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LETTER OF INTENT
CSHB 487

It is the intent of the Community and Regional Affairs Committee that use of the words fiscal note on line 13 of Section 1. AS 24.08.030 (b) will include the operating and maintenance cost of the project and not be limited to the cost of obligation to the State of Alaska.

Peter Goll
Chairman

Dierdorff
01/27/86

Original sponsors: Davis, Koponen,
Hurley, et al

1 IN THE HOUSE

2 CS For HOUSE BILL NO. 487 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to projected operating and mainte-
7 nance costs of capital improvements."

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

9 * Section 1. AS 24.08.030 is amended by adding a new subsection to
10 read:

11 (b) Before an appropriation bill containing an appropriation for
12 a capitol improvement is reported from the committee of first refer-
13 ral, there shall be attached to the bill a fiscal note containing the
14 projected operating and maintenance costs of the proposed capital
15 improvement.

16 * Sec. 2. AS 37.07.030 is amended to read:

17 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
18 lature shall

- 19 (1) provide for a budget review function;
- 20 (2) analyze the comprehensive operating and capital im-
21 provements programs and financial plans recommended by the governor;
- 22 (3) adopt legislation to authorize implementation of the
23 governor's comprehensive operating and capital improvements programs
24 and financial plans or appropriate alternatives to those plans;
- 25 (4) provide for a post-audit function, to cover financial
26 transactions, program accomplishment, and compliance with legislative
27 intent;

28 (5) adopt or revise the estimate or receipts required to
29 balance the succeeding fiscal year's budget in order that proposed

expenditures do not exceed estimated receipts for that fiscal year;

(6) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years;

(7) consider the projected operating and maintenance costs of capital improvements submitted in legislation.

* Sec. 3. AS 37.07.060(b) is amended to read:

(b) The governor shall present the proposed comprehensive operating and capital improvements programs and financial plans in a message to a joint session of the legislature before the fourth legislative day following the convening of the legislature in regular session. The message shall be accompanied by an explanatory report which summarizes recommended goals, plans, and appropriations. The report shall contain

(1) the coordinated program goals and objectives which the governor recommends to guide the decisions on the proposed program plans and budget appropriations;

(2) the governor's operating program and budget recommendations for the succeeding fiscal year organized by agency as required by AS 37.07.020(a);

(3) the governor's capital improvements program and budget recommendations for the succeeding fiscal year and capital improvements program for the succeeding six fiscal years which shall include

(A) a description of each project, its estimated cost for the year construction is to start and the estimated cost of the project adjusted for inflation over the estimated period of construction, and the source of financing for the project; the project description for a new building or a new facility or for a major addition to a building or facility should include a site

1 plan, preliminary drawings, and architect's or engineer's total
2 cost estimate for the project;

3 (B) a summary of projects previously authorized and
4 not yet completed;

5 (C) a summary, listed by agency, of all previously
6 proposed projects which have been deferred beyond the six years
7 covered by the plan and the year in which construction has been
8 rescheduled to begin;

9 (D) a forecast of the debt structure of the state and
10 the various debt ratios over the life of the state's bonds out-
11 standing, bonds authorized and to be issued, and bond authoriza-
12 tions recommended in the plan;

13 (E) a description of additional revenue measures
14 needed to finance the plan in lieu of debt;

15 (F) bond election bills to authorize the bonds re-
16 quired to fund the projects scheduled for the first three years
17 of the plan;

18 (G) projections of population of the state and its
19 regions and communities;

20 (H) economic data and projections necessary for the
21 evaluation of the plan, including projected operating and mainte-
22 nance costs of the capital improvements;

23 (4) a summary of state receipts in the last fiscal year, a
24 revised estimate for the current fiscal year, and an estimate for the
25 succeeding fiscal year;

26 (5) a summary of expenditures during the last fiscal year,
27 those authorized for the current fiscal year, and an estimate for the
28 succeeding fiscal year;

29 (6) any additional information which will facilitate

1 understanding of the governor's proposed programs and financial plans
2 by the legislature and the public.
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Introduced: 1/20/86
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY DAVIS, KOPONEN, HURLEY,
GOLL AND MARROU

2

HOUSE BILL NO. 487

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to projected operating and maintenance costs of capital improvements."

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

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* Section 1. AS 37.07.030 is amended to read:

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Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legislature shall

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(1) provide for a budget review function;

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(2) analyze the comprehensive operating and capital improvements programs and financial plans recommended by the governor, and include in the analysis projected operating and maintenance costs of the capital improvements;

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(3) adopt legislation to authorize implementation of the governor's comprehensive operating and capital improvements programs and financial plans or appropriate alternatives to those plans;

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(4) provide for a post-audit function, to cover financial transactions, program accomplishment, and compliance with legislative intent;

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(5) adopt or revise the estimate or receipts required to balance the succeeding fiscal year's budget in order that proposed expenditures do not exceed estimated receipts for that fiscal year;

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(6) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years.

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* Sec. 2. AS 37.07.060(b) is amended to read:

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2 operating and capital improvements programs and financial plans in a
3 message to a joint session of the legislature before the fourth
4 legislative day following the convening of the legislature in regular
5 session. The message shall be accompanied by an explanatory report
6 which summarizes recommended goals, plans, and appropriations. The
7 report shall contain

8 (1) the coordinated program goals and objectives which the
9 governor recommends to guide the decisions on the proposed program
10 plans and budget appropriations;

11 (2) the governor's operating program and budget
12 recommendations for the succeeding fiscal year organized by agency as
13 required by AS 37.07.020(a);

14 (3) the governor's capital improvements program and budget
15 recommendations for the succeeding fiscal year and capital
16 improvements program for the succeeding six fiscal years which shall
17 include

18 (A) a description of each project, its estimated cost
19 for the year construction is to start and the estimated cost of
20 the project adjusted for inflation over the estimated period of
21 construction, and the source of financing for the project; the
22 project description for a new building or a new facility or for a
23 major addition to a building or facility should include a site
24 plan, preliminary drawings, and architect's or engineer's total
25 cost estimate for the project;

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27 not yet completed;

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29 proposed projects which have been deferred beyond the six years

1 covered by the plan and the year in which construction has been
2 rescheduled to begin;

3 (D) a forecast of the debt structure of the state and
4 the various debt ratios over the life of the state's bonds
5 outstanding, bonds authorized and to be issued, and bond
6 authorizations recommended in the plan;

7 (E) a description of additional revenue measures
8 needed to finance the plan in lieu of debt;

9 (F) bond election bills to authorize the bonds
10 required to fund the projects scheduled for the first three years
11 of the plan;

12 (G) projections of population of the state and its
13 regions and communities;

14 (H) economic data and projections necessary for the
15 evaluation of the plan, including projected operating and
16 maintenance costs of the capital improvements;

17 (4) a summary of state receipts in the last fiscal year, a
18 revised estimate for the current fiscal year, and an estimate for the
19 succeeding fiscal year;

20 (5) a summary of expenditures during the last fiscal year,
21 those authorized for the current fiscal year, and an estimate for the
22 succeeding fiscal year;

23 (6) any additional information which will facilitate
24 understanding of the governor's proposed programs and financial plans
25 by the legislature and the public.
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League of Women Voters of Alaska

January 24, 1986

Representative Al Adams
Chair
House Finance Committee
Juneau, Alaska

Re: House Bill 487

Dear Representative Adams:

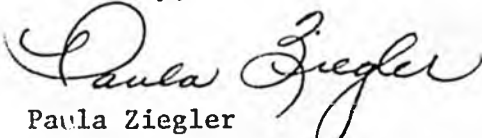
Based on our Capital Budget Process position adopted in 1985, after two years of statewide study, the League of Women Voters of Alaska supports passage of House Bill 487.

Future operating and maintenance costs should be an integral part of all considerations relating to capital projects. Requiring a projection of what these costs are estimated to be is a step in the right direction.

We are hopeful for a favorable consideration of this bill by your committee.

Thank you.

Sincerely,



Paula Ziegler
127 N. Franklin Street #909
Juneau, Alaska 99801



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

7/25/89
Date