

SB

60

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 5, 1993

FURTHER REFERRALS:

Date of Committee Action: 5/9/93 am

The FINANCE Committee considered:

CSSB 60(FIN)

CS FOR SENATE BILL NO. 60(FIN)

APPROP: SCHOOL CONSTRUCTION GRANT FUND

"An Act making appropriations for school construction projects and making an appropriation of \$1,066,280 from the general fund to the Department of Education for payment as grants for additional district support for the fiscal year ending June 30, 1994; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCS CS SB 60 (FIN) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

| SIGNING <u>DO PASS</u> | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|---|----|--|-----|----|----|
| <i>Edison P. McLean</i> McLean | ✓ | <i>Mike Navarre</i> Navarre | X | | |
| <i>Ronald J. Larson</i> Larson | X | | | | |
| <i>Terry Martin</i> Martin | X | | | | |
| <i>Mark Hanky</i> Hanky | X | | | | |
| <i>John Hoffman</i> Hoffman | ✓ | | | | |
| <i>Frank Gammell</i> Gammell | X | | | | |
| <i>Ben Grussendorf</i> Grussendorf | X | | | | |
| <i>Tony Brown</i> Brown | ✓ | | | | |
| <i>Richard [unclear]</i> [unclear] | X | | | | |
| <i>[unclear]</i> [unclear] | X | | | | |

Ronald J. Larson *Edison P. McLean*
 CHAIRMAN'S SIGNATURE

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
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130 Seward Street, Suite 409-
Juneau, Alaska 99801-2105

MEMORANDUM

May 5, 1993

SUBJECT: HCS CSSB 60(FIN); Title Change

TO: Representative Eileen MacLean
ATTN: Tom Maher

FROM: George Utermohle *GU*
Legislative Counsel

Enclosed is a draft version of HCS CSSB 60(FIN), as you requested. This version of the bill strips the contents of CSSB 60(FIN) and inserts the contents of CSHB 83(FIN).

Please note that in addition to replacing the contents of CSSB 60(FIN) with the contents of CSHB 83(FIN), the bill also replaces the title of the Senate bill with the title of the House bill. Without this title change, the new bill may be in violation of the requirement of the Alaska Constitution that the subject of a bill be expressed in its title. Article II, sec. 13, Constitution of the State of Alaska. The new bill no longer contains an appropriation for additional district support so that portion of the Senate title is no longer accurate. Also, the fact that the new bill makes appropriations to the University of Alaska for facilities maintenance projects raises the issue of whether the phrase "school construction projects" in the title of the Senate bill includes University maintenance projects. For these reasons the title of the new bill has been changed to avoid any constitutional issues related to the title of the bill that could result in all or part of the bill being struck down by the courts.

Because the title of the bill has been changed in the second house of the legislature, a concurrent resolution should be passed by both houses of the legislature to suspend Rule 24(c) of the Uniform Rules of the Alaska State Legislature.^{1/} Rule 24(c)

^{1/} Rule 24(c) states:

(c) If a committee has more than one bill on the same subject or if it finds it necessary to revise a bill substantially, it may report out a substitute bill and recommend that the substitute be accepted for second reading in the place of the original bill. A committee of
(continued...)

Representative Eileen MacLean

May 5, 1993

Page 2

prohibits a committee of the second house from adopting a committee substitute that requires the change of the title of a bill. It is important to note that Rule 24(c) applies to any change to a bill that requires a change to the title of a bill and not just to bills where the title is changed in the second house. Since the elimination of the appropriation for additional district support from the bill is a change to the bill that the Alaska Constitution requires to be reflected in the title of the bill, Rule 24(c) would still apply. Thus a concurrent resolution suspending Rule 24(c) is required regardless of whether the title of the bill is changed or not.

However, should this version of the bill, with the new title, become law without the passage of a title change resolution before the end of the session, the bill is still valid and is not subject to legal challenge. On the other hand, if the bill is passed by the legislature without a title change, the bill is subject to challenge and possible invalidation to the extent that the contents of the bill is not expressed in the title.

If I may be of further assistance, please advise.

GU:gc
93-396.glc

Enclosure

U(...continued)

the second house may not report a committee substitute for a bill or an amendment to a bill that requires a change in the title of the bill, other than a clerical or technical change, as the title was enacted in the house of origin. Substitute bills are duplicated and distributed when they are reported out by the committee. Committee substitute bills carry a notation of the source or sponsor of the original bill in the manner prescribed by the drafting manual unless the sponsor objects to the name so appearing.

FISCAL NOTE

No. 2

Bill Version: SB 60

(S) Publish Date: 1/22/93

Revision Date:
Title: Approp: School Construction

Department Affected: DOT&PF
BRU:

Sponsor: Rules
Requestor: Governor

Component:
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|-------------------|------|------|------|------|------|------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING: | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|---------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------------------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|---|---|---|---|---|---|
| 1002 FEDERAL RECEIPTS | 0 | 0 | 0 | 0 | 0 | 0 |
| 1003 GF MATCH | 0 | 0 | 0 | 0 | 0 | 0 |
| 1004 GF | 0 | 0 | 0 | 0 | 0 | 0 |
| 1005 GF/PROGRAM RECEIPTS | 0 | 0 | 0 | 0 | 0 | 0 |
| 1006 GF/MHTIA | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FUNDING: | 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 |

Estimate of current year (FY93) impact: \$ _____

ANALY
Changes in CSSB60 (Fix) y)
have no fiscal impact. This
fiscal note is appropriate.
4-21-93
date Comte Aide (initial) RL

Changes in CSSB60 (HES)
have no fiscal impact. This
fiscal note is appropriate.
4/13/93
date Comte Aide (initial) h

Prepared by: Kit Duke

Phone: 562-2728

Division: Assistant Commissioner

Date: January 20, 1993

Approved by Commissioner: Frank G. Turpin

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: January 20, 1993

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FISCAL NOTE

No. 1

Bill Version: SB 60

(S) Publish Date: 1/22/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: January 22, 1993

Title: An Act making appropriation for construction and major maintenance of schools

Dept. Affected: Department of Revenue

BRU: APFC

Component: APFC

Sponsor: Rules Committee by Request of Governor

Requester:

COMPONENT SERIAL NO. 109

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|-------------------|------|------|------|------|------|------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | | | | | |

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|---------------------------------------|-----|------------|------------|------------|------------|------------|
| REVENUE FUND SOURCE: 1041 PF earnings | -0- | (13,000.0) | (13,000.0) | (15,000.0) | (15,000.0) | (18,000.0) |
|---------------------------------------|-----|------------|------------|------------|------------|------------|

FUNDING:

(Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1008 GF/MHTA | | | | | | |
| Other 1041 PF earnings | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | | | | | | |

POSITIONS:

| | | | |
|-----------|--|--|--|
| FULL-TIME | | | |
| PART-TIME | | | |
| TEMPORARY | | | |

Estimate of current year (FY93) impact: \$

ANALYSIS: (Attach a separate page if necessary)

See attached two pages.

Changes in CSSB 60 (TES) have no fiscal impact. This fiscal note is appropriate.

4/13/93 h1
date Comte Aide (initial)

Changes in CSSB 60 (FIN) have no fiscal impact. This fiscal note is appropriate.

4-21-93 RL
date Comte Aide (initial)

Prepared by: William H. Scott, Executive Director
Division: Alaska Permanent Fund Corporation

Phone: 455-2047

Date: 1/20/93

Approved by Commissioner: [Signature]

Date: 1/22/93

Agency: Revenue

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Corrected



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS
(in millions)

as of December 31, 1992

| GROWTH OF FUND PRINCIPAL | | | | | | |
|------------------------------------|------------------|----------------|---------------------------|--------------------|----------------|------------------------------|
| FY | FY Begin Balance | Appropriations | Dedicated State Revenues* | Inflation-Proofing | FY End Balance | Inflation-Proofing Shortfall |
| 78 | 0 | | 54 | | 54 | |
| 79 | 54 | | 84 | | 139 | |
| 80 | 139 | | 344 | | 483 | |
| 81 | 483 | 900 | 385 | | 1,769 | |
| 82 | 1,769 | 800 | 400 | | 2,969 | |
| 83 | 2,969 | 400 | 421 | 231 | 4,021 | |
| 84 | 4,021 | 300 | 368 | 151 | 4,838 | |
| 85 | 4,838 | 300 | 368 | 235 | 5,741 | |
| 86 | 5,741 | | 323 | 216 | 6,281 | |
| 87 | 6,281 | 1,264 ** | 170 | 148 | 7,884 | |
| 88 | 7,884 | | 418 | 303 | 8,585 | |
| 89 | 8,585 | | 228 | 360 | 9,173 | |
| 90 | 9,173 | | 267 | 454 | 9,894 | |
| 91 | 9,894 | | 435 | 559 | 10,888 | |
| 92 | 10,888 | | 338 | 477 | 11,703 | |
| 93 | 11,703 | | 256 | 364 | 12,319 | |
| 94 | 12,319 | | 241 | 565 | 13,125 | |
| 95 | 13,125 | | 249 | 602 | 13,976 | |
| 96 | 13,976 | | 253 | 640 | 14,872 | |
| 97 | 14,872 | | 248 | 680 | 15,800 | |
| 98 | 15,800 | | 235 | 962 | 16,997 | |
| 99 | 16,997 | | 209 | 1,032 | 18,239 | |
| 00 | 18,239 | | 189 | 1,106 | 19,534 | |
| 01 | 19,534 | | 172 | 1,182 | 20,887 | |
| 02 | 20,887 | | 158 | 1,263 | 22,308 | |
| 03 | 22,308 | | 143 | 1,225 | 23,678 | 123 |
| 04 | 23,678 | | 129 | 1,184 | 24,989 | 245 |
| 05 | 24,989 | | 115 | 1,246 | 26,350 | 260 |
| 06 | 26,350 | | 102 | 1,311 | 27,763 | 276 |
| 07 | 27,763 | | 79 | 1,379 | 29,220 | 292 |
| 08 | 29,220 | | 25 | 1,447 | 30,692 | 308 |
| 09 | 30,692 | | 25 | 1,516 | 32,233 | 327 |
| 10 | 32,233 | | 22 | 1,590 | 33,845 | 345 |
| Cumulative Totals Projected | | | | | | |
| For FY 1993-2010 | | | | | | |
| | | | 2,852 | 19,290 | | 2,175 |

| USE OF FUND INCOME | | | | | | |
|--------------------|---------------|--------------------|--------------|--------------|----------|----------------|
| Net Income | Distributions | | | Reserves | | FY End Balance |
| | Dividends | Inflation-Proofing | General Fund | Add (Delete) | FY End | |
| 2 | | | 1 | | | 78 |
| 8 | | | 7 | | | 78 |
| 32 | | | 12 | | | 80 |
| 150 | 12 | | 28 | 59 | 59 | 81 |
| 368 | 71 | | 71 | 185 | 244 | 82 |
| 471 | 108 | 231 | 110 | 110 | 354 | 83 |
| 530 | 175 | 151 | | 203 | 557 | 84 |
| 658 | 217 | 235 | | 206 | 763 | 85 |
| 1,021 | 303 | 216 | | 501 | 1,264 ** | 88 |
| 1,069 | 391 | 148 | | 529 | 529 | 87 |
| 789 | 424 | 303 | | 82 | 591 | 88 |
| 868 | 460 | 360 | 4 | 44 | 635 | 89 |
| 916 | 487 | 454 | 4 | (30) | 605 | 90 |
| 1,030 | 489 | 559 | 4 | (24) | 581 | 91 |
| 1,036 | 488 | 477 | 5 | 64 | 645 | 92 |
| 1,089 | 517 | 360 | 50 | 43 | 686 | 93 |
| 1,108 | 542 | 565 | | 1 | 689 | 94 |
| 1,177 | 569 | 602 | | 6 | 695 | 95 |
| 1,249 | 592 | 640 | | 17 | 711 | 96 |
| 1,326 | 623 | 690 | | 23 | 734 | 97 |
| 1,569 | 675 | 962 | | (69) | 667 | 98 |
| 1,575 | 735 | 1,032 | | (92) | 574 | 99 |
| 1,782 | 798 | 1,106 | | (122) | 452 | 00 |
| 1,892 | 866 | 1,182 | | (156) | 296 | 01 |
| 2,004 | 937 | 1,263 | | (196) | 100 | 02 |
| 2,119 | 994 | 1,225 | | (100) | | 03 |
| 2,237 | 1,054 | 1,184 | | | | 04 |
| 2,360 | 1,114 | 1,246 | | | | 05 |
| 2,488 | 1,177 | 1,311 | | | | 06 |
| 2,620 | 1,242 | 1,379 | | | | 07 |
| 2,755 | 1,308 | 1,447 | | | | 08 |
| 2,894 | 1,377 | 1,516 | | | | 09 |
| 3,039 | 1,449 | 1,590 | | | | 10 |
| 35,362 | 16,587 | 19,290 | 150 | | | |

REALIZED RATE OF RETURN ASSUMPTIONS:

| | Nominal | Inflation | Real |
|------------|---------|-----------|-------|
| FY 93-97 | 8.33% | 3.01% | 5.32% |
| FY 98-99 | 8.10% | 4.50% | 3.60% |
| FY 99-2010 | 8.00% | 6.00% | 3.00% |

* Department of Revenue Fall 1992 Low-Case Revenue Forecast.

** Earnings reserve appropriated to Fund principal by the Legislature July 1, 1987.

*** Based on capital market assumptions adopted by the Board of Trustees in March

\$150 MILLION APPROPRIATED FROM EARNINGS RESERVES 7/1/93



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS
(in millions)

as of December 31, 1992

| GROWTH OF FUND PRINCIPAL | | | | | | |
|-------------------------------------|------------------|----------------|---------------------------|--------------------|----------------|------------------------------|
| FY | FY Begin Balance | Appropriations | Dedicated State Revenues* | Inflation-Proofing | FY End Balance | Inflation-Proofing Shortfall |
| 78 | 0 | | 54 | | 54 | |
| 79 | 54 | | 84 | | 139 | |
| 80 | 139 | | 344 | | 483 | |
| 81 | 483 | 900 | 385 | | 1,769 | |
| 82 | 1,769 | 800 | 400 | | 2,969 | |
| 83 | 2,969 | 400 | 21 | 231 | 4,021 | |
| 84 | 4,021 | 300 | 368 | 151 | 4,838 | |
| 85 | 4,838 | 300 | 368 | 235 | 5,741 | |
| 86 | 5,741 | | 323 | 218 | 6,281 | |
| 87 | 6,281 | 1,264 ** | 170 | 148 | 7,864 | |
| 88 | 7,864 | | 418 | 303 | 8,585 | |
| 89 | 8,585 | | 228 | 360 | 9,173 | |
| 90 | 9,173 | | 267 | 454 | 9,894 | |
| 91 | 9,894 | | 435 | 559 | 10,888 | |
| 92 | 10,888 | | 338 | 477 | 11,703 | |
| 93 | 11,703 | | 255 | 368 | 12,318 | |
| 94 | 12,319 | | 241 | 565 | 13,125 | |
| 95 | 13,125 | | 249 | 602 | 13,976 | |
| 96 | 13,976 | | 255 | 640 | 14,872 | |
| 97 | 14,872 | | 248 | 680 | 15,800 | |
| 98 | 15,800 | | 235 | 952 | 16,997 | |
| 99 | 16,997 | | 209 | 1,032 | 18,239 | |
| 00 | 18,239 | | 189 | 1,106 | 19,534 | |
| 01 | 19,534 | | 172 | 1,182 | 20,887 | |
| 02 | 20,887 | | 158 | 1,283 | 22,308 | |
| 03 | 22,308 | | 143 | 1,347 | 23,796 | |
| 04 | 23,796 | | 129 | 1,327 | 25,255 | 108 |
| 05 | 25,255 | | 115 | 1,259 | 26,629 | 263 |
| 06 | 26,629 | | 102 | 1,325 | 28,056 | 279 |
| 07 | 28,056 | | 79 | 1,393 | 29,528 | 285 |
| 08 | 29,528 | | 25 | 1,482 | 31,014 | 312 |
| 09 | 31,014 | | 25 | 1,532 | 32,571 | 330 |
| 10 | 32,571 | | 22 | 1,607 | 34,200 | 349 |
| Cumulative Total Projections | | | | | | |
| For FY 1993-2010 | | | | | | |
| | | | 2,852 | 18,645 | 1,936 | |

| USE OF FUND INCOME | | | | | | |
|-------------------------------------|---------------|--------------------|--------------|--------------|----------------|----|
| Net Income | Distributions | | | Reserves | | FY |
| | Dividends | Inflation-Proofing | General Fund | Add (Delete) | FY End Balance | |
| 2 | | | 1 | | | 78 |
| 8 | | | 7 | | | 79 |
| 32 | 12 | | 12 | | | 80 |
| 150 | 28 | | 28 | 59 | 59 | 81 |
| 368 | 71 | | 71 | 185 | 244 | 82 |
| 471 | 108 | 231 | 110 | 110 | 354 | 83 |
| 530 | 175 | 151 | | 203 | 557 | 84 |
| 658 | 217 | 235 | | 206 | 763 | 85 |
| 1,021 | 303 | 218 | | 501 | 1,264 ** | 86 |
| 1,069 | 391 | 148 | | 529 | 529 | 87 |
| 789 | 424 | 303 | | 62 | 591 | 88 |
| 868 | 460 | 360 | 4 | 44 | 835 | 89 |
| 918 | 487 | 454 | 4 | (30) | 605 | 90 |
| 1,030 | 489 | 559 | 4 | (24) | 581 | 91 |
| 1,038 | 488 | 477 | 5 | 64 | 645 | 92 |
| 1,069 | 517 | 360 | 3 | 90 | 835 | 93 |
| 1,121 | 543 | 565 | | 12 | 847 | 94 |
| 1,190 | 572 | 602 | | 16 | 864 | 95 |
| 1,264 | 596 | 640 | | 27 | 890 | 96 |
| 1,341 | 628 | 680 | | 32 | 923 | 97 |
| 1,587 | 683 | 962 | | (58) | 865 | 98 |
| 1,683 | 743 | 1,032 | | (82) | 783 | 99 |
| 1,802 | 807 | 1,106 | | (111) | 672 | 00 |
| 1,912 | 875 | 1,182 | | (145) | 526 | 01 |
| 2,028 | 947 | 1,263 | | (184) | 342 | 02 |
| 2,141 | 1,005 | 1,347 | | (211) | 131 | 03 |
| 2,261 | 1,085 | 1,327 | | (131) | | 04 |
| 2,388 | 1,128 | 1,259 | | | | 05 |
| 2,514 | 1,189 | 1,325 | | | | 06 |
| 2,648 | 1,255 | 1,393 | | | | 07 |
| 2,784 | 1,322 | 1,462 | | | | 08 |
| 2,924 | 1,392 | 1,532 | | | | 09 |
| 3,071 | 1,464 | 1,607 | | | | 10 |
| Cumulative Total Projections | | | | | | |
| For FY 1993-2010 | | | | | | |
| | 35,733 | 16,730 | 19,645 | 3 | | |

REALIZED RATE OF RETURN ASSUMPTIONS:

| | Nominal | Inflation | Real |
|------------|---------|-----------|-------|
| FY 1993-97 | 8.33% | 3.01% | 5.32% |
| FY 98-07 | 8.10% | 4.50% | 3.60% |
| FY 08-10 | 9.00% | 6.00% | 3.00% |

* Department of Revenue Fall 1992 Low-Case Revenue Forecast.

** Earnings reserve appropriated to Fund principal by the Legislature July 1, 1987.

*** Based on capital market assumptions adopted by the Board of Trustees in March

STATUS QUO

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1993

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Halford:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making \$150,000,000 in capital appropriations for construction and major maintenance of Alaska's public schools.

Section 1 of the bill appropriates \$107,688,000 to the school construction grant fund to finance life, health, and safety construction projects in our public schools which are necessary to avert imminent dangers. These appropriations will fulfill the existing backlog of this category of needs, plus fund several other essential capital projects to help meet projected student enrollment increases in the near future.

Section 2 of the bill appropriates \$42,312,000 to a major maintenance grant fund to finance costs of certain repairs to many of our public schools. These appropriations are cost-effective because making repairs now can often avoid major rebuilding or construction costs later. Also, some of the projects may make the schools more energy efficient, which will likely have long-term energy savings for the state.

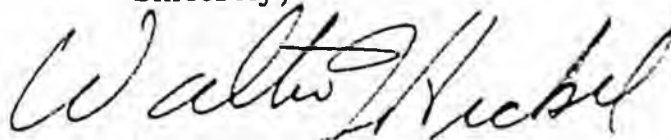
The appropriation amounts in both secs. 1 and 2 of the bill assume that the local community will financially participate in each project in order to fully fund it. Requiring a local community participating share should allow limited state dollars to go farther in financing capital needs in our public schools. Such a requirement also may increase local community interest in the size, design, and cost of the overall project and in prioritizing the project against other community needs for state funding.

The need for additional capital money has been supported by the state Board of Education. I urge support, as well, for these important projects.

The Honorable Rick Halford
January 22, 1993
Page 2

Finally, while some may question the use of the earnings reserve account in the permanent fund for these projects, I can see no higher use for this money than to improve our public schools in order to provide quality educational facilities for our children. Alaska's children deserve the finest to help them learn to their greatest capacities.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor