

*Letter of Intent
Geo F. Note*

Dudraff

Offered: 1/31/86
Referred: Finance

Original sponsors: Davis, Koponen,
Haley, et al

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS For HOUSE BILL NO. 487 (C&RA)

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 capital 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-
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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

1 expenditures do not exceed estimated receipts for that fiscal year;

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3 balance the succeeding fiscal year's budget and the capital improve-
4 ments section of the budget for the succeeding six years;

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12 session. The message shall be accompanied by an explanatory report
13 which summarizes recommended goals, plans, and appropriations. The
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26 the project adjusted for inflation over the estimated period of
27 construction, and the source of financing for the project; the
28 project description for a new building or a new facility or for a

29 CSHE 487(C&RA) major addition to a building or facility should include a site

COMMITTEE COPY

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
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by the legislature and the public.

Siedorff

Introduced: 1/20/86
Referred: Community & Regional
Affairs and Finance

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BY DAVIS, KOPONEN, HURLEY,
GOLL AND MARROU

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ae 4/31



Alaska State Legislature

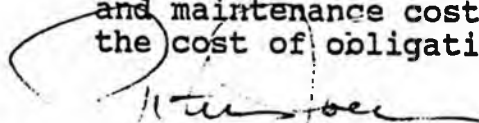
House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

LETTER OF INTENT CSHB 487 (C&RA)

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

C. 1/31

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 487 (CARRA)
 Title : An Act relating to projected operating and maintenance...
 Sponsor : DAVIS
 Requestor : DAVIS
 Date of Request : 1-27-86

FISCAL DETAIL

Agency Affected : Legislative Finance
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING : (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : James R Slocum Phone : 465 3995
 Division : _____ Date : 1-27-86
 Approved by Commissioner : Richard Brown Date : 1/27/86
 Agency : LEGISLATIVE FINANCE DIVISION

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ALASKA STATE LEGISLATURE

14th.. Legislature SECOND.. Session

HOUSE ...BILL..... NO. ...487..

By DAVIS, .KOPONEN, .HURLEY, .GOLL,
MARROU

"An Act relating to projected
operating and maintenance costs
of capital improvements."

capital improvements

Introduced in the House 1/20....., 19.36

HISTORY IN THE HOUSE

19 36	Read first time and referred to Committee on												
Jan 20	C&RA AND FINANCE												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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PASS	Effective Date												
Yeas	Yeas												
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	Reported correctly engrossed												
	Signed by Speaker												
	Sent to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

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	Signed by President												
	Returned to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 2/13

REQUEST

Bill/Resolution No. : CSHB 487 (C&RA)
 Title : Relating to projected
operating and maintenance

Sponsor : Davis
 Requestor : House Finance Committee
 Date of Request : 2/13/86

FISCAL DETAIL

Agency Affected : Legislative Affairs Agency
 BRU : Governor's Office

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
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LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : Al Adams, Chair *APA* Phone : 465-3706
 Division : House Finance Committee Date : 2/13/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

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Peter Goll
Chairman

HB 487

1. Projected M&O costs shall be included in a fiscal note attached to an appropriation bill before the bill is passed out of the first committee of referral.
2. It is the responsibility of the legislature to take into consideration the projected M&O costs included in the fiscal note.
3. The governor's economic data and projections used in evaluating the capital improvements program shall include projected M&O costs of the capital improvements.

-
1. State agencies and some municipalities already provide projected M&O costs in their capital improvement requests.
 2. Ultimate responsibility for providing the projected M&O costs in the fiscal note resides with the legislator requesting the capital improvement through legislation.
 3. Projected M&O costs would be received by asking that this information be provided by the party requesting the capital improvement.
 4. It is not expected that this legislation will be costly or burdensome to requestors of state grants for capital improvements. Projected M&O costs could be determined at the same time that the cost is determined for the capital improvement itself.

The intent of this legislation is to provide greater fiscal responsibility in the state by providing legislators with an assessment of the projected future costs associated with a capital improvement under consideration. CSHB 487 applies only to capital improvements that have been submitted in legislation.

ACTION NARRATIVE

TAPE #51 SIDE ONE
Recording

Number 003

Chair called the meeting to order at 3:08 p.m. He announced calendar, brought forth the proposed committee substitute and asked for a motion to adopt the committee substitute for purposes of discussion. Representative Koponen so moved.

Number 019

Representative Davis said that one major concern of his constituents was to reform the budget process. The duty of the legislature, he continued, is to have a responsible fiscal management plan and this bill does that. The purpose of the this bill is to allow the legislature the opportunity to assess the extent of future encumbrances associated with capital improvements. He elaborated: Section 1. AS 24.08.030 (b) Before an appropriation bill containing an appropriation for a capitol improvement is reported from the committee of first referral, there shall be attached to the bill a fiscal note containing the projected operating and maintenance costs of the proposed capital improvement. Section 37.07.030. (7) consider the projected operating and maintenance costs of capital improvements submitted in legislation and (H) economic data and projections necessary for the evaluation of the plan, including projected operating and maintenance costs of the capital improvements. He referred to the zero fiscal note.

Number 090

Representative Marrou asked if these changes in the law would have any appreciable effect. Representative Davis felt the legislation will benefit and provide guidance to municipalities.

Number 121

Representative Furnace, responding to an earlier question by Representative Marrou, stated that the fiscal note pertains to the cost of the project and not the operating and maintenance cost of the project.

Number 157

Representative Koponen suggested that committee develop a letter of intent to accompany the legislation.

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:

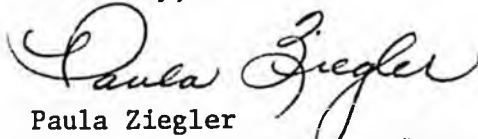
Based on our Capital Budget Process position adopted in 1985, after two years of statewide study, the League of Women Voters of Alaska supports passage of House Bill 487.

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

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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;

26 (B) a summary of projects previously authorized and
27 not yet completed;

28 (C) a summary, listed by agency, of all previously
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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