Cost Analysis provides a comparative index. Estimated Lifetime Ownership Costs more effectively show the potential fiscal impact of proposed capital projects on future operating budgets because of the compounding effects of inflation. If inflation exceeds 10% per year, the resulting estimated Lifetime Ownership Costs will be substantially higher than those presented in this report.

Estimated Lifetime Ownership Costs can be provided for public facilities if the request is for a new facility or complete facility addition. Facility

renovations and repair costs are actually a part of a facility's original Estimated Lifetime Ownership Cost. In these cases, the actual dollar amount of the capital request is listed as the Estimated Lifetime Ownership Cost. Estimated Lifetime Ownership Costs for new or upgraded roads, runways, and aprons have used the statistical information from the Compilation of Highway and Airport Maintenance Costs report (No. AK-RD-82-16) prepared by the Alaska DOT/PF Research Section. Rehabilitation costs are essentially deferred M&O costs and are not subject to Estimated Lifetime Ownership Costs Analysis. Estimated Lifetime Ownership Costs for Transportation component projects such as new docks, bridges, bike paths, and street lights have been estimated by assuming 2% of the appropriation request as a base figure for determining the 30-year M&O cost.

Each budget component has capital requests for which Estimated Lifetime Ownership Costs may not apply or cannot be determined. Representative examples are loan programs, studies, equipment, code upgrades, engineering, and land surveys. While there are ownership costs involved with these types of projects, it is not possible to determine these costs. As a result, the total Estimated Lifetime Ownership Costs presented in this report may be understated.

The report format is essentially the same as the Executive Budget. Part II of the report is the Estimated Lifetime Ownership Cost summary totals for all nine components of the FY'83-'84 Executive Budget Capital Program. Part III is the detailed analysis of each component. In each case, the request year and individual project requests are listed in the same order as in the Executive Budget. This format will allow easy comparison with the Executive Budget.

Please refer to Exhibit "A" for an explanation of the Executive Budget Component Analysis portion of the report. The "Budget Component" and "Total Funds" columns have all project information listed in the exact order as the Executive Budget. The third column lists the Estimated Lifetime Ownership Cost for each project. If the project is not subject to an Estimated Lifetime Ownership Cost Analysis, the amount of the request is entered. All monetary amounts are in thousands of dollars ($K).

The "General Fund", "Voter Approval", and "All Other Funds" columns show by an "X" how the project is to be approved and/or funded. For example, in Exhibit "A", all projects are a part of the FY'84 Voter Approval Package. The "Page Number" column refers to the page in the Executive Budget where project detail is provided.

As shown in Exhibit "A", each component will have a cost summary which gives totals for the FY'83 Cash, FY'83 and '84 Voter Approval Packages.

It should be noted that even though the Estimated Lifetime Ownership Costs are for a 30-year period, it is not possible to determine a "per year" cost by dividing by 30. To do this would result in a severely distorted figure.

EDUCATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
University of Alaska						
University of Alaska						
UAF Student Housing				X		47
Renovation/Repair/Code Upgrade				X		47
UAJ-Student Housing				X		47
UAA Classroom				X		47
Agency Total						

EDUCATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash		
FY'83 Voter Approval		
FY'84 Voter Approval		

EXHIBIT "A"

PART II

ESTIMATED LIFETIME OWNERSHIP COST SUMMARY

FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM

ESTIMATED LIFETIME OWNERSHIP COST SUMMARY
FY'83-'84 EXECUTIVE BUDGET CAPITAL PROGRAM

I. FY'83 CASH

Component	Request ($K)	Est. Lifetime Ownership Costs ($K)
Education	135,112.6	413,097.8
Social Services	4,317.6	7,031.6
Health	13,850.6	87,299.3
Nat. Resource Mgmt.	60,233.8	213,198.1
Public Protection	3,012.7	7,061.0
Admin. of Justice	81,446.1	900,723.3
Development	390,752.0	405,441.1
Transportation	393,987.4	775,418.4*
General Government	25,092.0	73,982.1
FY'83 Cash Total	1,107,804.8	2,893,252.7

II. FY'83 VOTER APPROVAL

Component	Request ($K)	Est. Lifetime Ownership Costs ($K)
Education	21,156.8	169,672.2
Social Services	0.0	0.0
Health	0.0	0.0
Nat. Resource Mgmt.	21,650.0	69,283.0
Public Protection	0.0	0.0
Admin. of Justice	0.0	0.0
Development	0.0	0.0
Transportation	254,815.8	511,110.2
General Government	0.0	0.0
FY'83 Voter Approval Total	297,622.6	750,065.4

III. FY'84 VOTER APPROVAL

Component	Request ($K)	Est. Lifetime Ownership Costs ($K)
Education	58,678.4	630,587.0
Social Services	0.0	0.0
Health	0.0	0.0
Nat. Resource Mgmt.	47,184.0	217,937.0
Public Protection	10,831.1	101,215.0
Admin. of Justice	0.0	0.0
Development	0.0	0.0
Transportation	406,522.1	1,292,472.3
General Government	660,000.0	660,000.0
FY'84 Voter Approval Total	1,183,215.6	2,902,211.3

* A significant portion of the Transportation component is for rehabilitating existing capital projects. In the long run, rehabilitation costs are much less than reconstruction costs for deteriorated roads, runways, etc.

PART III

FY '83-'84 EXECUTIVE BUDGET

COMPONENT ANALYSIS

EDUCATION

EDUCATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Elementary and Secondary Education						
Department of Education						
Statewide Emerg Repair/Renova	2000.0	2000.0	X			24
Rural Schools Lease Fund	200.0	200.0	X			24
St School Site Ownership Survey	200.0	200.0	X			24
Central Cor Stu-Develop Basic	240.0	240.0	X			23
Chatham Dist Maj Maint Phase II	16.0	16.0	X			23
SW Reg Dist Oil Tank Dyke Phase	230.4	230.4	X			23
Iditarod Flat-Minchom Site Acq	100.0	100.0	X			23
Bering St Steb/St Mich Const	600.0	600.0	X			23
Copper Riv Glennallen Land Acq	100.0	100.0	X			23
Ak Railb Tri-Val Coal Conv SF	700.0	700.0	X			23
AK Gateway Athl Fac Shortfall	450.0	450.0	X			23
Delta/Greely Delta Central Heat	700.0	700.0	X			23
NW Arctic Kotzebue Energy Retr	65.0	65.0	X			23
NW Arctic Deering Code Upgr/St	145.0	145.0	X			23
Low Kus Bethel Mikel Code Upgrade	280.0	280.0	X			23
Ak Gateway District W Code Upgrade	900.0	900.0	X			22
Delta/Greely Delta Restrooms	50.0	50.0	X			22
Southeast Kasaan School Addition	940.0	11145.0		X		22
Copper Riv Chistochina Elem Add.	534.6	6339.0		X		22
NW Arctic Buckland Remo/Add.	195.0	195.0	X			22
Yukon Flats Circle Elem/Sec Add.	2000.0	23713.0		X		22
Copper River Gakona Sch Rem/Add.	312.0	312.0	X			22
Bering St Savoonga High School Add	1200.0	14228.0		X		22
Whittier Multipurpose Addition	1200.0	14228.0		X		22
Iditarod McGrath Expansion Phase I	1000.0	11857.0		X		22
Northway Sec/Elem Classroom Remodel	1850.0	1850.0		X		22
Yukon Flats Ft Yukon Gym	1320.0	15651.0		X		22
Railbelt Tri-Valley Port Rep.	1125.0	13339.0		X		21
Ft. Greely Remodel Old Gym	600.0	600.0		X		21

EDUCATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Ft. Greely Multipurpose Addition	1100.0	13042.0		X		21
NW Arctic Kobuk School Upgrade	45.0	45.0	X			21
Bering St Teller School Site Eros	200.0	200.0	X			21
NW Arctic Shungnak School Upgrade	75.0	75.0	X			21
NW Arctic Ambler School Upgrade	719.0	719.0	X			21
NW Arctic Noatak Tankfarm Relo	283.0	283.0	X			21
Ak Railbelt Tri-Valley School	925.0	925.0	X			21
Chatham Districtwide Maj Maint	85.5	85.5	X			21
Lake & Peninsula Dist School Upgrade	2055.0	2055.0	X			20
Lower Kus Bethel Kilb School Upgrade	2200.0	2200.0		X		20
NW Arctic Kotzebue E/S Upgrade Ph 2	706.0	706.0		X		20
Yukon Flats Five Mile School	1200.0	14228.0		X		20
Southeast Island Long Island School	860.0	10197.0		X		20
Yukon Flats Central School	1200.0	14228.0		X		20
Yukon Flats Northern Lts School	185.0	2193.0	X			20
Atka School Phase II	2121.2	2121.2		X		20
Aleutian Akutan School Replacement	2168.6	25712.0	X			20
Bering St Brevig Mis Elem Safe	3485.0	41320.0	X			20
Bettles Field School Replacement	1420.0	16836.0	X			20
Bering St Golovin School Water	1000.0	4619.0	X			19
Lower Yukon Pitkas Pt School Rep	631.8	7491.0	X			19
Teller Water System Upgrade	1000.0	4619.0	X			19
Bering St Brevig Mis School Water	1000.0	4619.0	X			19
Koyuk School Water/Sewer Upgrade	1000.0	4619.0	X			19
Lake & Peni Port Alsworth Safe	2162.4	25639.0	X			19
Bering St Unalakleet Elem Safe	3800.0	45055.0	X			19
Ak Railbelt Dist Life Safety	100.0	100.0	X			19
SW Reg Life Safety Co Upgrade	2100.0	2100.0	X			19
Yukon/Koyukuk Dist. H&L Safety	2266.8	2266.8	X			19
Agency Total	55347.3	368731.9				

EDUCATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Elementary and Secondary Education						
Department of Education						
Iditarod Anvik Kit/Food Sto Ad	1200.0	14228.0		X		25
Aleutain Nelson Lagoon Ad Phase 2	1377.5	16332.0		X		25
Bering St White Mt Lib/Media	1000.0	11857.0		X		25
Dot Lake Renovation & Addition	1800.9	21353.0		X		25
Yukon Fts Stev Vil Elem/Sec RP	2000.0	23713.0		X		25
SW Clarks Point Replacement	2100.0	24899.0		X		25
Iditarod Grayling Spec Insc Ad.	1200.0	14228.0		X		25
Agency Total	10678.4	126610.0				

EDUCATION

'83 Cash and '83 Voter Approval

Educ Info & Cult Services						
Department of Education						
St Lib-Auto Circ/Res System	160.0	160.0	X			32
St Lib-Microfilm Equipment	125.0	125.0	X			32
Ak Hist Com-Ak Hist Textbook	150.0	150.0	X			33
St Lib-Const/Remod Grt	500.0	500.0	X			33
St Lib-Rare Alaskana	30.0	30.0	X			33
St Lib-Winter/Pond Hist Photo	60.0	60.0	X			33
St Lib-Film Collection	100.0	100.0	X			32
St Lib-Video Duplication	135.0	135.0	X			32
Arts Council Cap Equip Grants	250.0	250.0	X			31
State Museum Compact Storage	91.1	91.1	X			31
State Museum Purchase Acquisi	120.0	120.0	X			31
State Museum Expansion Project	1000.0	11857.0	X			31
Agency Total	2721.0	13578.1				

EDUCATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Adult Postsecondary Education						
Department of Education						
Fairbanks Fire Training Equip.	132.0	132.0	X			38
Alaska Student Loan Program	67500.0	67500.0	X		X	39
Curbs and backtopping	150.0	150.0	X			38
80 Person Dormitory	3325.0	39423.0	X			38
Student Service Center	4975.0	58987.0	X			38
Agency Total	76082.0	166192.0				
University of Alaska						
University of Alaska						
Ccree Library Acquisitions	235.0	235.0	X			44
UAJ Library Books	429.0	429.0	X			44
UAJ Construction & Instruction	719.0	3525.0	X			43
Statewide Equipment	4000.0	4000.0	X			43
Upgrade of Uacn Computer	4753.0	4753.0	X			43
UAF-Student Resident Halls	4000.0	4000.0	X			43
Palmer Emergency Generator	33.0	33.0	X			46
UAA Bookstore Fixtures	300.0	300.0	X			45
UAF Coal Handling Facility	1200.0	5543.0	X			45
Telecommunications	1000.0	1000.0	X			45
UAF Water Treatment	450.0	450.0	X			45
Renovation/Repair/Code Upgrade	4000.0	4000.0	X			44
Campus Master Planning	1000.0	1000.0	X			44
Agency Total	22119.0	34268.0				

EDUCATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
University of Alaska						
University of Alaska						
UAF Student Housing	10000.0	118566.0		X		47
Renovation/Repair/Code Upgrade	6000.0	6000.0		X		47
UAJ-Student Housing	12000.0	142279.0		X		47
UAA Classroom	20000.0	237132.0		X		47
Agency Total	48000.0	503977.0				

EDUCATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	135,112.6	413,097.8
FY'83 Voter Approval	21,156.8	169,672.2
FY'84 Voter Approval	58,678.4	630,587.0

SOCIAL SERVICES

SOCIAL SERVICES

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Social and Economic Assistance for the Aged						
Department of Administration						
Safety Upgrade-Palmer	949.3	949.3	X			55
Parking Lot-Anchorage	250.0	2964.0	X			56
Furnishings & Laundry-Sitka	150.0	150.0	X			55
Modernize Heat System-Sitka	884.8	884.8	X			55
Repairs-Fairbanks & Palmer	300.0	300.0	X			55
Building Repair-Palmer	600.0	600.0	X			56
Agency Total	3134.1	5848.1				
Employment Stabilization						
Department of Labor						
Juneau Telephone System	195.3	195.3	X			60
Operating System Upgrade	15.0	15.0			X	61
IBM-3350-B Acquisition	34.9	34.9			X	61
CPU Replacement-Juneau	527.1	527.1			X	61
Site Preparation-Juneau	190.0	190.0			X	60
Fix Rural Off - Beth Dill Kotz	74.6	74.6	X			60
Anchorage Consolidated Offices	146.6	146.6	X			60
Agency Total	1183.5	1183.5				

SOCIAL SERVICES COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	4,317.6	7,031.6
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

H E A L T H

HEALTH

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Public Health						
Department of Health & Social Services						
Juneau Health Center Plan	22.4	22.4	X			71
Fairbanks Health Center Plan	12.0	12.0	X			70
EMS Equipment	523.0	523.0	X			70
Anchorage Laboratory	539.0	6976.0	X			70
Ketch Health Center & Office Sp	315.6	315.6	X			70
Homer Health Center Plan	17.0	17.0	X			69
Palmer Health Center Plan	15.8	15.8	X			69
Wrangell Health Center	611.3	7912.0	X			69
PH Statewide Maintenance	219.4	219.4	X			69
Agency Total	2275.5	16013.2				
Mental Health & D.D.						
Department of Health & Social Services						
DD & MH Management Info Syst	208.9	208.9	X			76
Security Fencing - API	396.8	396.8	X			76
HDC Rebuild Mechanical System	750.0	750.0	X			76
HDC Roof Replacement	1400.0	1400.0	X			76
Energy Audit Mod HDC	380.0	380.0	X			79
Prediscbarge Unit Mod-HDC	300.0	300.0	X			79
Add Floors - API Plan	200.0	200.0	X			78
Waste Incinerator - API	175.0	175.0	X			78
Landscaping - Harborview	100.0	100.0	X			78
Warehouse Plan Const-API	331.2	331.2	X			78
Barrier Free Access-Harborview	160.0	160.0	X			77
Childrens Facility - API	5000.0	64711.0	X			77
Fire Code Update - API & HDC	150.0	150.0	X			77
Building Maint - API & HDC	200.0	200.0	X			77
Agency Total	9751.9	69462.9				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
HSS Admin and Support						
Department of Health & Social Services						
Vital Records Automation	148.2	148.2	X			83
PA Eligibility System EIS	1500.0	1500.0	X		X	83
Health Fac Inv Phase II	75.0	75.0	X			83
Automated Vouchering System	100.0	100.0	X			83
Agency Total	1823.2	1823.2				

HEALTH COMPONENT SUMMARY

	Total Requested	Est. Lifetime Ownership Cost
FY'83 Cash	13,850.6	87,299.3
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

NATURAL RESOURCE MANAGEMENT

&

ENVIRONMENTAL CONSERVATION

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Management and Administration						
Department of Natural Resources						
Microfilming/Auto Drafting	890.0	890.0	X			91
ALARS	1100.0	1100.0	X			91
Offshore/Marine Boundary	2750.0	2750.0	X			91
Cadastral Land Surveying	8833.5	8833.5	X			91
Orthophoto Quad Mapping	944.0	944.0	X			92
Agency Total	14517.5	14517.5				
Land Management						
Department of Natural Resources						
Anch Land Deficiency Payment	4000.0	4000.0	X			94
Agency Total	4000.0	4000.0				
Mangement of Mineral Res						
Department of Natural Resources						
Resource Inven/Eval/Mapping	7956.2	7956.2	X		X	97
Geologic/Geophysical Inter	2846.0	2846.0	X			97
Agency Total	10802.2	10802.2				
Parks and Recreation						
Department of Natural Resources						
Haines Visitor Center	1047.5	13557.0	X			100
Wayside Drinking Water	200.0	924.0	X			100
Park Radio Communications	50.0	50.0	X			100
Kenai River Development	500.0	2309.0	X			100
Agency Total	1797.5	16840.0				

NATURAL RESOURCE MANAGEMENT &
ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Fish and Game Resource						
Department of Fish & Game						
Yakutat Housing and Warehouse	211.2	2733.0	X			103
Vessels Major Maintenance FY83	121.2	121.2	X			103
Petersburg Facilities	1330.6	17221.0	X			104
Bethel Office and Housing	1575.0	20384.0	X			103
Fairbanks Office Expansion	1568.7	20303.0	X			103
Eagle Project	100.0	100.0	X			111
Stikine River Studies	509.0	509.0	X			111
Fishpass Projects	250.0	250.0	X			110
Incubation & Rearing Equip	600.0	600.0	X			110
Lake Fertilization/Limnology	1000.0	1000.0	X			110
Cannery Creek Modification	350.0	350.0	X			110
Crystal Hatchery Improvements	170.0	170.0	X			109
Trout Fisheries Development	100.0	100.0	X			109
Shellfish Assessment Equip	94.0	94.0	X			109
Shellfish Pot Replacement	132.1	132.1	X			109
Potter Point Refuge Turnouts	30.0	30.0	X			108
Packers Lake Feasibility Study	75.0	75.0	X			108
Hatchery Equipment	365.0	365.0	X			108
Sonar Research & Maintenance	300.0	300.0	X			108
Copper River Sonar Substrate	240.6	240.6	X			107
Weirs Towers and Fishwheels	95.0	95.0	X			107
Aircraft Purchase	200.0	200.0	X			107
Russell Creek Remedial Work	2000.0	2000.0	X			107
Habitat Improvement	400.0	400.0	X			106
Hidden Falls Development	500.0	500.0	X			106
PWS Hatchery Transport	350.0	350.0	X			106
Data Management	2700.0	2700.0	X			106

NATURAL RESOURCE MANAGEMENT &
ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Communication Equipment	93.8	93.8	X			105
Cook Inlet Stock Management	704.1	704.1	X			105
Kodiak Crab Modeling	185.0	185.0	X			105
Field Station Facilities	168.5	778.0	X			105
Cordova Fencing & Fill	130.0	130.0	X			104
Delta Fish and Game Office	25.0	25.0	X			104
Glennallen Facilities	1210.2	15663.0	X			104
Agency Total	17884.0	17578.9				

NATURAL RESOURCE MANAGEMENT &
ENVIRONMENTAL CONSERVATION

'84 Voter Approval

Fish and Game Resource						
Department of Fish & Game						
Hidden Falls Development	2900.0	13395.0		X		112
Snettisham Hatchery Completion	2498.0	11538.0		X		112
Kitoi Hatchery Development	4200.0	19399.0		X		112
Klawock Hatchery Development	3900.0	18014.0		X		112
Beaver Falls Hatchery	3686.0	17025.0		X		113
Agency Total	17184.0	79371.0				

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Fish and Game Resource						
Department of Public Safety						
Navigation System	58.1	58.1	X			114
Statewide Equipment	100.0	100.0	X			114
Two 28-32 Foot Patrol Vessels	362.0	362.0	X			114
Agency Total	520.1	520.1				
Environmental Conservation						
Department of Environmental Conservation						
Village Safe Water	6650.0	30715.0		X		121
Water, Sewer and Solid Waste	25000.0	115472.0	X	X		121
Laboratory Equipment	212.5	212.5	X			121
Data Management System	500.0	500.0	X			121
Agency Total	32362.5	146899.5				

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

'84 Voter Approval

Environmental Conservation						
Department of Enviromental Conservation						
Village Safe Water	5000.0	23094.0		X		122
Water, Sewer, and Solid Waste	25000.0	115472.0		X		122
Agency Total	30000.0	138566.0				

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL
CONSERVATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	60,233.8	213,198.1
FY'83 Voter Approval	21,650.0	69,283.0
FY'84 Voter Approval	47,184.0	217,937.0

PUBLIC PROTECTION

PUBLIC PROTECTION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Consumer Protection						
Dept. of Commerce & Econ. Development						
Lab Equipment	49.5	49.5	X			128
Agency Total	49.5	49.5				
Consumer Protection						
Department of Enviromental Conservation						
Autoclave - Palmer Lab	25.0	25.0	X			128
Agency Total	25.0	25.0				
Life and Property Protection						
Department of Military Affairs						
Multi Unit Armory/Anch	250.0	250.0	X			130
Camp Carroll Upgrade/Anch	493.7	2280.0	X			131
CAP Facilities Upgrade	79.3	79.3	X			130
Road and Fence/Anch	625.0	2887.0	X			130
Upgrade State Facilities	1415.0	1415.0	X			130
Agency Total	2863.0	6911.3				
Life and Property Protection						
Department of Public Safety						
Microfilm Equipment	75.2	75.2	X			137
Agency Total	75.2	75.2				

PUBLIC PROTECTION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Life and Property Protection						
Department of Military Affairs						
Armory/OMS/Kotz	1915.2	8428.0		X		132
CAP Maintenance Hangar/Anch.	3918.8	50718.0		X		132
Multi Unit Armory/Anch.	4997.1	42069.0		X		132
Agency Total	10831.1	101215.0				

PUBLIC PROTECTION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	3,012.7	7,061.0
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	10,831.1	101,215.0

ADMINISTRATION OF JUSTICE

ADMINISTRATION OF JUSTICE

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Offender Confine Ref & Super						
Dept of Health and Social Services						
Fairbanks CC Fire/Life Safety	707.5	707.5	X			143
Palmer CC Fire & Life Safety	408.2	408.2	X			143
Juneau CC Fire & Life Safety	581.9	581.9	X			143
McLaughlin/API-Entrance Street	1440.0	1440.0	X			143
Juneau-Max Unit Improvements	160.0	160.0	X			147
Juneau Prison Industries	1248.5	16158.0	X			147
Fairbanks Prison Industries	1542.0	19957.0	X			146
Eagle River Prison-Industries	1306.2	16905.0	X			146
Capital Construction Reserve	1855.0	1855.0	X			146
MYC Repairs and Renovation	965.6	965.6	X			146
Palmer CC Addition-Kitchen	825.0	10677.0	X			145
Fairbanks Youth Facility Wing	5358.5	69351.0	X			145
Prison for Long-Term Felons	41000.0	530633.0	X			145
Fairbanks Addition-80 Beds	6555.0	84837.0	X			145
Ketchikan Youth Fac (28 Beds)	7000.0	90596.0	X			144
Statewide CC Ren/Rep-Youth	150.0	150.0	X			144
Statewide CC Ren/Rep-Adult	1034.9	1034.9	X			144
Anchorage 3rd Ave CC Renovation	1600.0	1600.0	X			144
Agency Total	73738.3	848017.1				

ADMINISTRATION OF JUSTICE

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Crime Id & App						
Department of Public Safety						
Expand Sitka Training Fac.	35.0	453.0	X			152
Richardson Scale House	479.6	6207.0	X			154
Potter Scale House	610.0	7899.0	X			154
Safety Sight/Sound Fence-Sitka	150.0	150.0	X			154
VHF Microwave - Phase II	2000.0	2000.0	X			153
Repair/Modify Sitka Academy	37.0	37.0	X			153
Coldfoot Helicopter Hangar	305.2	3950.0	X			153
Hiller Helicopters	300.0	300.0	X			153
Dalton Highway Housing	1321.0	17097.0	X			152
Soldotna Garage and Equipment	410.8	5317.0	X			152
Info Sys Redesign & Conversion	226.1	226.1	X			152
Modifications-P.S. Bldg. Anch.	262.1	262.1	X			155
Statewide Equipment	150.0	150.0	X			155
Reconstruction of Haines Scale	1000.0	8237.0	X			155
Portable Scales	83.0	83.0	X			155
Anch. Communications Console	338.0	338.0	X			154
Agency Total	7707.8	52706.2				

ADMINISTRATION OF JUSTICE
COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	81,446.1	900,723.3
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

D E V E L O P M E N T

DEVELOPMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Economic Development						
Dept of Commer. & Economic Development						
Fisheries By-Product	131.5	131.5	X			163
Delta I Loans	402.0	402.0	X			163
Delta I Road Linkage	630.0	8154.0	X			164
Pt. McKenzie Facilities	75.0	75.0	X			163
Delta II Expansion	4000.0	4000.0	X			163
Agency Total	5238.0	12762.5				
Department of Natural Resouces						
Plant Material Center	600.0	7765.0	X			164
Agency Total	600.0	7765.0				
Community Development						
Department of Community and Region. Affairs						
Regional Stratigies	600.0	600.0	X			167
Community Profiles	480.0	480.0	X			167
Agency Total	1080.0	1080.0				
State Loans						
Department of Revenue						
Home Ownership Assistance	90000.0	90000.0	X			169
Special Mortgage Loan Purchase	133000.0	133000.0	X			169
Agency Total	223000.0	223000.0				

DEVELOPMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Dept. of Com. & Economic Development						
Commercial Fishing Loans	9400.0	9400.0	X			170
Rural Electrification Rev Loan	6500.0	6500.0	X			172
Residential Care Facil Loans	80.0	80.0	X			172
Child Care Facility Loans	200.0	200.0	X			172
Historical District Loans	500.0	500.0	X			171
Fishermens Mortgage & Note	1800.0	1800.0	X			171
Bulk Fuel Loans	1000.0	1000.0	X			171
Fisheries Enhancement Loans	15000.0	15000.0	X			171
Mining Loans	15000.0	15000.0	X			170
Residential Energy Const. Loans	4500.0	4500.0	X			170
Alt Tech & Energy Loans	4000.0	4000.0	X			170
Agency Total	57980.0	57980.0				
Department of Natural Resources						
Agricultural Rev Loan Fund	10050.0	10050.0	X		X	173
Agency Total	10050.0	10050.0				
Department of Community & Regional Affairs						
Nonconforming Housing Loans	40500.0	40500.0	X			173
Agency Total	40500.0	40500.0				

DEVELOPMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Energy Development						
Depart. of Com. & Economic Development						
Kake-Petersburg Intertie	500.0	500.0	X			175
Long Term Energy Plan	350.0	350.0	X			177
Rural Feasibility Studies	2000.0	2000.0	X			176
Angoon Power Project	300.0	300.0	X			176
Lower Kuskokwim Power Plan	2000.0	2000.0	X			175
Susitna Hydro project	25600.0	25600.0	X			175
Rural Waste Heat Construction	2000.0	2000.0	X			175
Residential Energy Cons.	14078.5	14078.5	X			178
Aquifer Tap For Hydropower	430.0	430.0	X			178
Coal Distribution Studies	240.0	240.0	X			178
Village Reconnaissance Studies	1600.0	1600.0	X			178
Energy RD&D Program	2000.0	2000.0	X			177
Village Conservation Retrofit	150.0	150.0	X			177
Wind Cost Effectiveness	940.0	940.0	X			177
Waste Heat for Agriculture	115.0	115.0	X			173
Agency Total	52303.5	52303.5				

DEVELOPMENT COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Cost
FY'83 Cash	390,752.0	405,441.0
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	0.0	0.0

TRANSPORTATION

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
DOT/PF						
Central Highway Rehab.						
Seward Highway Rehabilitation	10000.0	10000.0	X			202
Sterling Highway Rehabilition	8500.0	8500.0	X			202
Glenn Highway Rehabilitation	20000.0	20000.0	X			202
Parks Highway Rehabilitation	5000.0	5000.0		X		202
North Kenai Highway Rehab.	3700.0	3700.0		X		202
C Street 9th to Dimond	500.0	500.0	X			202
Copper River Highway Overlay	2000.0	2000.0		X		202
Contingency	1000.0	1000.0	X			202
Agency Total	50700.0	50700.0				
Central Fed Aid Conversion						
Homer Air Carrier Apron	2500.0	8832.0		X		202
Aviation Program Contingency	500.0	500.0		X		202
South Birchwood Loop Phase II	700.0	3233.0		X		202
Town Creek Stream Crossing	2400.0	11085.0		X		202
Agency Total	6100.0	23650.0				
Central Bridge Replace/Rehab.						
Ship Creek Port Access-Bridge	1475.0	1475.0		X		203
Front Street Trestle-Bridge	1000.0	1000.0		X		203
Matanuska River-Bridge	2200.0	2200.0		X		203
Agency Total	4675.0	4675.0				
Central Region Highways						
Supplemental Ch 113/138/118/120	18735.0	18735.0	X		X	203
Boniface Interchange	13125.0	60623.0	X		X	203

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Boniface Pkwy Debarr to Tudor	2650.0	12240.0		X		203
Dimond Boulevard	25000.0	115472.0	X		X	203
Highway Program Contingency	4300.0	4300.0	X	X	X	203
Prelim Engr. projects	1050.0	1050.0	X		X	203
Kodiak Highway Improvements	1700.0	1700.0		X		203
Dillingham Local Roads	1000.0	4619.0		X		203
Kenai Road Improvements	2000.0	9238.0		X		204
Big Lake Road Paving	1000.0	4619.0		X		204
Seward Highway Avalanche Warni	300.0	1386.0		X		204
Near Island Bridge & Approach	17300.0	79906.0	X			204
New Koliganek Road/Bridge Supp	200.0	200.0		X		204
Twin Hills/Cannery Road Supp	200.0	200.0		X		204
Kuskokwim River Gravel Study	220.0	220.0		X		204
Materials Acquisition	400.0	400.0		X		204
Advanced Project Definition	650.0	650.0		X		204
Gravel Roads	365.1	365.1		X		204
Old Seward Hwy Dimond/Dowling	300.0	300.0		X		204
Sterling Highway Weigh Station	1300.0	1300.0		X		204
Traffic Control Improvements	1500.0	1500.0		X		205
Minnesota Drive Phase 2	20000.0	20000.0			X	205
Agency Total	113295.1	339023.1				
Central Region Aviation						
Kodiak Airport Improvements	4730.0	16711.0	X		X	205
King Salmon West Apron	3100.0	10952.0		X		205
Bethel Runway & Parking Repair	6500.0	22965.0		X		205
Homer Apron Expansion	2200.0	7773.0		X		205
Rural Airport Lighting	1250.0	5774.0		X		205
Aviation Project Contingency	1650.0	1650.0	X	X	X	205
Advanced Project Definition	250.0	250.0		X		205
Aviation Master Plan	650.0	650.0		X		206
Agency Total	20330.0	66725.0				

TRANSPORTATION

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Anchorage International Airport						
Domestic Terminal Renovation	18000.0	18000.0		X		
South Air Park Ext & Roads	5300.0	5300.0			X	206
North Air Park	5500.0	5500.0			X	260
Runway 6/L Overlay	3200.0	3200.0			X	206
Annual Improvements	500.0	500.0		X		206
Equipment	500.0	500.0		X		206
Master Plan Updating	100.0	100.0		X		206
Match for ADAP	390.0	390.0	X			206
Agency Total	33490.0	33490.0				
Central Region Marine Trans						
Ferry System Annual Improvement	2000.0	2000.0		X		206
Terminal Const. Contingency	500.0	500.0		X		206
Bartlett Solarium Extension	300.0	300.0		X		207
Agency Total	2800.0	2800.0				
Central Ports & Harbors						
Kodiak Harbor Supplemental	2000.0	2000.0		X		207
Homer Small Boat Harbor Supp	4100.0	4100.0		X		207
Cordova Boat Harbor (Supp)	2000.0	2000.0		X		207
Advanced Project Definition	100.0	100.0		X		207
Harbor & Marine Master Plan	300.0	300.0		X		207
Cherfornak/Nightmute Barge Imp.	400.0	400.0		X		207
Contingency	500.0	500.0		X		207
Agency Total	9400.0	9400.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Central Region Facilities						
Central Material Lab Addition	500.0	4119.0		X		207
Facility Cost Estimations	100.0	100.0		X		207
St Marys Equipment Building	1280.0	10544.0		X		208
Seldovia Maintenance Facility	1430.0	11780.0		X		208
Cooper Landing Maint. Facility	700.0	5766.0		X		208
Soldotna Shop Renovation	925.0	925.0		X		208
Contingency	500.0	500.0		X		208
Replace Building Equipment	103.0	103.0	X			208
Agency Total	5538.0	33837.0				
Interior Highway Rehab.						
Alaska Highway Rehab.	14350.0	14350.0	X			208
Richardson Highway Rehab	16680.0	16680.0	X			208
Parks Highway Rehab.	10000.0	10000.0		X		208
Elliot Highway Rehab	1050.0	1050.0	X			208
Steese Highway Rehab	5125.0	5125.0		X		208
Edgerton Highway Rehab	5240.0	5240.0		X		209
Healy Road	700.0	700.0		X		209
University Avenue Rehab	695.0	695.0		X		209
Contingency	1000.0	1000.0	X			209
Agency Total	54840.0	54840.0				
Interior Fed Aid Conversion						
Weigh Scale Stations (3)	2000.0	2000.0		X		209
Transit Turnouts	900.0	900.0		X		209
Richardson Highway Mile 19-25	1200.0	1200.0		X		209
Tok Highway Mile 51-52	700.0	700.0		X		209
Contingency	500.0	500.0		X		209
Agency Total	5300.0	5300.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Bridge Replace/Rehab						
Denali Highway	2274.0	2274.0		X		209
Northway Road	797.0	797.0		X		209
Agency Total	3071.0	3071.0				
Interior Region Highways						
Richardson Hwy Mile 129 to 186	4220.0	4220.0	X			210
Parks Hwy Rex to McKinley	9150.0	9150.0	X			210
Richardson Hwy Mile 127 to 129	460.0	460.0		X		210
Tok Highway Mile 30 to 91	5030.0	5030.0	X			210
Parks Highway Nenana to Rex	7350.0	7350.0		X		210
Richardson Hwy Mile 192-208	1580.0	1580.0		X		210
Alaska Highway Yerrick Area	14160.0	14160.0	X		X	210
Nome Street Drainage Study	220.0	220.0		X		210
Airport Way Recycle	3950.0	3950.0		X		210
Contingency	5000.0	5000.0		X	X	210
Advanced Project Definition	400.0	400.0		X		210
Geist Road Peger to College	10540.0	48683.0		X		210
Dalton highway Resurface	5000.0	5000.0		X		210
Richardson Highway Miler 138 to 148	10760.0	10760.0	X		X	211
Local Transportation Planning	120.0	120.0		X		211
So. Fairbanks Exp Parks to Peger	12970.0	59907.0	X		X	211
Nome Council Hwy Mile 32 to 42	7470.0	34503.0	X		X	211
College Road I11 to Old Steese	320.0	320.0		X		211
Nome Council Hwy Mile 16 to 22	1140.0	1140.0		X		211
Kiana Airport Access Road	300.0	300.0		X		211
Pilgrim Hot Springs Road	722.0	3335.0		X		211
Stockpile Materials	380.0	380.0		X		211
Agency Total	101242.0	215968.0				

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Region Aviation						
Kotzebue Runway Repair	2750.0	9716.0		X		211
Nome Runway Repairs & Fencing	1875.0	6624.0		X		211
Deadhourse Apron Seal Coating	110.0	110.0		X		212
Kotzebue Airport Master Plan	165.0	165.0		X		212
Advance Project Definition	150.0	150.0		X		212
Aviation Project Contingency	1125.0	1125.0	X	X	X	212
Yukon Crossing New Airport	6600.0	18539.0		X	X	212
Birch Creek Runway Extension	1610.0	4522.0	X		X	212
Barrow Apron Expansion	2750.0	9716.0		X		212
Deadhorse Airport Master Plan	200.0	200.0		X		212
Fairbanks Area System Eval.	270.0	270.0		X		212
Deadhorse CRF Pad/Taxiway	4015.0	14185.0	X		X	212
Agency Total	21620.0	65322.0				
Fairbanks International Airport						
Annual Improvements	200.0	200.0			X	212
Agency Total	200.0	200.0				
Interior Ports & Harbors						
Unalakleet Seawall Study	60.0	60.0		X		213
Kotzebue Erosion Control Recon	110.0	110.0		X		213
Advanced Project Definition	100.0	100.0		X		213
Barge Landing Ramps Phase I	1680.0	7760.0		X		213
Alaska Coal Marine Trans Study	100.0	100.0		X		213
Kotzebue Erosion Control	3000.0	3000.0		X		213
Amble Dock & Erosion Control	110.0	110.0		X		213
Boat Harbor Spec For NW Alaska	110.0	110.0		X		213
Point Hope Beach Matting	190.0	190.0		X		213
Golovin Small Boat Harbor	540.0	540.0		X		213
Contingency	1000.0	1000.0		X		213
Teller Erosion Control	500.0	500.0		X		213
Agency Total	7500.0	13580.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Region Facilities						
Jim River Camp Engr.	1000.0	1000.0		X		214
Ernestine Maintenance Shop	600.0	600.0		X		214
Fairbanks Court & Reg Bldg. Upgrade	1789.0	1789.0		X		214
Nome Airport Sand Building	486.0	4004.0		X		214
Advanced Project Definition	100.0	100.0		X		214
Deadhorse Crash Fire Rescue	1000.0	1000.0		X		214
Nome Materials Lab	265.0	2183.0		X		214
Barrow Airport Crash Rescue	1615.0	13304.0		X		214
Ch. 120 Interior Supplemental	400.0	400.0		X		214
Coldfoot Mobile Home Pads	600.0	4943.0		X		214
82 Mile Steese Maintenance Sta.	100.0	824.0		X		214
Manley Shop Upgrade	145.0	145.0		X		214
Galena Pump Station	275.0	275.0		X		214
Chitina Maintenance Station	375.0	3089.0		X		215
Valdez Equipment Storage	750.0	6178.0		X		215
Electrical System Upgrade	150.0	150.0	X			215
Agency Total	9650.0	39984.0				
Southeast Highway Rehab						
Glacier Highway: Paving	2000.0	2000.0	X			215
Mud Bay Road: Paving	1265.0	1265.0		X		215
Contingency	100.0	100.0	X			215
Haines Flood Repair & Dike	500.0	500.0	X			215
Agency Total	3865.0	3865.0				
Southeast Fed Aid Conversion						
Wrangell Runway Reconstruction	1706.3	1706.3		X		215
Klawock Runway Extension	926.6	2603.0		X		215
Contingency	100.0	100.0		X		215
Sitka Airport Improvement	1700.0	6006.0		X		215
Agency Total	4432.9	10415.3				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Bridge Replacement						
Clover Pass Creek Bridge	850.0	850.0		X		216
Fish Creek Bridge	1071.3	1071.3		X		216
Peterson Creek Bridge	573.0	573.0		X		216
Contingency	100.0	100.0		X		216
Agency Total	2594.3	2594.3				
Southeast Region Highways						
Hydaburg Road	5000.0	23094.0	X			216
Sitka Harbor Bridge Painting	632.5	632.5		X		216
Mendenhall Loop Road	4000.0	18475.0	X			216
Old Glacier Highway	2500.0	11547.0	X		X	216
North Douglas Highway Overlay	1375.0	1375.0	X		X	216
Mitkoff Highway	2400.0	2400.0	X		X	216
Klondike Highway Paving	1800.0	1800.0	X		X	216
Lutak Road	2500.0	11547.0	X		X	216
Hoonah - Arterial Connector	3000.0	13857.0		X		216
Angoon - Arterial Connector	500.0	2309.0		X		217
Improved Surface Maintenance	360.0	360.0	X			217
Stikine - Evergreen - Wrangell	2000.0	2000.0	X			217
Petersburg Main Street	700.0	700.0		X		217
Trollers Creek Bridge	532.5	532.5		X		217
Hydaburg Creek Bridge	445.0	445.0		X		217
Klodike Highway Planning/Engr.	20.0	20.0		X		217
Highway Contingency	4000.0	4000.0		X	X	217
Advanced Project Definition	150.0	150.0		X		217
SE Trans Study Update	350.0	350.0		X		217
Starrgavin Creek Culverts	300.0	300.0	X		X	217
Lost River Bridge Replacement	310.0	310.0		X		217
South Tongass Highway Paving	500.0	2309.0		X		217
Glacier Highway Sunny Pt to Airport	345.0	1594.0		X		217
Mendenhall Pen Road Pave	345.0	345.0		X		217
Glacier Highway Norway to Egan	450.0	450.0		X		218
Agency Total	34515.0	100902.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Region Aviation						
KTN Ferry Dock Relocation	2400.0	2400.0		X		218
Peninsula Pt Seadrome Repl.	782.0	782.0		X		218
Ketchikan Runway Overlay	2500.0	8833.0		X		218
Sitka Airport Vehicle Parking	500.0	1767.0		X		218
Angoon Airport Construction	7000.0	19663.0	X		X	218
Aviation Contingency	2500.0	2500.0		X	X	218
Agency Total	15682.0	35945.0				
Southeast Marine Transportation						
Major Vessel Component Replace	4600.0	4600.0		X		218
Matanuska & Malaspina Repower	3400.0	3400.0		X		218
Terminal Facilities Maintenance	500.0	500.0		X		218
Metlaktla Relocation Study	450.0	450.0		X		218
Feeder Vessel Improvements	650.0	650.0		X		219
Hoonah Terminal Water & Sewer	300.0	300.0		X		219
Prince Rupert Dock Improvement	800.0	800.0		X		219
Advanced Project Definition	50.0	50.0		X		219
Vessel Condition Survey	300.0	300.0		X		219
Mainline Vessel Replace Study	250.0	250.0		X		219
Repower M/V Columbia Supplement	1000.0	1000.0	X			219
Contingency	1225.0	1225.0	X	X		219
Agency Total	13525.0	13525.0				
Southeast Ports & Harbors						
Metlakatla Harbor Construction	1100.0	5081.0		X		219
Pelican Harbor Improvements	700.0	700.0		X		219
South Tongass Jetty	100.0	100.0		X		219
Juneau Launch Ramp	300.0	1386.0		X		219

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Kasaan Port and Harbor	1500.0	6928.0		X		219
Angoon Harbor Improvements	550.0	550.0		X		220
Tenakee Springs Harbor	1000.0	1000.0		X		220
Yakutat Port & Dock Supp	2000.0	2000.0	X			220
Refuge Floats	500.0	2309.0	X			220
Juneau Harbor Development Plan	100.0	100.0		X		220
Contingency & Repairs	200.0	200.0		X		220
Advanced Project Definition	30.0	30.0		X		220
Inventory and Condition Survey	100.0	100.0		X		220
Agency Total	8180.0	20484.0				
Subport Building Electrical RE						
Subport Building Electrical RE	250.0	250.0	X			220
Building HVAC Systems	233.0	233.0	X			220
Electrical Systems Maintenance	136.0	136.0	X			220
Roof Rehabilitation	211.0	211.0	X			220
State Office Building Carpet	184.0	184.0	X			221
Alaska Office Building Carpet	175.0	175.0	X			221
Carpet Replacement	102.0	102.0	X			221
SOB Elevator	200.0	200.0	X			221
Archives Center Foundation	462.0	462.0	X			221
Hydaburg Shop PE	158.4	158.4	X			221
Craig/Klawok Shop	1200.0	9885.0	X			221
Agency Total	3311.4	11996.4				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Statewide Research Projects						
State Funded Research	500.0	500.0	X			221
New Products Testing/Spcl Project	165.0	165.0	X			221
Engineering Student Program	50.0	50.0	X			221
Rural Airport Edge Lighting	250.0	250.0	X			221
Vandalism to Trans Systems	50.0	50.0	X			221
Cost Effective Corrosion Prot	110.0	110.0	X			221
New Bridge Deck Repair Tech	20.0	20.0	X			222
Breakwater Monitoring Project	25.0	25.0	X			222
Rating/Inspection Marine Facility	210.0	210.0	X			222
Earthquake Hazards Study	18.0	18.0	X			222
Vtol Evaluation	100.0	100.0	X			222
Public Bldg Energy Standards	97.0	97.0	X			222
Energy Conservation	115.0	115.0	X			222
Foundation Materials Handbook	200.0	200.0	X			222
HR Radio Enhancement	45.0	45.0	X			222
Unit Electric Power System	123.0	123.0	X			222
Waste Heat Recovery	80.0	80.0	X			222
Energy System Conversion	30.0	30.0	X			223
Alaskan Solar School	75.0	75.0	X			223
Federal Highway Research PGM	700.0	700.0			X	223
Pavement Deflection Inventory	125.0	125.0	X			223
Thermal Properties Measurement	75.0	75.0	X			223
Roadway Failure Research	120.0	120.0	X			223
Bridge Deck Corrosion Analysis	83.0	83.0	X			223
Geophysical Soils Invest.	160.0	160.0	X			223
Dalton Hwy Performance Study	275.0	275.0	X			223
Truck Weigh in Motion Scales	200.0	200.0	X			223
Agency Total	4001.0	4001.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Statewide Planning & Programming						
Contingency Transportation	26000.0	26000.0	X	X	X	224
Facilities Plan	100.0	100.0	X			224
Transportation Plan Statewide	600.0	600.0	X		X	224
Design & Construction Support	3000.0	3000.0	X			224
State Rail Plan	300.0	300.0	X		X	224
Inventory & Condition	1200.5	1200.5		X		224
Engr/Sci Computer Technology	2000.0	2000.0		X		224
Right Of Way Inventory	500.0	500.0		X		224
Management Information System	950.0	950.0		X		224
Federal HPR/HPL	5000.0	5000.0	X		X	224
Safety Improvement	8000.0	8000.0		X	X	224
Bridges	4000.0	4000.0		X	X	224
Safety & Bridges Contingency	2000.0	2000.0		X	X	224
Reimbursable Projects	10000.0	10000.0			X	225
Mapping	50.0	50.0		X		225
Rail & Grade Separation Study	250.0	250.0		X		225
Optics Lab Equipment	50.0	50.0		X		225
Statewide Aviation System Plan	200.0	200.0	X			225
Life Safety Halon System	500.0	500.0		X		225
Project Inspect Warranty Fund	250.0	250.0		X		225
Vessel Maintenance Facility	9000.0	9000.0		X		225
Traffic Data Study Implement	450.0	450.0	X			225
Local Govt Trans Planning	2000.0	2000.0		X		225
Local Govt Transit Planning	1000.0	1000.0		X		225
Alaska Railroad Transfer	1500.0	1500.0	X			225
Claims Contingency	3000.0	3000.0		X		226
Urban Systems	4000.0	4000.0			X	226
Agency Total	85900.5	85900.5				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
State Equipment Fleet						
1983 Equipment Replacement	14254.0	14254.0			X	226
Juneau Shop Improvements	50.0	50.0		X		226
Anchorage Parts Room Addition	60.0	494.0		X		226
Soldotna Pole Shed	50.0	412.0		X		226
Dillingham Pole Shed	50.0	412.0		X		226
Haines Pole Shed	50.0	412.0		X		226
Juneau Pole Shed	50.0	412.0		X		226
Palmer Shop Addition	350.0	2883.0		X		226
Valdez Shop Addition	200.0	1648.0		X		226
Fairbanks Shop Addition	250.0	2059.0		X		226
Seward Shop Addition	250.0	2059.0		X		227
Anchorage Shop Addition	250.0	2059.0		X		227
Agency Total	15864.0	27154.0				
Statewide Maint Equip Purchase						
Dalton Highway	2838.0	2838.0	X			227
Interior Region	495.0	495.0		X		227
Southcentral Region	880.0	880.0		X		227
Southeast Region	619.0	619.0		X		227
Central Region	1584.0	1584.0		X		227
Western Region	765.0	765.0		X		227
Agency Total	7181.0	7181.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Central Highway Rehab						
DOT/PF						
Old Glenn Highway Overlay	2500.0	2500.0		X		228
Agency Total	2500.0	2500.0				
Central Fed Aid Conversion						
DOT/PF						
Tustumena Replacement	55000.0	55000.0		X		228
Agency Total	55000.0	55000.0				
Central Local Roads						
DOT/PF						
Naknek Beach Access Rd	4400.0	20323.0		X		228
Kenai Pen Area Road Reconstruct	3500.0	3500.0		X		228
Mat-Su Area Road Reconstuction	3000.0	3000.0		X		228
AC Couplet 6th Avenue - Tudor	15000.0	69283.0		X		228
Glenn Highway	1800.0	1800.0		X		228
Contingency	1000.0	1000.0		X		228
Boniface Pkwy Debarr/Tudor	10200.0	47112.0		X		228
Mill Bay Road	1200.0	1200.0		X		228
Agency Total	40100.0	147218.0				
Central Region Aviation						
DOT/PF						
Aniak Apron Expansion	2600.0	5653.0		X		229
Program Contingency	2600.0	2600.0		X		229
Dillingham Fencing and Storage	650.0	2296.0		X		229
Kokhanok Relocation Supp	3000.0	8427.0		X		229
Pedro Bay Runway Upgrade/Road	2800.0	7865.0		X		229

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Alakanuk Runway Upgrade/Road	4000.0	11236.0		X		229
Mt Village Runway	2200.0	6180.0		X		229
St Marys Lease Lot Improvement	1700.0	6006.0		X		229
King Cove Runway Improvements	1300.0	3652.0		X		229
Lekoryuk Runway Extension	2200.0	6180.0		X		229
Rural Airport Lighting	4600.0	21247.0		X		229
Akiak Runway Extension	3800.0	10674.0		X		229
King Salmon Runway Reconstr	7000.0	24731.0		X		229
Ekwok Runway Extension	4000.0	11236.0		X		229
New Koliganek Runway Extension	3800.0	10674.0		X		229
Levelock Runway Extension	2540.0	7135.0		X		229
Manokotak Airport Extension	3150.0	8848.0		X		229
Agency Total	51940.0	154640.0				
Central Region Marine Trans						
DOT/PF						
Kodiak Passenger Facility	900.0	7414.0		X		230
Seldovia Passenger Facility	700.0	5766.0		X		230
Homer Passenger Facility	700.0	5766.0		X		230
Agency Total	2300.0	18946.0				
Central Ports & Harbors						
DOT/PF						
King Cove Dock	1000.0	4619.0		X		230
Valdez Small Boat Harbor	1000.0	4619.0		X		230
Newhalen Barge Facility	500.0	500.0		X		230
Levelock Dock Expansion	1000.0	1000.0		X		230
Cordova Small Boat Harbor P.E.	200.0	200.0		X		230
Seward Facilities	5000.0	23094.0		X		230
Contingency	500.0	500.0		X		230
Agency Total	9200.0	34532.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Central Region Facilities						
DOT/PF						
Bethel Snow Equipment Bldg.	330.0	330.0		X		231
Bethel Shop Repairs	150.0	150.0		X		231
St Marys Crash/Fire Station	1450.0	11945.0		X		231
St. Marys Shop Repair	1270.0	1270.0		X		231
Inventory & Condition Survey	200.0	200.0		X		231
Cordova Sand Bldg.	720.0	5931.0		X		231
DOT Regional Office Bldg. Expan.	7130.0	58735.0		X		231
Program Contingency	500.0	500.0		X		231
Kalsin Bay/Seward Fuel Tanks	150.0	150.0		X		231
Agency Total	11900.0	79211.0				
Interior Highways						
DOT/PF						
Old Steese Wendell Exp	4530.0	20923.0		X		231
McCarthy Road Spot Repair	3800.0	3800.0		X		232
Alaska 1270-1285	15680.0	15680.0		X		231
Rich 129-138 Reconstruction	7190.0	7190.0		X		232
Nome Bypass	1500.0	6928.0		X		232
Dalton Hwy Resurface & Culvert	6000.0	6000.0		X		232
Advanced Project Definition	600.0	600.0		X		232
Contingency	2000.0	2000.0		X		232
Nome-Taylor Highway 13-21	4719.0	4719.0		X		232
South Central Local Rd Upgrade	1650.0	7621.0		X		231
Airport Way Upgrade	1065.0	4919.0		X		231
Nome Steadman & Seppala	1320.0	1320.0		X		231
Fairbanks Area Paving	1180.0	5450.0		X		231
St. Michael-Stebbins Road	3000.0	13857.0		X		232
Agency Total	54234.0	101007.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Interior Region Aviation						
DOT/PF						
Golovin Improvements	730.0	2051.0		X		232
Chalkytsik Improvements	440.0	1236.0		X		232
Circle Relocation Study	165.0	165.0		X		232
Gambell Runway Rehabilitation	2080.0	2080.0		X		233
Chistochina Resurface	730.0	730.0		X		233
Copper Center Resurface	810.0	810.0		X		233
Chicken Airport Improvements	1029.0	2890.0		X		233
Lake Minchumina Rehab Engr	200.0	200.0		X		233
Eagle Airport Improvements	1863.0	5233.0		X		233
Nome Lease Lots Development	1500.0	5300.0		X		233
Wales/Stebbins Runways	6000.0	16854.0		X		233
Chitina Resurface	605.0	605.0		X		232
Nome Apron & Taxiway	1130.0	3992.0		X		232
Contingency	2400.0	2400.0		X		233
Dahl Creek Runway Improvements	1463.0	4110.0		X		233
Elim Airport Improvements	1870.0	5253.0		X		232
Kotzebue Airport Improvements	3982.0	14068.0		X		233
Kaltag Runway Extension	2359.0	6626.0		X		233
Security Fencing	2030.0	2030.0		X		234
Ambler Resurface	650.0	650.0		X		234
Unalakleet Improvements	2340.0	8267.0		X		234
Nome Airport Cargo Apron	2730.0	9645.0		X		234
Aviation Master Plan	325.0	325.0		X		233
Equipment Storage Buildings	1287.0	5944.0		X		233
Nome Helicopter Operations	1950.0	6889.0		X		233
Chandalar Improvement Engr	260.0	260.0		X		233
Wiseman Runway Widening/Apron	1651.0	4638.0		X		233

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Hughes Runway & lighting	2359.0	6626.0		X		233
Nome General Aviation Parking	1560.0	5511.0		X		233
Barrow Airport Master Plan	234.0	234.0		X		233
Airport Lighting Phase 3	4110.0	18984.0		X		234
Utilities Nome & Kotzebue	3250.0	11482.0		X		233
Deadhorse Taxiway	4550.0	16075.0		X		233
Council New Airport	3003.0	8435.0		X		233
Agency Total	61645.0	180598.0				
Interior Ports & Harbors						
DOT/PF						
Kotzebue Erosion Control Supp	3600.0	3600.0		X		234
Contingency	500.0	500.0		X		234
Teller Small Boat Harbor	806.0	3723.0		X		234
Nome Port Construction Supp	5000.0	5000.0		X		234
Agency Total	9906.0	12823.0				
Interior Region Facilities						
DOT/PF						
82 Mile Steese Maintenance Sta	850.0	7002.0		X		234
Interior Security Fencing	250.0	250.0		X		235
Nome Outlying Maintenance Sta	1250.0	10297.0		X		235
Dalton Hwy Mod Housing Units	2600.0	21418.0		X		234
Fairbanks DOT/PF Building Addition	12500.0	102972.0		X		234
Interior Painting	250.0	250.0		X		235
Facilities Contingency	1000.0	1000.0		X		235
Interior Roof Repairs	350.0	350.0		X		235
Cantwell Maintenance Station	600.0	600.0		X		235
Gardiner Creek Camp Relocation	1200.0	9885.0		X		235
Agency Total	20850.0	154024.0				

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Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Highway Rehab.						
DOT/PF						
Klondike highway: Paving	5000.0	23094.0		X		235
Agency Total	5000.0	23094.0				
Southeast Bridge Replacement						
DOT/PF						
Tongas Ave Bridge #997	500.0	500.0		X		235
Tongas Ave Bridge #797	500.0	500.0		X		235
Agency Total	1000.0	1000.0				
Southeast Highways						
DOT/PF						
Glacier Hwy Twin Lake Segment	690.0	690.0		X		236
Indian Point Rd.	172.5	797.0		X		236
Contingency	1000.0	1000.0		X		236
North Tongass Highway	7000.0	32332.0		X		236
Fish Creek Road	2875.0	13279.0		X		236
Alsek Road Yakutat	1150.0	1150.0		X		236
Agency Total	12887.5	49248.0				
Southeast Region Aviation						
DOT/PF						
Tenakee Airport Planning	300.0	300.0		X		236
Metlakatla Seaplane Float Exp.	86.3	242.0		X		236
Advanced Project Definition	25.0	25.0		X		236
Hydaburg Airport Planning	300.0	300.0		X		236
Contingency	300.0	300.0		X		237

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Gustavus Airport Improvements	149.5	420.0		X		237
Yakatat Airport Drainage Imp.	800.0	2247.0		X		237
Ketchikan Seaplane Float	115.0	406.0		X		237
Tenakee Seaplane Float Exp.	115.0	323.0		X		236
Kake Airport & Access Road	8000.0	22472.0		X		236
Agency Total	10190.8	27035.0				
Shore Facilities Upgrade						
DOT/PF						
Shore Facilities Upgrades	7000.0	7000.0		X		237
Annual Vessel Maintenance	3000.0	3000.0		X		237
Agency Total	10000.0	10000.0				
Southeast Ports & Harbors						
DOT/PF						
Aurora Harbor Expansion	1380.0	1380.0		X		237
Shipwreck Cove Harbor Float	316.3	316.3		X		237
Petersburg Small Boat Harbor	1265.0	5843.0		X		238
Japonski Lagoon Small Boat Harbor	690.0	3187.0		X		238
Elfin Cover Harbor Float	230.0	230.0		X		237
Regional Harbor Refuge Floats	575.0	2656.0		X		238
Thorne Bay Small Boat Harbor	862.5	3984.0		X		238
Kupreanof Dock and Float	230.0	230.0		X		238
Contingency	1000.0	1000.0		X		238
Ketchikan Port Expansion	3000.0	13857.0		X		238
Shoemaker Bay Harbor	1400.0	1400.0		X		238
Gustavus Harbor Improvement	800.0	800.0		X		237
Craig North Cove Breakwater	1300.0	1300.0		X		237
Knudson Cove Breakwater	1750.0	1750.0		X		237
Agency Total	14798.8	37933.3				

TRANSPORTATION

'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Southeast Region Facilities						
DOT/PF						
New Regional Office Facility	6500.0	53545.0		X		238
Juneau Cold Storage Building	172.5	1421.0		X		238
Sitka Shop Building	1725.0	14210.0		X		238
Wrangell Cold Storage Building	172.5	1421.0		X		238
Contingency	500.0	500.0		X		238
Agency Total	9070.0	71097.0				
Statewide Planning & Program						
DOT/PF						
Vessel Maintenance Facility	15000.0	123566.0		X		239
State Building Life Safety	2000.0	2000.0		X		239
Muni Assump of Trunk Airports	2000.0	2000.0		X		239
Energy Retrofit	5000.0	5000.0		X		239
Agency Total	24000.0	132566.0				

TRANSPORTATION COMPONENT SUMMARY

	Total Requests	Est. Lifetime Ownership Costs
FY'83 Cash	393,987.4	775,418.4*
FY'83 Voter Approval	254,815.8	511,110.2
FY'84 Voter Approval	406,522.1	1,292,472.3

* A significant portion of the Transportation component is for rehabilitating existing capital projects. In the long run, rehabilitation costs are much less than reconstruction costs for deteriorated roads, runways, etc.

GENERAL GOVERNMENT

GENERAL GOVERNMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Executive Operations						
Office of the Governor						
Special Projects	700.0	700.0	X			269
Office Equipment	70.0	70.0	X			269
Agency Total	770.0	770.0				
Legislative and Elective Oper						
Office of the Governor						
On-Line Voter Regis System	898.9	898.9	X			270
Agency Total	898.9	898.9				
Independent Operations						
Department of Administration						
Science and Technology Account	2500.0	2500.0	X			271
Agency Total	2500.0	2500.0				
Telecommunications						
Department of Administration						
APBC Equipment Grants	300.0	300.0	X			272
APBC Expanded Coverage Eq.	200.0	200.0	X			272
APBC Building/Renovation Grant	191.0	191.0	X			272
Agency Total	691.0	691.0				

GENERAL GOVERNMENT

'83 Cash and '83 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Building & Equipment Services						
Department of Administration						
Space Saving Equipment	1000.0	1000.0	X			278
Anchorage Office Complex	1222.0	12278.0	X			277
Housing Energy Conservation	1000.0	1000.0	X			278
Computerized Leasing Records	50.0	50.0	X			277
Housing Replacement	4719.0	47413.0	X			277
Housing Renovations	1000.0	1000.0	X			277
Agency Total	8991.0	62741.0				
Centralized Admin Services						
Department of Administration						
Additional Disk Storage	2875.0	2875.0	X			282
Financial & Related Systems	6500.0	6500.0	X			282
Additional CPU Memory	392.4	392.4	X			282
Microfilm Services	100.0	100.0	X			283
Supplemental Benefits System	125.0	125.0	X			282
Communications Controllers	264.2	264.2	X			283
Affirm Action Audit System	325.0	325.0	X			283
Anchorage Mainframe Support	245.0	245.0	X			283
Health Insurance Report System	75.0	75.0	X			284
On-Line Procurement Data	247.9	247.9	X			284
Deferred Compensation Plan	50.0	50.0	X			284
Central Mailroom Equipment	41.6	41.6	X			284
Agency Total	11241.1	11241.1				

GENERAL GOVERNMENT

FY'84 Voter Approval

Budget Component	Total Funds	Est. Lifetime Ownership Cost	General Fund	Voter Approval	All Other Funds	Page Number
Revenue Collection and Mgt.						
Department of Revenue						
Permanent Fund Contribution	660000.0	660000.0		X		288
Agency Total	660000.0	660000.0				

GENERAL GOVERNMENT COMPONENT SUMMARY

	Total Request	Est. Lifetime Ownership Cost
FY'83 Cash	25,092.0	73,982.1
FY'83 Voter Approval	0.0	0.0
FY'84 Voter Approval	660,000.0	660,000.0