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FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FEB 07 1992

BILL NO. SB 354

Revision Date: 1/31/92 Department Affected: Department of Education

Title: An Act providing for the issuance of BRU: EF&SS
of general obligation bonds in the amount of \$170,000,000. Component: Facilities

Sponsor: Sen. Kerttula

Requestor: (S) HESS

COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	40.0	40.0	40.0	0.0	0	
TRAVEL	40.0	30.0	10.0	10.0	0	
CONTRACTUAL	75.0	40.0	15.0	5.0	0	
SUPPLIES	5.0	1.0	1.0	1.0	0	
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	160.0	111.0	66.0	16.0	-0-	
CAPITAL						

REVENUE	CIP	CIP	CIP	CIP	CIP
FUND SOURCE:	receipts	receipts	receipts	receipts	receipts

FUNDING: (Thousands of Dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER					
FUND SOURCE: CIP	160.0	111.0	66.0	16.0	0
TOTAL	160.0	111.0	66.0	16.0	0

POSITIONS:

FULL-TIME	1	1	1	0	0
PART-TIME					
TEMPORARY					

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) SEE ATTACHED

Prepared By: James Tozer Phone: 465-2865

Division: EF&SS Date: _____

Approved by Commissioner: Jerry Covey *Maie Melm ka JG*

Agency: Department of Education Date: 2/7/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

The one position would be an Administrative Assistant, Range 14. This position could provide all of the necessary support needed to manage these additional projects. Travel funds would be used for about 45 round trips to the various sites to review projects and to respond to district requests for assistance. Contracted funds would pay for legal services, form printing and any A/E services requested by the Department for project review. The Department would also need additional educational supplies to support the increased workload.

Alaska State Legislature



Sen. Jay Kerttula, Co-Chairman
Sen. Pat Pouchot, Co-Chairman

Sen. Al Adams
Sen. Jim Duncan
Sen. Lyman F. Hoffmun
Sen. Dick Shultz
Sen. Rick Uehling

Senate Finance Committee

State Capitol
Juneau, AK 99801-1182
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SPONSOR STATEMENT

Senate Bill 354
by
Senator Jay Kerttula

Sponsor Substitute for Senate Bill 354 would authorize a ballot initiative for \$170,000,000 of general obligation bonds of the state to fund construction of all priority I schools and a portion of the priority II schools identified by the Department of Education.

It is my belief that the current method of funding school construction does not address the needs of the whole state. When we do not fund any priority II school requests, unhoused students are being denied the quality of education that is their right. Furthermore, we have failed to address the life, health, safety issues of all the priority I schools.

I believe that this bonding initiative is timely. The state is in a good position to take advantage of the current low interest rates. We have bonded in the past when we did not have the revenues to pay cash.

I would urge favorable consideration of Sponsor Substitute for Senate Bill 354.

Capital Improvement Program Budget Request
for Fiscal Year 93

<u>PRIORITY TYPE I</u>					
<u>Priority</u>	<u>District Name</u>	<u>Priority 1 Ranking</u>	<u>Amount</u>	<u>Project Name</u>	
1	Lower Kuskokwim Schools	1	6,913.0	Kasigluk-Akiuk School Replacement Ph.II	
2	Ketchikan Gateway Borough Schools	2	14,623.7	Ketchikan High: Phase III	
3	Nome City Schools	3	885.0	Nome-Beltz Life Safety Upgrade/Asbestos	
4	Lower Kuskokwim Schools	4	2,500.0	Nunapitchuk Elementary School Addition	
5	Kodiak Island Borough Schools	5	525.0	Old Harbor K-12 Structural Repair	
6	Hoonah City Schools	6	1,738.2	Schl-wide Sprinkler System/Life/Safe Ph II	
7	Alaska Gateway Schools	7	13,232.0	Tok School Replacement	
8	Kake City Schools	8	1,482.0	Elementary & High School Life/Safety	
9	Southwest Region Schools	9	726.5	New Stuyahok Roof and Wall Replacement	
10	Pribilof Schools	10	1,164.4	St. Paul/Roofing and Siding Replacement	
11	Yakutat City Schools	11	558.9	Elementary School Repair	
12	Bering Strait Schools	12	11,020.0	Gambell Elementary	
13	Fairbanks North Star Borough Schools	13	12,110.9	North Pole Elementary Addition	
14	Annette Island Schools	14	693.0	Elementary/Middle School Repair	
15	North Slope Borough Schools	15	250.0	Point Hope Entryways and Roof Renovation	
16	Lake & Peninsula Borough Schools	16	1,660.0	Chignik Bay School	
17	Kuspuk Schools	17	380.0	Sleetmute: Foundation & Roof Repair	
18	Kashunamiut Schools	18	14,400.0	Replacement School Facility	
19	Craig City Schools	19	524.7	Craig High School Roof Replacement	
	Total for Priority Type 1	=	85,387.3		

Capital Improvement Program Budget Request
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<u>PRIORITY TYPE *</u>	<u>District Name</u>	<u>Priority *</u>	<u>Amount</u>	<u>Project Name</u>
<u>Priority</u>		<u>Ranking</u>		
20	Copper River Schools	*	2,988.5	Glennallen Secondary School Final Phase
21	Lower Yukon Schools	*	3,080.0	Mt. Village/Phase II/Elementary Replace
Total for Priority Type		* =	6,068.5	

PRIORITY TYPE 2

		<u>Priority 2</u>		
		<u>Ranking</u>		
22	Northwest Arctic Schools	1	2,091.0	Selawik Elementary Addition
23	Copper River Schools	2	1,536.9	Slana Elementary School Phase II
24	Bering Strait Schools	3	4,928.0	Koyuk School Addition/Renovation
25	Kenai Peninsula Borough Schools	4	426.9	Portable Classrooms Districtwide
26	Southeast Island Schools	5	1,537.0	Edna Bay School Construction
27	Lower Yukon Schools	6	582.0	Hooper Bay Classroom Addition
28	Southeast Island Schools	7	1,830.4	Kasaan/Hollis Schools Project
29	Southeast Island Schools	8	819.2	Port Protection School
30	Craig City Schools	9	2,039.4	Craig Classroom Addition
31	Kuspuk Schools	10	1,946.4	Upper Kalskag: O/J Gregory Elementary
32	Kuspuk Schools	11	5,803.4	Aniak Middle/Elementary School Phase I
33	Lower Kuskokwim Schools	12	17,679.0	New Bethel Middle School
34	Yupit Schools	13	5,200.0	Akiachak Elementary Replacement/Renovate
35	Ketchikan Gateway Borough Schools	14	8,477.6	Schoenbar Junior High
36	Fairbanks North Star Borough Schools	15	6,000.0	New Fairbanks High School Phase I

* Pursuant to Chapter 5, SLA 1990, Section 16

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PRIORITY TYPE 2 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 2 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
37	Lake & Peninsula Borough Schools	16	1,000.0	Ivanof Bay School Replacement
38	Fairbanks North Star Borough Schools	17	12,943.9	New North Fairbanks Elementary
39	Yukon Flats Schools	18	1,500.0	Circle: Multipurpose/Classroom Addition
40	Kodiak Island Borough Schools	19	7,500.0	Kodiak New Elementary School Phase I
41	Yukon/Koyukuk Schools	20	1,300.0	Allakaket School Addition
42	Matanuska-Susitna Borough Schools	21	5,000.0	Glacier View School
43	Southwest Region Schools	22	2,112.0	Togiak School Addition
44	Lake & Peninsula Borough Schools	23	450.0	Kokhanok School Addition
45	Kenai Peninsula Borough Schools	24	1,449.8	Kenai Elementary School Renovation
46	Chatham Schools	25	687.0	Angoon Elementary Classroom Addition
47	Anchorage Schools	26	1,200.0	Turnagain Classroom Addition
48	Unalaska City Schools	27	600.0	Elementary Classroom Addition
49	Southeast Island Schools	28	3,390.4	Coffman Cove: Building Replacement
50	Bering Strait Schools	29	3,927.4	Govovin Elementary Addition to H.S.
51	Juneau Borough Schools	30	200.0	Auke Bay Classroom Addition
52	Lower Kuskokwim Schools	31	4,369.0	Atmautluak Elementary School Addition
53	Anchorage Schools	32	1,000.0	Eagle River Elementary Addition
54	Kenai Peninsula Borough Schools	33	10,300.5	New West Homer Elementary
55	Chatham Schools	34	612.5	Gustavus: Classroom Addition
56	Copper River Schools	35	1,809.0	Copper Center Elementary Addition
57	Anchorage Schools	36	3,499.6	Willow Crest Elementary Addition

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PRIORITY TYPE 2 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 2 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
58	Haines Borough Schools	37	3,840.0	Middle School Addition
59	Kodiak Island Borough Schools	38	1,500.0	Ouzinkie Upgrade/Remodel
60	Anchorage Schools	39	4,037.0	Susitna Elementary Addition
61	Matanuska-Susitna Borough Schools	40	25,000.0	Atlasta New Middle School
62	Kuspuk Schools	41	650.0	Crooked Creek: Johnnie John School Add.
63	Anchorage Schools	42	4,456.7	Chinook Elementary Addition
64	Kenai Peninsula Borough Schools	43	9,971.2	New Soldotna Elementary
65	Klawock City Schools	44	120.0	School Site Planning and Design
66	Kuspuk Schools	45	750.0	Lower Kalskag Elementary School Addition
67	Kenai Peninsula Borough Schools	46	25,040.7	New Skyview Middle/Jr High
68	North Slope Borough Schools	47	3,000.0	Nuqsut School Addition
69	Anchorage Schools	48	27,500.0	South Anchorage New Jr. High
70	Anchorage Schools	49	12,500.0	South Anchorage New Elementary
71	Juneau Borough Schools	50	200.0	Modular Purchase
72	Kenai Peninsula Borough Schools	51	42.0	Relocation of Portable Classrooms
Total for Priority Type 2 =			244,355.9	

PRIORITY TYPE 3

		<u>Priority 3 Ranking</u>		
73	Lower Kuskokwim Schools	1	526.0	Bethel High Major Main./Roof Replacement
74	North Slope Borough Schools	2	3,410.0	Barrow Schools H.S. Sprinkler Replace
75	North Slope Borough Schools	3	2,150.0	District Wide Swimming Pool Renovations

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PRIORITY TYPE 3 (con't)

Priority	District Name	Priority 3 Ranking	Amount	Project Name
76	Railbelt Schools	4	99.5	Tri-Valley Gym Insulation/Fire Protect
77	Lower Kuskokwim Schools	5	515.0	Napakiak School Relocation
78	Wrangell City Schools	6	60.0	Drainage-Intermediate School
79	Pribilof Schools	7	340.5	St. George Roof & Exterior Repair
80	Railbelt Schools	8	101.0	Anderson Fire Separation & Egress
81	Haines Borough Schools	9	312.0	Elem/Middle/Exterior Wall Protection
82	Yakutat City Schools	10	213.8	High School Roof Repair
83	Kodiak Island Borough Schools	11	1,000.0	Main Elementary Roof Repair
84	Lake & Peninsula Borough Schools	12	300.0	Districtwide Life Safety/Code Upgrades
85	Yukon/Koyukuk Schools	13	254.8	Nulato Voc-Ed
86	Iditarod Area Schools	14	65.5	Lime Village Oil Storage
87	Fairbanks North Star Borough Schools	15	863.1	Districtwide Major Repair/Renov/Alter
88	Yukon/Koyukuk Schools	16	228.8	Kaltag Vocational Education Facility
89	Kenai Peninsula Borough Schools	17	73.9	Chapman Elementary Re-Roof
90	Aleutian Region Schools	18	20.0	Nikolski School Window Replacement
91	Juneau Borough Schools	19	490.0	Auke Bay Elementary Re-Roof
92	Iditarod Area Schools	20	51.0	Anvik Oil Storage
93	Kenai Peninsula Borough Schools	21	129.9	Nikiski Elementary Re-Roof
94	Saint Marys Schools	22	475.0	Well & Water System Replacement
95	Juneau Borough Schools	23	100.0	J/D High School Exterior Wall Repair
96	Juneau Borough Schools	24	800.0	Glacier Valley Elementary Re-Roof

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PRIORITY TYPE 3 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 3 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
97	Iditarod Area Schools	25	26.0	Grayling Oil Storage
98	Wrangell City Schools	26	489.0	Voc Ed/Middle School Roof and Gutter
99	Wrangell City Schools	27	456.0	Elementary Roof and Gutter Replacement
100	Anchorage Schools	28	3,477.4	Diamond High School Re-roof
101	Chugach Schools	29	48.0	Whittier School Reroofing
102	Matanuska-Susitna Borough Schools	30	770.0	School Partial Reroofing
103	Matanuska-Susitna Borough Schools	31	1,494.0	Wasilla High Walls and Fenestration
Total for Priority Type 3 =			19,340.2	

PRIORITY TYPE 4

		<u>Priority 4 Ranking</u>		
104	Lower Kuskokwim Schools	1	5,626.0	Newtok Elementary School Addition
105	Fairbanks North Star Borough Schools	2	550.0	Hunter Elementary Renovation
106	Petersburg City Schools	3	139.3	Elementary School Code Upgrades
107	Lower Kuskokwim Schools	4	2,560.0	Districtwide Water Treatment
108	Fairbanks North Star Borough Schools	5	950.0	Lathrop High School Renovations
109	Lower Kuskokwim Schools	6	4,875.0	Districtwide Subsurface Water Treatment
110	Saint Marys Schools	7	228.2	Health/Life Safety Code Upgrade
111	Lower Kuskokwim Schools	8	3,800.0	Districtwide Asbestos Abatement
112	Kenai Peninsula Borough Schools	9	2,332.3	Kenai Jr. High Asbestos Abatement
113	Yukon Flats Schools	10	9,000.0	Fort Yukon: New School
114	Kenai Peninsula Borough Schools	11	124.5	Homer Intermediate Asbestos Abatement

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PRIORITY TYPE 4 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 4 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
115	Fairbanks North Star Borough Schools	12	133.4	Districtwide Fire Protection
116	Kenai Peninsula Borough Schools	13	46.8	Paul Banks Elementary Asbestos Abatement
117	Iditarod Area Schools	14	115.8	Anvik School Kitchen & 2nd Floor Storage
118	Aleutians East Borough Schools	15	6,766.0	King Cove Elementary Replacement
119	Kenai Peninsula Borough Schools	16	79.6	Susan B. English Asbestos Abatement
120	Anchorage Schools	17	2,000.0	Fire Code Violations Projects
121	Kenai Peninsula Borough Schools	18	221.0	Seward Elementary Asbestos Abatement
122	Annette Island Schools	19	171.7	Districtwide Asbestos Removal
123	Northwest Arctic Borough Schools	20	2,056.5	Districtwide Deferred Major Maintenance
124	North Slope Borough Schools	21	50.0	Anaktuvuk Pass Welding Room Renovation
125	Fairbanks North Star Borough Schools	22	12,576.5	Denali Elementary Replacement
126	North Slope Borough Schools	23	100.0	Welding Room Renovation/Barrow HS
127	Copper River Schools	24	1,427.3	Glennallen Elementary Remodel
128	Fairbanks North Star Borough Schools	25	13,182.7	Nordale Elementary Replacement
129	Aleutians East Borough Schools	26	649.0	Sand Point Pool Retrofit
130	North Slope Borough Schools	27	50.0	Welding Room Renovation/Nuigsut
131	Northwest Arctic Borough Schools	28	3,378.0	Districtwide Fuel Tank Farm Upgrade
132	Anchorage Schools	29	1,669.7	MLK Career Center/Heating Renovations
133	Skagway City Schools	30	105.3	K-12 Building Protection
134	Fairbanks North Star Borough Schools	31	12,138.7	Eielson Air Force Base Elementary School
135	Anchorage Schools	32	992.6	Complete Elevator Installation

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PRIORITY TYPE 4 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 4 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
136	Hydaburg City Schools	33	33.7	Replacement of Fuel Storage Tanks
137	Anchorage Schools	34	1,312.9	Underground Storage Tanks
138	Kodiak Island Borough Schools	35	1,700.0	Kodiak High School Code Upgrade
139	Juneau Borough Schools	36	200.0	Districtwide Asbestos Abatement
140	Anchorage Schools	37	1,224.4	Bartlett HHS/Heating system Phase II
141	Juneau Borough Schools	38	150.0	Harborview Elem. Plumbing Replacement
142	Anchorage Schools	39	4,000.0	Districtwide Mechanical Renovation
143	Anchorage Schools	40	193.9	Mears Junior High/Vent System
144	Anchorage Schools	41	2,346.9	Diamond Heating/Ventilation Phase II
145	Anchorage Schools	42	2,200.0	Districtwide Kitchen Upgrades
146	Kenai Peninsula Borough Schools	43	40.3	Homer Jr. High Handicap Access
147	Anchorage Schools	44	585.6	Service High School/Phase II Asbestos
148	Anchorage Schools	45	313.5	Eagle River/Heating & Ventilation
149	Kenai Peninsula Borough Schools	46	40.3	Kenai Jr. High Handicapped Access
150	Anchorage Schools	47	4,300.0	Districtwide Asbestos Abatement
151	Anchorage Schools	48	535.2	Chugiak High/Replace Univents
152	Anchorage Schools	49	448.0	O'Malley Elementary Heat Vent Upgrades
153	Anchorage Schools	50	307.4	Replace Classroom Univents/Campbell
154	Juneau Borough Schools	51	80.0	Districtwide Ceramic Kiln Ventilation
Total for Priority Type 4			=	108,108.0

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PRIORITY TYPE 5

<u>Priority</u>	<u>District Name</u>	<u>Priority 5 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
155	Kenai Peninsula Borough Schools	1	28.7	Ninilchik Boiler Replacement
156	Anchorage Schools	2	3,300.0	Districtwide Roof Replacements
Total for Priority Type 5 =			3,328.7	

PRIORITY TYPE 6

		<u>Priority 6 Ranking</u>		
157	Sitka Borough Schools	1	1,033.0	Baranof Elementary School
158	Kenai Peninsula Borough Schools	2	8,564.9	Tustunena Elementary Addition
159	Unalaska City Schools	3	842.1	High School Wood Shop/Music Room Add.
160	Nome City Schools	4	5,155.0	Nome-Beltz Middle School Remodel
161	Pribilof Schools	5	604.0	St. George/Media Center & Kitchen Add
162	Kodiak Island Borough Schools	6	1,200.0	Kodiak High School Alteration Project
163	North Slope Borough Schools	7	2,100.0	Point Lay: Gym/Classroom Addition
164	Matanuska-Susitna Borough Schools	8	6,000.0	Swanson Elementary School Renovation/Add
165	Lower Kuskokwim Schools	9	1,000.0	Chefornak Improvements
166	Chugach Schools	10	157.5	Whittier Voc-Ed
167	Lake & Peninsula Borough Schools	11	1,100.0	Pilot Point School Replacement
168	Cordova City Schools	12	1,730.0	Cordova High School Science & Computer
169	Yupiit Schools	13	13,717.5	Consolidated High School & Boarding Home
170	Bristol Bay Borough Schools	14	3,449.5	Gymnasium Addition/Naknek K-12

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PRIORITY TYPE 6 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 6 Type</u>	<u>Amount</u>	<u>Project Name</u>
171	Kodiak Island Borough Schools	15	5,600.0	High School Voc-Ed Building Upgrade
172	Kenai Peninsula Borough Schools	16	644.0	Homer Junior High Pool Conversion
173	Anchorage Schools	17	4,199.3	Wonder Park Elementary Addition
174	Tanana City Schools	18	3,732.0	Elementary/Middle School Project
175	Petersburg City Schools	19	700.0	Middle/High School Shop Addition
176	Kenai Peninsula Borough Schools	20	1,263.6	Nikolaevsk Gym Expansion
177	Southeast Island Schools	21	1,496.0	Thorne Bay School Addition
178	Anchorage Schools	22	2,212.2	Clark Jr. High/Media Center & Remodel
179	Lake & Peninsula Borough Schools	23	1,600.0	Port Heiden Addition
180	Anchorage Schools	24	3,182.7	Williwaw Addition
181	Pribilof Schools	25	360.5	St. Paul/Kitchen Construction
182	Anchorage Schools	26	330.0	Mt. Spurr Elementary Kindergarten Center
183	Anchorage Schools	27	2,700.0	N. Star Elementary Addition
184	Hydaburg City Schools	28	104.0	District: Maintenance/Storage Building
185	Delta/Greely Schools	29	12,500.0	K-12 Educational Complex
186	Juneau Borough Schools	30	50.0	Floyd Dryden Wood Shop
187	Cordova City Schools	31	21,704.2	Elementary Addition and Remodel
188	Bering Strait Schools	32	2,473.1	White Mountain Elementary Addition
189	Kuspuk Schools	33	510.0	Kalskag: George Morgan Jr/Sr High Add.
190	Fairbanks North Star Borough Schools	34	2,196.4	District Physical Plant

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PRIORITY TYPE 6 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 6 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
191	Kenai Peninsula Borough Schools	35	22,607.0	New Anchor Point Middle School
192	Hoonah City Schools	36	1,576.1	Multipurpose Facility Phase II
193	Unalaska City Schools	37	231.3	Administrative Office & Storage Remodel
194	Kenai Peninsula Borough Schools	38	22,607.0	New Nikiski Middle School
195	Fairbanks North Star Borough Schools	39	4,398.0	District Food Service
Total for Priority Type 6 =			165,630.9	

PRIORITY TYPE 7 (These projects are not ranked within priority type.)

196	Kenai Peninsula Borough Schools	7	35.0	Soldotna High Ventilation of Pool Locker
197	Kenai Peninsula Borough Schools	7	69.0	Homer Jr. High Resurface Track
198	Juneau Borough Schools	7	100.0	Districtwide Exterior Painting
199	Petersburg City Schools	7	150.0	Petersburg Schools: Vehicle Access/North
200	Juneau Borough Schools	7	170.0	JDHS/UA Pedestrian Overpass Upgrade
201	Kuspuk Schools	7	255.0	Underground Fuel Tank Removal
202	Nome City Schools	7	610.0	Nome-Beltz Functional Upgrade Planning
203	Matanuska-Susitna Borough Schools	7	1,000.0	Knik Elementary School
204	Sitka Borough Schools	7	1,313.0	DW Maintenance Building/Warehouse
Total for Priority Type 7 =			3,702.0	

GRAND TOTAL: 635,921.5

From: Alaska Population Project
Dept. of Labor
Nov. 1991

Table 2.3
Projected Population Age 5-17, for Boroughs, Census Areas
and Labor Market Regions, 1990-2000.

Part A: Middle Series

	April 1 1990	July 1 1991	July 1 1992	July 1 1993	July 1 1994	July 1 1995	July 1 1996	July 1 1997	July 1 1998	July 1 1999	July 1 2000
State of Alaska	117,447	121,992	125,570	128,270	131,083	133,918	136,656	139,092	141,352	143,716	145,965
Anchorage\ Matanuska-Susitna Region	55,329	57,749	59,716	61,261	62,862	64,468	66,039	67,469	68,814	70,208	71,542
Anchorage Borough	45,189	47,020	48,480	49,599	50,763	51,934	52,941	53,836	54,662	55,528	56,346
Matanuska-Susitna Borough	10,140	10,729	11,236	11,662	12,099	12,534	13,098	13,633	14,152	14,680	15,196
Gull Coast Region	14,352	14,718	14,967	15,111	15,270	15,433	15,570	15,671	15,752	15,847	15,928
Kenai Peninsula Borough	9,601	9,901	10,124	10,274	10,435	10,598	10,723	10,825	10,912	11,008	11,096
Kodiak Island Borough	2,728	2,765	2,779	2,773	2,771	2,770	2,784	2,790	2,795	2,801	2,804
Valdez-Cordova Census Area	2,023	2,052	2,064	2,064	2,064	2,065	2,063	2,056	2,045	2,038	2,028
Interior Region	19,781	20,580	21,215	21,702	22,208	22,717	23,344	23,918	24,464	25,026	25,569
Fairbanks North Star Borough	16,251	16,988	17,594	18,075	18,571	19,069	19,671	20,230	20,766	21,314	21,846
Southeast Fairbanks Census Area	1,507	1,551	1,581	1,601	1,622	1,644	1,667	1,685	1,701	1,719	1,735
Yukon-Koyukuk Census Area	2,023	2,041	2,040	2,026	2,015	2,004	2,006	2,003	1,997	1,993	1,988
Northern Region	5,182	5,434	5,644	5,812	5,987	6,163	6,364	6,554	6,733	6,920	7,099
Nome Census Area	2,102	2,184	2,248	2,294	2,344	2,396	2,459	2,520	2,575	2,634	2,689
North Slope Borough	1,408	1,493	1,567	1,629	1,694	1,757	1,811	1,859	1,907	1,955	2,002
Northwest Arctic Borough	1,672	1,757	1,829	1,889	1,949	2,010	2,094	2,175	2,251	2,331	2,400
Southeast Region	14,628	14,916	15,083	15,145	15,222	15,306	15,260	15,181	15,079	14,991	14,891
Haines Borough	437	439	439	434	432	428	420	413	402	395	385
Juneau Borough	5,440	5,606	5,727	5,806	5,892	5,981	5,988	5,982	5,970	5,960	5,947
Ketchikan Gateway Borough	2,911	2,921	2,907	2,873	2,842	2,813	2,801	2,782	2,763	2,743	2,721
Prince of Wales-Outer Ketchikan C.A.	1,443	1,502	1,550	1,586	1,624	1,662	1,688	1,710	1,728	1,749	1,769
Sitka Borough	1,871	1,853	1,820	1,775	1,732	1,690	1,647	1,601	1,553	1,506	1,457
Skagway-Yakutat-Angoon Census Area	1,042	1,064	1,075	1,083	1,089	1,095	1,071	1,046	1,016	990	962
Wrangell-Petersburg Census Area	1,484	1,531	1,565	1,588	1,611	1,637	1,645	1,647	1,647	1,648	1,650
Southwest Region	8,175	8,595	8,945	9,239	9,534	9,831	10,079	10,299	10,510	10,724	10,936
Aleutians East Borough	366	380	388	396	403	411	404	393	386	374	366
Aleutians West Census Area	1,104	1,195	1,279	1,353	1,429	1,503	1,512	1,518	1,521	1,526	1,529
Bethel Census Area	3,467	3,594	3,693	3,766	3,842	3,919	4,013	4,099	4,179	4,262	4,342
Bristol Bay Borough	259	268	275	279	284	289	291	292	293	295	296
Dillingham Census Area	944	993	1,034	1,067	1,101	1,136	1,181	1,221	1,261	1,300	1,341
Lake and Peninsula Borough	421	434	442	451	456	463	468	471	473	476	479
Wade Hampton Census Area	1,614	1,731	1,834	1,927	2,019	2,110	2,210	2,305	2,397	2,491	2,583

Source: Alaska Department of Labor, Research & Analysis, Demographic Unit.

Senate Bill 354

	A	B	C	D	E	F
1	Project	DOE AMT	2 %	3 %	4 %	SB 354
2						
3	Kasigluk-Akiak	6,913.0		6,705.6		6,706.0
4	Nome-Beltz	885.0	867.3			867.0
5	Nunapitchuk	2,500.0		2,425.0		2,425.0
6	Kodiak-Old Harbor	525.0	514.5			515.0
7	Hoonah	1,738.2		1,686.1		1,686.0
8	Tok	13,232.0			12,702.7	12,703.0
9	Kake	1,482.0		1,437.5		1,438.0
10	New Sluyahok	726.5	712.0			712.0
11	Pribilof-St. Paul	1,164.4		1,129.5		1,129.0
12	Yakutat	558.9	547.7			548.0
13	Gambell	11,020.0			10,579.2	10,579.0
14	Annette Island	693.0	679.1			679.0
15	Point Hope	250.0	245.0			245.0
16	Chignik Bay	1,660.0		1,610.2		1,610.0
17	Sleetmute	380.0	372.4			372.0
18	Kashunahmiut	14,400.0			13,824.0	13,824.0
19	Glennallen	2,988.5		2,898.8		2,899.0
20	Mt. Village	3,080.0		2,987.6		2,988.0
21	Selawik	2,091.0		2,028.3		2,028.0
22	Slana	1,536.9		1,490.8		1,491.0
23	Koyuk	4,928.0		4,780.2		4,780.0
24	Edna Bay	1,537.0		1,490.9		1,491.0
25	Hooper Bay	582.0	570.4			570.0
26	Craig	524.7	514.2			514.0
27	Ketchikan	14,623.7			14,038.8	14,039.0
28	North Pole	12,110.9			11,626.5	11,626.0
29	Kenai Peninsula	426.9	418.4			418.0
30	Ketchikan	8,477.6		8,223.3		8,223.0
31	Fairbanks	6,000.0		5,820.0		5,820.0
32	Matanuska-Susitna	5,000.0		4,850.0		4,850.0
33	Anchorage	1,200.0		1,164.0		1,164.0
34	Fairbanks	12,943.9			12,426.1	12,426.0
35	Kenai	1,449.8		1,406.3		1,406.0
36	Juneau	200.0	196.0			196.0
37	Eagle River	1,000.0		970.0		970.0
38	Kenai	10,300.5			9,888.5	9,888.0
39	Anchorage	3,499.6		3,394.6		3,395.0
40	Matanuska-Susitna	25,000.0				17,000.0
41	Craig	2,039.4		1,978.2		1,978.0
42	Angoon	687.0	673.3			673.0
43	Juneau	200.0	196.0			196.0
44						
45	Total	180,355.4				167,067.0
46						
47	Estimated issue costs					3,000.0

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 5
JUNEAU, ALASKA 99811-0400
PHONE: (907) 465-2300
TELEFAX: (907) 465-2389

February 21, 1992

The Honorable Jalmar Kerttula
Co-Chairman, Senate Finance Committee
Alaska State Legislature
State Capitol, Rm 518
Juneau, AK 99801-1182

Dear Senator Kerttula:

The estimated capacity of the State to ~~issue~~ debt is as follows (\$ millions):

Debt Capacity

<u>Fiscal Year</u>	<u>Low Scenario Revenue Estimate</u>	<u>Mid Scenario Revenue Estimate</u>	<u>High Scenario Revenue Estimate</u>
1993	-	-	-
1994	-	-	90
1995	-	24	261
1996	-	115	168
1997	161	184	207
1998	-	-	32
1999	-	-	25

In these estimates, debt service on state lease-financings of public buildings, University of Alaska debt, and the state portion of municipal general obligation debt issued to finance school construction is included with state general obligation debt service in deriving the State's debt capacity. Over the years the State Bond Committee has chosen to include the entire general fund debt commitment even as the 5% unrestricted revenue target was exceeded. Different debt capacity scenarios could be estimated without including one or more of these components of state-supported debt. Alternatives to the 5% of the unrestricted revenue target can be developed as well.

Any contingent liability such as moral obligation and state guaranteed debt could be added to these components if a situation arose which made a call on the general fund for that liability a possibility. At this time, I know of no such contingent liability situation.

February 21, 1992

Page 2

The above estimate is based upon issuing state general obligation debt at current credit ratings, with level debt service, and a seven year final maturity. These parameters are within the Prudhoe Curve mandate. Although I believe these assumptions are adequate for this presentation, various alternative debt issuance strategies could be developed with various debt service levels and various final maturities.

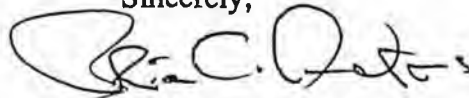
Lease-financing debt would have a lower credit rating and possibly longer maturity. Longer maturities could probably be accommodated on moderate amounts of lease debt because the conversion of operating leases to lease-financings would achieve net present value savings which are regarded differently than a new obligation by credit analysts. The characterization of lease-financing issuance as a cost-saving strategy within the operating budget, e.g. the replacement of a higher net present value operating lease obligation with a lower net present value lease-financing obligation, has been important in the explanation of issuance when debt service exceeds 5% of current and forecasted unrestricted revenues.

One final point, implementation of a debt retirement fund with dedicated revenues would argue for a substitute methodology for this calculation. A positive impact could not be expected at the initialization of the fund, but only after the unobligated portion of the fund began to grow.

I think the work session on state general obligation bonding was worthwhile. The Alaska Legislature has played a major role in maintaining the State's credit rating over the years. The many positive aspects of the State's fiscal management that have been reported to the rating agencies are a direct result of legislative action.

Please let me know if there is any additional information you would like to have. I will certainly send you a copy of any rating agency review of the state credit on the day of publication. The accompanying table shows the derivation of this particular estimate of debt capacity.

Sincerely,



Brian C. Andrews
Deputy Commissioner

BCA/mem
Enclosure
92-043

cc: Glenn A. Olds, Chairman, State Bond Committee
Nancy Bear-Usera, State Bond Committee
Darrel J. Rexwinkel, Secretary, State Bond Committee
Shelby Stastny, Director, Office of Management & Budget

DEBT CAPACITY
Fall 1991 Revenue Estimates

<u>Fiscal</u> <u>Year</u>	<u>Unrestricted Revenue</u>			<u>5% of Revenue</u>			<u>Existing</u> <u>Debt</u> <u>Service</u>	<u>Additional</u> <u>Debt Capacity</u>			<u>Cumulative</u> <u>Debt Capacity</u>		
	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>
1993	1809.1	2374.3	2875.3	90	119	144	189	-	-	-	-	-	-
1994	1834.1	2429.3	3226.3	92	121	161	146	-	-	90	-	-	90
1995	1990.1	2537.8	3674.6	100	127	184	123	-	24	261	-	24	351
1996	2012.9	2592.8	3914.4	101	130	196	106	-	115	168	-	139	518
1997	2146.4	2721.2	4094.4	107	136	205	78	161	184	207	161	323	726
1998	2057.2	2642.2	4102.1	103	132	205	73	-	-	32	161	323	758
1999	1864.7	2431.3	4029.9	93	122	201	65	-	-	25	161	323	783
2000	1699.1	2223.4	3828.1	85	111	191	49						
2001	1552.6	2047.9	3642.7	78	102	182	29						
2002	1436.0	1922.4	3601.8	72	96	180	16						
2003	1338.4	1789.6	3493.9	67	89	175	14						
2004	1242.9	1673.4	3875.8	62	84	194	13						
2005	1143.9	1549.9	4035.4	57	77	202	10						

- Notes:
1. Assumes seven year bonds at 5.2% --' amortization factor 0.192.
 2. The absence of revenue estimates beyond FY 2005 and the need to ascertain the availability of funds for debt service over a seven year term prevents the estimation of debt capacity beyond FY 1999.

Alaska Debt Presentation
Alaska Department of Revenue
February 12, 1992

Overview, Bond Terms.

The total state debt burden includes general obligation debt, other debt funded through general fund appropriations, and debt for which debt service is met from other sources. Debt funded from the general fund is called state-supported debt. Debt funded from other sources carries varying degrees of commitment by the state to make up for any shortfall.

The use of debt by the state steadily decreased during the 1980's. No general obligation debt has been issued since October of 1983. All authorized general obligation debt has been issued.

Ongoing programs such as Alaska Housing Finance Corporation and the Alaska Student Loan Corporation will continue but total state and state agency debt issuance and the amount outstanding will probably decline. Lease-financing issuance will likely continue but will for the most part be the conversion of existing long-term operating leases to achieve savings. The one exception is the possible issuance of lease debt to finance the construction of a new capitol building.

I. State general obligation debt.

Alaska's general obligation indebtedness peaked at just over \$1 billion in October, 1983, and will be \$156.9 million at the end of this fiscal year. Over 89% of all general obligation debt issued by the state will have been repaid at the end of this fiscal year even though the state is just over 30 years old. Outstanding general obligation debt will have diminished to less than \$150 million by this time next year. The final debt service payment will be made on October 1, 1999.

The current level of GO debt puts the state in the neighborhood of \$349 of GO debt per capita and \$16 of debt per \$1000 of personal income. Both measures indicate very moderate levels of GO debt.

General obligation debt service exceeded 5% of unrestricted revenues during the last half of the 1980's. It is not expected to do so again unless additional debt is issued since debt repayment is on such a steep schedule and the amounts are becoming quite small.

II. State-supported debt.

The State Bond Committee classifies all debt for which debt service must be appropriated out of the general fund as state-supported debt. That includes state lease debt, University of Alaska debt (since the University depends upon state general fund appropriations for most of its revenue) and reimbursement of municipal general obligation debt issued for school construction.

All debt to be paid out of the general fund has decreased from \$1,682 million outstanding on June 30, 1984 to \$862 million on June 30, 1991, and will be about \$732 million on June 30, 1992. However, the largest component of state-supported debt, namely school debt reimbursement, has only just recently begun to decrease.

Under a program enacted in 1970 the state reimburses municipalities for most or all of debt service on general obligation debt issued for school construction without any limit on the timing or amount except that reimbursement is subject to appropriation and the debt carries the general obligation of the municipality. The program was created in part to offer a measure of equity to larger municipalities since very small municipalities receive school construction funding through direct state appropriation.

The Alaska Legislature halted growth in the program in 1990, requiring that school construction bonds must have been authorized by the voters before March 31, 1990 in order to qualify for reimbursement. The program was replaced by a needs-based appropriation process for schools throughout the state.

The retirement of this program seems to indicate that state-supported debt will now decline in the 1990's similarly to the fall-off in general obligation debt during the 1980's.

Debt service on state-supported debt has been as much as 15.8% of unrestricted revenues. State-supported debt service will amount to 8.5% or less this year and then fall off quite rapidly under the middle scenario of the Fall revenue forecast.

Tables which accompany this narrative show annual state-supported debt service for outstanding debt and with debt service on an additional \$750 million of general obligation debt measured against forecasted revenues.

III. State guaranteed debt.

The only program which has the state guaranty is the Alaska Housing Finance Corporation veterans mortgage program. The State Bond Committee includes only those bonds which are not collateralized under the category of state guaranteed debt. The amount of state guaranteed debt which is not collateralized was \$135.1 million on June 30, 1991, having decreased at an annual rate of 21% during the past seven years. The amount of collateralized and noncollateralized guaranteed debt was \$293.2 million on June 30, 1991. The AHFC veterans mortgage program is expected to continue to decline as the number of qualifying veterans in the Internal Revenue Code continues to decline.

IV. State moral obligation debt.

The state has pledged its moral obligation to debt issued by a number of state agencies. The amount of moral obligation debt outstanding on June 30, 1991 was \$1,370 million, down from

a high of just over \$1.6 billion in 1987. The Alaska Aerospace Development Corporation, created in 1991 can issue bonds which carry the moral obligation but issuance greater than \$1 million in any year requires legislative authorization.

The newest issuer of moral obligation debt is the Alaska Student Loan Corporation which has issued moral obligation debt each year since 1988. Total issuance by the Corporation has been \$162,955,000.

On November 20, 1991, AHFC issued \$325.6 million of revenue refunding bonds which did not carry the state moral obligation pledge. However, the bonds being refunded did carry that pledge so the total amount of state moral obligation debt decreased to around \$1 billion.

V. Other state and state agency debt.

The amount of outstanding state and state agency debt reached as much as \$7.5 billion during 1986. Since that time the amount has decreased as AHFC debt has decreased. The first year-to-year decline in AHFC debt occurred in 1987.

Most state agency issuance has been mortgage-backed bonds issued by AHFC and large enterprise development projects such as the Delong Mountain revenue bonds for the development of the Red Dog mineral deposit in Northwest Alaska and the Bradley Lake Hydroelectric Power Revenue bonds for a project on the Kenai Peninsula.

The State Bond Committee entered into an interest rate swap in the notional amount of \$16,060,000 on August 26, 1991, thereby committing to issue International Airports refunding bonds in 1993 when International Airports Revenue Bonds Series F can be called. There are no plans to issue new International Airports debt.

VI. Debt Policy and Prospective Issuance.

Representatives from both Moody's Investors Service and Standard & Poor's Corporation visited the State Bond Committee in October and November, respectively, last year. The following is what they were told about debt policy:

Strong indicators of the debt viewpoint held by state government are the introduction of legislation to require an automatic deposit of state revenues into a debt retirement fund and the enactment of legislation curtailing automatic reimbursement of municipal school debt service mentioned earlier. The debt retirement legislation as introduced by the administration would have required deposits of petroleum revenues directly into a debt retirement fund. Governor Hickel intends to continue backing an automatic deposit into the debt retirement fund.

There has been little consideration of general obligation debt authorization in recent years. Most issuance of state-supported debt will probably consist of state building lease-

financings. The Department of Administration has been investigating the issuance of an estimated \$85 million to convert existing operating leases to lease-purchase obligations in order to achieve savings. The administration has been looking at a lease-financing for the construction of a new capitol which might cost \$57 million. Each of these financings would require legislative authorization.

The Alaska Court System plans to finance a new courthouse in the City of Kenai using a lease-financing. The Department of Corrections intends to convert the existing lease of the Wildwood Correctional Facility to a lease-financing. Those two lease-financings are expected to be about \$4.5 and \$7 million, respectively, do not require legislative authorization and may take place within the next few months.

To the extent the state continues to engage in lease-financing, the issuance of that debt will be integrated into its overall policy for all state-supported debt: reasonable maturities, level or declining debt service, and a declining claim on unrestricted revenues for debt service. The debt service profile for state-supported debt will continue to show a rapid pay-down.

The amount of University debt may grow by small increments for the next few years. A policy recently adopted by the University Board of Regents commits to keeping debt service to less than 5% of its revenues, limiting the final maturity of any debt, maintaining level or declining debt service and coordinating debt issuance plans with the State Bond Committee.

State agency debt issuance will continue but total debt of state agencies will probably continue to decline for at least the next few years and perhaps beyond. The Alaska Student Loan Corporation will issue student loan backed revenue bonds next spring. There is no near-term plan to issue debt by the Alaska Aerospace Development Corporation. Any new large enterprise development financed with the issuance of state agency debt will likely take place in some future fiscal year.

The largest prospective debt-financed project I know of is the anticipated \$300 million North Slope waste disposal facility revenue bond financing planned by the North Slope Borough. The State Bond Committee has thus far allocated \$74,705,000 of the private activity bond volume limit to that financing. Issuance of part of the bonds is expected during 1992.

Along with what was of interest to the rating agencies, the State Bond Committee has followed a number of practices over the years. The Committee has issued debt through competitive sales, awarding the bonds to the lowest true-interest-cost bidder, whenever possible and advised some agencies to adopt the use of competitive sales. The Committee has recommended the competitive selection of underwriters whenever a competitive sale is not appropriate.

The Committee has an obligation to communicate regularly with the credit rating agencies because of the existence of ongoing ratings and of outstanding bonds. The Committee

has often urged the use of unspent bond proceeds to repay debt. The Committee has actively refrained from taking advantage of many of the devices which have sometimes allowed some issuers to override the Internal Revenue Code. The Committee has set 3% as the net present value savings requirement in refinancing decisions.

The Committee has used an independent financial advisor since 1984 and paid its financial advisor through a fixed retainer. For the past four years the contract with bond counsel has specified that counsel cannot be paid for work not related to a particular bond issue.

VII. Credit Rating

State of Alaska general obligation bonds have been rated AA- by Standard & Poor's Corporation and Aa by Moody's Investors Service since 1980. The ratings have never been higher. There have been times when a rating decrease seemed to be a possibility. All other energy dependent states and provinces were downgraded at least once during the 1980's.

The rating agencies have always taken the time to understand the circumstances which are unique to the Alaska credit. The extreme dependence on petroleum revenues and the resulting predominance of state spending in the economy set Alaska apart from the thousands of other credits rated by the agencies. At the same time, the strong savings effort, tremendous liquidity and careful use of leverage set Alaska apart from many other issuers.

Throughout the past 12 months the State Bond Committee has been making the case for a rating upgrade. At this time we expect reviews of the Alaska credit to be published by each agency within the very near future.

State of Alaska
Ratio of Debt Service to Unrestricted Revenues
Fall 1991 Revenue Estimates of the Department of Revenue
Draft Report Assuming Issuance of \$750 Million GO Debt, Level Debt Service
7 Year Final Maturity, True Interest Cost 5.65%, \$132.7 Million Additional Debt Service FY 94-FY 00

Fiscal Year	Unrestricted Revenue (\$ Millions)			(1) State GOB's			(2) UA			(3) ASHA			(4) Lease-Purchase Obligations			(5) School Debt (Muni)			Total Debt Service		
	Low	Mid	High																		
1977	874.3	874.3	874.3	4.8	4.8	4.8	0.2	0.2	0.2	1.1	1.1	1.1	0.0	0.0	0.0	1.0	1.0	1.0	7.1	7.1	7.1
1978	764.9	764.9	764.9	6.5	6.5	6.5	0.2	0.2	0.2	1.3	1.3	1.3	0.0	0.0	0.0	1.5	1.5	1.5	9.6	9.6	9.6
1979	1133.0	1133.0	1133.0	5.3	5.3	5.3	0.2	0.2	0.2	0.9	0.9	0.9	0.0	0.0	0.0	2.0	2.0	2.0	8.3	8.3	8.3
1980	2501.2	2501.2	2501.2	3.0	3.0	3.0	0.1	0.1	0.1	0.4	0.4	0.4	0.0	0.0	0.0	1.0	1.0	1.0	4.4	4.4	4.4
1981	3718.2	3718.2	3718.2	2.6	2.6	2.6	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0
1982	4108.4	4108.4	4108.4	2.4	2.4	2.4	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.9	0.9	0.9	3.6	3.6	3.6
1983	3631.0	3631.0	3631.0	4.0	4.0	4.0	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	5.3	5.3	5.3
1984	3390.1	3390.1	3390.1	4.9	4.9	4.9	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.7	2.7	2.7	7.9	7.9	7.9
1985	3260.0	3260.0	3260.0	5.2	5.2	5.2	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.9	2.9	2.9	8.4	8.4	8.4
1986	3075.5	3075.5	3075.5	5.3	5.3	5.3	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	3.5	3.5	3.5	9.2	9.2	9.2
1987	1799.4	1799.4	1799.4	8.6	8.6	8.6	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.3	0.3	6.4	6.4	6.4	15.8	15.8	15.8
1988	2305.8	2305.8	2305.8	6.4	6.4	6.4	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	4.7	4.7	4.7	11.5	11.5	11.5
1989	2186.2	2186.2	2186.2	6.2	6.2	6.2	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	5.0	5.0	5.0	11.8	11.8	11.8
1990	2507.2	2507.2	2507.2	4.8	4.8	4.8	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	4.3	4.3	4.3	9.7	9.7	9.7
1991	2985.4	2985.4	2985.4	3.2	3.2	3.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	4.2	4.2	4.2	7.9	7.9	7.9
1992	2121.8	2434.6	2681.9	3.2	2.8	2.5	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.2	0.2	5.9	5.1	4.6	9.8	8.5	7.7
1993	1809.1	2374.3	2875.6	3.3	2.5	2.1	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2	6.3	4.8	4.0	10.4	7.9	6.6
1994	1834.1	2429.3	3226.3	9.1	6.9	5.2	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.2	5.5	4.2	3.1	15.2	11.5	8.6
1995	1990.1	2537.8	3674.6	7.8	6.1	4.2	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.1	4.6	3.6	2.5	12.8	10.1	7.0
1996	2012.9	2592.8	3914.4	7.7	5.9	3.9	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	3.8	3.0	2.0	11.8	9.2	6.1
1997	2146.4	2721.2	4094.4	7.0	5.5	3.6	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.1	2.5	2.0	1.3	9.8	7.8	5.2
1998	2057.2	2642.2	4102.1	7.1	5.6	3.6	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.5	2.0	1.3	10.1	9.4	6.1
1999	1864.7	2431.3	4029.9	7.6	5.8	3.5	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.6	2.0	1.2	10.6	8.1	4.8
2000	1699.1	2223.4	3828.1	8.0	6.1	3.5	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.3	1.8	1.0	10.7	8.2	4.6
2001	1552.6	2047.9	3642.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.3	0.1	1.4	1.1	0.6	1.9	1.4	0.8
2002	1436.0	1922.4	3601.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.7	0.5	0.3	1.1	0.8	0.4
2003	1338.4	1789.6	3493.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.4	0.2	1.0	0.8	0.4
2004	1242.9	1673.4	3875.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.5	0.2	1.1	0.8	0.3
2005	1143.9	1549.9	4035.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.4	0.3	0.1	0.9	0.7	0.3

(1) State of Alaska general obligation bonds

(2) University of Alaska bonds

(3) Alaska State Housing Authority lease revenue bonds

(4) Debt issued to finance Seward Student Service Center, Spring Creek Correctional Center, and Palmer Courthouse

(5) State reimbursement of municipal general obligation debt issued to finance school construction for debt issued through October 1, 1991

State of Alaska
 Ratio of Debt Service to Unrestricted Revenues
 Fall 1991 Revenue Estimates of the Department of Revenue
 Draft Report Assuming Issuance of \$750 Million GO Debt, Level Debt Service
 5 Year Final Maturity, True Interest Cost 5.4%, \$175.2 Million Additional Debt Service FY 94-FY 98

Fiscal Year	Unrestricted Revenue (\$ Millions)			(1) State GOB's			(2) UA			(3) ASHA			(4) Lease-Purchase Obligations			(5) School Debt (Muni)			Total Debt Service		
	Low	Mid	High																		
1977	874.3	874.3	874.3	4.8	4.8	4.8	0.2	0.2	0.2	1.1	1.1	1.1	0.0	0.0	0.0	1.0	1.0	1.0	7.1	7.1	7.1
1978	764.9	764.9	764.9	6.5	6.5	6.5	0.2	0.2	0.2	1.3	1.3	1.3	0.0	0.0	0.0	1.5	1.5	1.5	9.6	9.6	9.6
1979	1133.0	1133.0	1133.0	5.3	5.3	5.3	0.2	0.2	0.2	0.9	0.9	0.9	0.0	0.0	0.0	2.0	2.0	2.0	8.3	8.3	8.3
1980	2501.2	2501.2	2501.2	3.0	3.0	3.0	0.1	0.1	0.1	0.4	0.4	0.4	0.0	0.0	0.0	1.0	1.0	1.0	4.4	4.4	4.4
1981	3718.2	3718.2	3718.2	2.6	2.6	2.6	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0
1982	4108.4	4108.4	4108.4	2.4	2.4	2.4	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.9	0.9	0.9	3.6	3.6	3.6
1983	3631.0	3631.0	3631.0	4.0	4.0	4.0	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	5.3	5.3	5.3
1984	3390.1	3390.1	3390.1	4.9	4.9	4.9	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.7	2.7	2.7	7.9	7.9	7.9
1985	3260.0	3260.0	3260.0	5.2	5.2	5.2	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.9	2.9	2.9	8.4	8.4	8.4
1986	3075.5	3075.5	3075.5	5.3	5.3	5.3	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	3.5	3.5	3.5	9.2	9.2	9.2
1987	1799.4	1799.4	1799.4	8.6	8.6	8.6	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.3	0.3	6.4	6.4	6.4	15.8	15.8	15.8
1988	2305.8	2305.8	2305.8	6.4	6.4	6.4	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	4.7	4.7	4.7	11.5	11.5	11.5
1989	2186.2	2186.2	2186.2	6.2	6.2	6.2	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	5.0	5.0	5.0	11.8	11.8	11.8
1990	2507.2	2507.2	2507.2	4.8	4.8	4.8	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	4.3	4.3	4.3	9.7	9.7	9.7
1991	2985.4	2985.4	2985.4	3.2	3.2	3.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	4.2	4.2	4.2	7.9	7.9	7.9
1992	2121.8	2434.6	2681.9	3.2	2.8	2.5	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.2	0.2	5.9	5.1	4.6	9.8	8.5	7.7
1993	1809.1	2374.3	2875.6	3.3	2.5	2.1	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2	6.3	4.8	4.0	10.4	7.9	6.6
1994	1834.1	2429.3	3226.3	11.4	8.6	6.5	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.2	5.5	4.2	3.1	17.5	13.2	9.9
1995	1990.1	2537.8	3674.6	10.0	7.8	5.4	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.1	4.6	3.6	2.5	15.0	11.7	8.1
1996	2012.9	2592.8	3914.4	9.8	7.6	5.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	3.8	3.0	2.0	13.9	10.8	7.2
1997	2146.4	2721.2	4094.4	8.9	7.1	4.7	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.1	2.5	2.0	1.3	11.8	9.3	6.2
1998	2057.2	2642.2	4102.1	9.2	7.2	4.6	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.5	2.0	1.3	12.1	9.4	6.1
1999	1864.7	2431.3	4029.9	0.5	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.6	2.0	1.2	3.5	2.7	1.6
2000	1699.1	2223.4	3828.1	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.3	1.8	1.0	2.9	2.2	1.3
2001	1552.6	2047.9	3642.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.3	0.1	1.4	1.1	0.6	1.9	1.4	0.8
2002	1436.0	1922.4	3601.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.7	0.5	0.3	1.1	0.8	0.4
2003	1338.4	1789.6	3493.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.4	0.2	1.0	0.8	0.4
2004	1242.9	1673.4	3875.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.5	0.2	1.1	0.8	0.3
2005	1143.9	1549.9	4035.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.4	0.3	0.1	0.9	0.7	0.3

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(5) State reimbursement of municipal general obligation debt issued to finance school construction for debt issued through October 1, 1991

State of Alaska
Ratio of Debt Service to Unrestricted Revenues
Fall 1991 Revenue Estimates of the Department of Revenue

Fiscal Year	Unrestricted Revenue (\$ Millions)			(1) State GOB's			(2) UA			(3) ASHA			(4) Lease-Purchase Obligations			(5) School Debt (Muni)			Total Debt Service		
	Low	Mid	High																		
1977	874.3	874.3	874.3	4.8	4.8	4.8	0.2	0.2	0.2	1.1	1.1	1.1	0.0	0.0	0.0	1.0	1.0	1.0	7.1	7.1	7.1
1978	764.9	764.9	764.9	6.5	6.5	6.5	0.2	0.2	0.2	1.3	1.3	1.3	0.0	0.0	0.0	1.5	1.5	1.5	9.6	9.6	9.6
1979	1133.0	1133.0	1133.0	5.3	5.3	5.3	0.2	0.2	0.2	0.9	0.9	0.9	0.0	0.0	0.0	2.0	2.0	2.0	8.3	8.3	8.3
1980	2501.2	2501.2	2501.2	3.0	3.0	3.0	0.1	0.1	0.1	0.4	0.4	0.4	0.0	0.0	0.0	1.0	1.0	1.0	4.4	4.4	4.4
1981	3718.2	3718.2	3718.2	2.6	2.6	2.6	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0
1982	4108.4	4108.4	4108.4	2.4	2.4	2.4	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.9	0.9	0.9	3.6	3.6	3.6
1983	3631.0	3631.0	3631.0	4.0	4.0	4.0	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	5.3	5.3	5.3
1984	3390.1	3390.1	3390.1	4.9	4.9	4.9	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.7	2.7	2.7	7.9	7.9	7.9
1985	3260.0	3260.0	3260.0	5.2	5.2	5.2	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.9	2.9	2.9	8.4	8.4	8.4
1986	3075.5	3075.5	3075.5	5.3	5.3	5.3	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	3.5	3.5	3.5	9.2	9.2	9.2
1987	1799.4	1799.4	1799.4	8.6	8.6	8.6	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.3	0.3	6.4	6.4	6.4	15.8	15.8	15.8
1988	2305.8	2305.8	2305.8	6.4	6.4	6.4	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	4.7	4.7	4.7	11.5	11.5	11.5
1989	2186.2	2186.2	2186.2	6.2	6.2	6.2	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	5.0	5.0	5.0	11.8	11.8	11.8
1990	2507.2	2507.2	2507.2	4.8	4.8	4.8	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	4.3	4.3	4.3	9.7	9.7	9.7
1991	2985.4	2985.4	2985.4	3.2	3.2	3.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	4.2	4.2	4.2	7.9	7.9	7.9
1992	2121.8	2434.6	2681.9	3.2	2.8	2.5	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.2	0.2	5.9	5.1	4.6	9.8	8.5	7.7
1993	1809.1	2374.3	2875.6	3.3	2.5	2.1	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2	6.3	4.8	4.0	10.4	7.9	6.6
1994	1834.1	2429.3	3226.3	1.8	1.4	1.1	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.2	5.5	4.2	3.1	7.9	6.0	4.5
1995	1990.1	2537.8	3674.6	1.2	0.9	0.6	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.1	4.6	3.6	2.5	6.2	4.8	3.3
1996	2012.9	2592.8	3914.4	1.1	0.8	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	3.8	3.0	2.0	5.2	4.1	2.7
1997	2146.4	2721.2	4094.4	0.8	0.6	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.1	2.5	2.0	1.3	3.7	2.9	1.9
1998	2057.2	2642.2	4102.1	0.7	0.5	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.5	2.0	1.3	3.6	2.8	1.8
1999	1864.7	2431.3	4029.9	0.5	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.6	2.0	1.2	3.5	2.7	1.6
2000	1699.1	2223.4	3828.1	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.3	1.8	1.0	2.9	2.2	1.3
2001	1552.6	2047.9	3642.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.3	0.1	1.4	1.1	0.6	1.9	1.4	0.8
2002	1436.0	1922.4	3601.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.7	0.5	0.3	1.1	0.8	0.4
2003	1338.4	1789.6	3493.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.4	0.2	1.0	0.8	0.4
2004	1242.9	1673.4	3875.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.5	0.2	1.1	0.8	0.3
2005	1143.9	1549.9	4035.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.4	0.3	0.1	0.9	0.7	0.3

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(5) State reimbursement of municipal general obligation debt issued to finance school construction for debt issued through October 1, 1991



KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA 99669

PHONE (907) 262-4441

February 25, 1992

DON GILMAN
MAYOR

The Honorable Jalmar Kerttula
PO Box V
Juneau, AK 99811

FEB 28 1992

Dear Senator ^{Jay} Kerttula:

This letter is written to reiterate our recent discussion concerning the public school building and renovation program. As we both know, the public school facility needs for elementary and secondary education are going to continue to grow. The past program, while providing the mechanism for state and local partnership in funding the construction of schools, left something to be desired because abuses of the system were too easy. Too many 'other' facilities were built in the guise of schools such as swimming pools, auditoriums, community centers, etc. As a result, the school system now has to provide not only basic education but community recreation, community schools, and a myriad of other items which are drains on the resources of the school operating funds.

The repeal of the reimbursement program accomplished a couple of objectives: it stopped the growth of State obligation for local school bonds, and it helped to illustrate the major rebuilding and refurbishing needs of the rural Alaska school system. It did not result in a solution for the growing school construction needs of the major population areas of the state, including the Mat-Su Borough and the Kenai Peninsula Borough.

I would like to offer some suggestions as a way of spurring discussion and possibly new legislation to address this topic. In order to provide a system for construction of schools in the state of Alaska we must:

1. Assume and accept the premise that for a long time in the future we are going to have a dual school system in this state whether we like it or not. As a result, the State will have to continue funding 100% of those needs.

2/25/92

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2. Mandate that the State Department of Education define a basic school for the purposes of state participation in construction. The basic school design could even be a prototype design which could be used in many school districts throughout the state. Costs incurred by deviating from the basic school design would have to be borne by the local community.

3. Set a provision for participation in financing the basic school. From 1971 to 1976 school bonds were reimbursed on an up to 50% basis. In 1981 up to 100% reimbursement was provided by statute. Somewhere between 50% and 80% of construction costs should be provided in any new program. I recommend a 70%-30% split, but that is arbitrary and mechanical. In any event, the local community should not have to borrow the State's percentage of the construction cost.

4. Create a mechanism for the State to finance its share of the funds for construction. I believe that State G.O. bonds could be authorized by the voters and issued at the time the construction was ready to go forward and only after the community had provided evidence that its financing was in place. The municipal bond bank could be used to coordinate the funding.

There are a number of reasons why it is good public policy for local funds to be required to finance school construction. Usually the community will maintain a facility for which it has to pay. Users of the facility will be responsible for paying for the facility. However, I believe that the most compelling reason is to curb the tendency to build monolithic edifices to architects.

Jay, my staff and I stand ready to assist in any way we can. I believe that funds for all state programs and projects are going to be nearly non-existent after this year. We must prepare a way to continue to have adequate educational facilities in the future. My grandchildren deserve no less.

Sincerely,



Don Gilman

Kenai Peninsula Borough Mayor

DG:lc