

SB

306

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 306 STA

Revision Date: _____ Dept. Affected: Corrections
 Title: "An Act providing for the issuance of ...bonds
...correctional facilities BRU: ALL
 Component: _____
 Sponsor: Senate Rules
 Requester: Senate Judiciary COMPONENT SERIAL NO. #0694

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	85.9	180.9	190.5	200.6	211.2	219.1
TRAVEL	5.0	15.0	15.0	20.0	10.0	10.0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	10.0	20.0	20.0	20.0	20.0	20.0
TOTAL OPERATING	100.9	215.9	225.5	240.6	241.2	249.1

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	100.9	215.9	225.5	240.6	241.2	249.1
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	100.9	215.9	225.5	240.6	241.2	249.1

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	3					
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The operational costs to the Department of Corrections are revenue neutral. Advanced planning costs to the Department of Corrections and Transportation will be borne by an appropriation in the front forms of the operating budget to the "Public Facilities Planning Fund" (PFPF) which will allow the two departments to conduct cooperative advance planning for each set of projects. As bonds are issued the PFPF is reimbursed, until all advanced planning costs are offset by bond proceeds over the life of the projects. Corrections staffing is necessary to ensure that advance architectural and engineering work comports with operational and security needs and so that the need for change orders during construction is minimized.

Corrections costs are:

3 PFT's are needed for the life of the construction phases to the beginning of the first full year of operations for all institutions. 1 Facilities Manager I (\$67.4); 1 PFT Criminal Justice Planner I (\$71.9); and 1 PFT Administrative Clerk I (\$32.5). A minimal amount of annual travel funds to enable staff to cover on-site inspections and design and construction meetings, and some miscellaneous operating costs to cover communication and supply materials.

(Continued on Page 2)

Prepared by: Jerry Shriner Phone: 465-4652
 Division: Office of the Commissioner Date: 4/10/96
 Approved by Commissioner: Margaret M. Pugh Date: 4/10/96
 Agency: Department of Corrections

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

CSSB 306

"An Act Providing for the Issuance ofbonds.....Correctional Facilities."

Page 2

Department of Corrections functions required to support design and construction of the proposed construction projects include:

- * Verify staffing and operational requirements for each facility;
- * Coordinate RSA services and documentation;
- * Coordinate design and construction phase meetings at each location;
- * Attend on-site design phase and construction phase meetings at each location;
- * Ensure that security-related issues are resolved in each construction plan;
- * Develop and implement a transition plan inclusive of staff training; and
- * Confirm operating budget increments for each facility.

FISCAL NOTE

No. 1

Bill Version: SB 306

(S) Publish Date: 3/12/96

Revision Date: _____ Dept. Affected: Revenue
 Title: General Obligation Bond for Correctional Facilities BRU: Revenue Operations
 Component: Treasury Division
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	35.7	125.1	86.8	50.4	32.9	42.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	35.7	125.1	86.8	50.4	32.9	42.6

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Bond Construction Funds	35.7	125.1	86.8	50.4	32.9	42.6
TOTAL	35.7	125.1	86.8	50.4	32.9	42.6

Estimate of any current year (FY96) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Betty Martin, Comptroller
 Division: Treasury Division
 Approved by Commissioner: Wilson Condon
 Agency: Department of Revenue

Phone: 465-2350
 Date: March 8, 1996
 Date: March 8, 1996

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

FISCAL ANALYSIS:

The \$35.7 reflects costs of the Treasury Division to manage the bond proceeds (primarily custodian and paying agent fees) during the construction period. Treasury estimates that the funds will earn approximately several million dollars of interest based on a 5.5% annual rate of return. All interest earnings are retained in the bond fund to pay related costs or pay back debt.

The following assumptions have been used in the above calculations:

Bonds will be issued in five lots. While this will increase issuance costs (anticipated to be \$2,155,000), it will result in a reduction in interest expense over the life of the bonds of over \$7,000,000. Principal plus interest payments will begin in January 1998 and will be \$2.7 million for FY98. These will increase annually up to approximately \$15.2 million in FY 2003 and will remain at that level through FY 2013. The average annual debt payment for the 17 year period will be \$13.4 million.

FISCAL NOTE

No. 2
 Version: SB 306
 (S) Publish Date: 3/19/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: 3/7/96 Dept. Affected: Office of the Governor
 Title: An Act relating to the issuance of general BRU: Elective Operations
obligation bonds ...constructing state correctional facilities Component: General and Primary Elections
 Sponsor: Rules Committee by request of the Governor
 Requester: Rules Comm by request of the Governor COMPONENT SERIAL NO. 22

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	2.2					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.2	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF	2.2					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	2.2	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

POSITIONS	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet as required by AS 15.58, and the programming costs for counting votes cast on the question.

Prepared by: Dana LaTour
 Division: Division of Elections
 Approved by
 Commissioner: Lt. Governor Fran Ulmer
 Agency: Office of the Lt. Governor

Phone: 465-5347
 Date: 3/7/96
 Date: 3/7/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

WALTER J. HICKEL, GOVERNOR

333 WILLOUGHBY AVENUE, 11TH FLOOR
P.O. BOX 110405
JUNEAU, ALASKA 99811-0405
PHONE: (907) 465-2350
FAX: (907) 465-2394

March 19, 1996

The Honorable Steve Frank
Co-Chair, Senate Finance Committee
Alaska State Capitol Building
Room 518
Juneau, AK 99801

Dear Senator Frank:

Subject: SB 306 / HB 514 for the issuance of General Obligation Bonds

On Monday, March 18, 1996, at the Senate Finance Committee meeting with Department of Corrections, your committee was presented with an overview of SB 306 / HB 541. Based on your request at that meeting, we are providing you with the following information:

The date of the last General Obligation election:

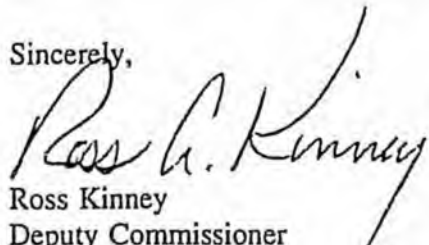
November 4, 1980

Bond schedules for the issues to be sold should the voters approve a new issuance of GO bonds.

The schedules are attached.

Please call if you have further questions.

Sincerely,



Ross Kinney
Deputy Commissioner
Department of Revenue

cc: Senate Secretary

96-028

State of Alaska
 General Obligation Bonds-"AA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

 DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
1/ 1/98			2,740,030.00	2,740,030.00	2,740,030.00
7/ 1/98	3,845,000.00		2,740,030.00	6,585,030.00	
1/ 1/99			2,827,610.00	2,827,610.00	9,412,640.00
7/ 1/99	4,280,000.00		2,827,610.00	7,107,610.00	
1/ 1/ 0			3,016,396.25	3,016,396.25	10,124,006.25
7/ 1/ 0	4,995,000.00		3,016,396.25	8,011,396.25	
1/ 1/ 1			3,143,366.25	3,143,366.25	11,154,762.50
7/ 1/ 1	5,740,000.00		3,143,366.25	8,883,366.25	
1/ 1/ 2			3,806,903.75	3,806,903.75	12,690,270.00
7/ 1/ 2	7,830,000.00		3,806,903.75	11,636,903.75	
1/ 1/ 3			3,606,237.50	3,606,237.50	15,243,141.25
7/ 1/ 3	8,235,000.00		3,606,237.50	11,841,237.50	
1/ 1/ 4			3,387,545.00	3,387,545.00	15,228,782.50
7/ 1/ 4	8,680,000.00		3,387,545.00	12,067,545.00	
1/ 1/ 5			3,150,568.75	3,150,568.75	15,218,113.75
7/ 1/ 5	9,165,000.00		3,150,568.75	12,315,568.75	
1/ 1/ 6			2,895,248.75	2,895,248.75	15,210,817.50
7/ 1/ 6	9,685,000.00		2,895,248.75	12,580,248.75	
1/ 1/ 7			2,620,588.75	2,620,588.75	15,200,837.50
7/ 1/ 7	10,245,000.00		2,620,588.75	12,865,588.75	
1/ 1/ 8			2,324,926.25	2,324,926.25	15,190,515.00
7/ 1/ 8	10,835,000.00		2,324,926.25	13,159,926.25	
1/ 1/ 9			2,006,806.25	2,006,806.25	15,166,732.50
7/ 1/ 9	11,490,000.00		2,006,806.25	13,496,806.25	
1/ 1/10			1,663,708.75	1,663,708.75	15,160,515.00
7/ 1/10	12,180,000.00		1,663,708.75	13,843,708.75	
1/ 1/11			1,293,906.25	1,293,906.25	15,137,615.00
7/ 1/11	12,930,000.00		1,293,906.25	14,223,906.25	
1/ 1/12			894,863.75	894,863.75	15,118,770.00
7/ 1/12	13,745,000.00		894,863.75	14,639,863.75	
1/ 1/13			463,788.75	463,788.75	15,103,652.50
7/ 1/13	14,620,000.00		463,788.75	15,083,788.75	15,083,788.75
	148,500,000.00		79,684,990.00	228,184,990.00	
ACCRUED	148,500,000.00		79,684,990.00	228,184,990.00	

Dated 7/ 1/97 with Delivery of 7/ 1/97

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Debt Date: 03-08-1996 @ 12:07:19 Filename: AKGO Key: COMBINE3

NOTE:

1. Over the next twelve to eighteen months, interest rates maybe higher, and an assumption taking a possible increase into account has been incorporated herein.
2. Outside factors (i.e. higher inflation expectations) can alter interest rate estimates.
3. Actual time for bond issuance is not yet determined. Any extension of the period for issuance can change the applicability of the interest rate assumptions.

State of Alaska
General Obligation Bonds-"AA" Scale As Of March 4, 1996
(Construction of State Correctional Facilities)

=====

SOURCES AND USES OF FUNDS

=====

DELIVERY DATE: 7/ 1/97

Sources of Funds

=====

Per Amount of Bonds.....	\$94,050,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		94,050,000.00

		\$94,050,000.00

Uses of Funds

=====

Net Bond Proceeds.....	93,100,000.00	
Cost of Issuance.....	950,000.00	
Contingency.....	0.00	

		\$94,050,000.00

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 @ 12:01:18 Filename: AKGO Key: 7-1-97

State of Alaska
 General Obligation Bonds-"AA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

 DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
1/ 1/98			2,740,030.00	2,740,030.00	2,740,030.00
7/ 1/98	3,845,000.00	4.450000	2,740,030.00	6,585,030.00	
1/ 1/99			2,654,478.75	2,654,478.75	9,239,508.75
7/ 1/99	4,015,000.00	4.850000	2,654,478.75	6,669,478.75	
1/ 1/ 0			2,557,115.00	2,557,115.00	9,226,593.75
7/ 1/ 0	4,210,000.00	5.150000	2,557,115.00	6,767,115.00	
1/ 1/ 1			2,448,707.50	2,448,707.50	9,215,822.50
7/ 1/ 1	4,430,000.00	5.300000	2,448,707.50	6,878,707.50	
1/ 1/ 2			2,331,312.50	2,331,312.50	9,210,020.00
7/ 1/ 2	4,665,000.00	5.400000	2,331,312.50	6,996,312.50	
1/ 1/ 3			2,205,357.50	2,205,357.50	9,201,670.00
7/ 1/ 3	4,915,000.00	5.500000	2,205,357.50	7,120,357.50	
1/ 1/ 4			2,070,195.00	2,070,195.00	9,190,552.50
7/ 1/ 4	5,185,000.00	5.600000	2,070,195.00	7,255,195.00	
1/ 1/ 5			1,925,015.00	1,925,015.00	9,180,210.00
7/ 1/ 5	5,475,000.00	5.700000	1,925,015.00	7,400,015.00	
1/ 1/ 6			1,768,977.50	1,768,977.50	9,168,992.50
7/ 1/ 6	5,790,000.00	5.800000	1,768,977.50	7,558,977.50	
1/ 1/ 7			1,601,067.50	1,601,067.50	9,160,045.00
7/ 1/ 7	6,125,000.00	5.900000	1,601,067.50	7,726,067.50	
1/ 1/ 8			1,420,380.00	1,420,380.00	9,146,447.50
7/ 1/ 8	6,485,000.00	6.000000	1,420,380.00	7,905,380.00	
1/ 1/ 9			1,225,830.00	1,225,830.00	9,131,210.00
7/ 1/ 9	6,875,000.00	6.100000	1,225,830.00	8,100,830.00	
1/ 1/10			1,016,142.50	1,016,142.50	9,116,972.50
7/ 1/10	7,295,000.00	6.200000	1,016,142.50	8,311,142.50	
1/ 1/11			789,997.50	789,997.50	9,101,140.00
7/ 1/11	7,745,000.00	6.300000	789,997.50	8,534,997.50	
1/ 1/12			546,030.00	546,030.00	9,081,027.50
7/ 1/12	8,235,000.00	6.400000	546,030.00	8,781,030.00	
1/ 1/13			282,510.00	282,510.00	9,063,540.00
7/ 1/13	8,760,000.00	6.450000	282,510.00	9,042,510.00	
1/ 1/14					9,042,510.00
ACCRUED	94,050,000.00		55,166,292.50	149,216,292.50	
	94,050,000.00		55,166,292.50	149,216,292.50	

Dated 7/ 1/97 with Delivery of 7/ 1/97

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 @ 12:01:28 Filename: AKGO Key: 7-1-97

State of Alaska
 General Obligation Bonds-"AAA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

=====

SOURCES AND USES OF FUNDS

=====

DELIVERY DATE: 7/ 1/98

Sources of Funds

=====

Par Amount of Bonds.....	\$6,000,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		6,000,000.00

		\$6,000,000.00

Uses of Funds

=====

Net Bond Proceeds.....	5,760,000.00	
Cost of issuance.....	240,000.00	
Contingenc;.....	0.00	

		\$6,000,000.00

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-09-1996 @ 11:59:29 Filename: AKGO Key: 7-1-98

State of Alaska
 General Obligation Bonds-"AA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

 DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
1/ 1/99			173,131.25	173,131.25	173,131.25
7/ 1/99	265,000.00	4.450000	173,131.25	438,131.25	
1/ 1/ 0			167,235.00	167,235.00	605,366.25
7/ 1/ 0	280,000.00	4.850000	167,235.00	447,235.00	
1/ 1/ 1			160,445.00	160,445.00	607,680.00
7/ 1/ 1	295,000.00	5.150000	160,445.00	455,445.00	
1/ 1/ 2			152,848.75	152,848.75	608,293.75
7/ 1/ 2	310,000.00	5.300000	152,848.75	462,848.75	
1/ 1/ 3			144,633.75	144,633.75	607,482.50
7/ 1/ 3	325,000.00	5.400000	144,633.75	469,633.75	
1/ 1/ 4			135,858.75	135,858.75	605,492.50
7/ 1/ 4	345,000.00	5.500000	135,858.75	480,858.75	
1/ 1/ 5			126,371.25	126,371.25	607,230.00
7/ 1/ 5	365,000.00	5.600000	126,371.25	491,371.25	
1/ 1/ 6			116,151.25	116,151.25	607,522.50
7/ 1/ 6	385,000.00	5.700000	116,151.25	501,151.25	
1/ 1/ 7			105,178.75	105,178.75	606,330.00
7/ 1/ 7	405,000.00	5.800000	105,178.75	510,178.75	
1/ 1/ 8			93,433.75	93,433.75	603,612.50
7/ 1/ 8	430,000.00	5.900000	93,433.75	523,433.75	
1/ 1/ 9			80,748.75	80,748.75	604,182.50
7/ 1/ 9	460,000.00	6.000000	80,748.75	540,748.75	
1/ 1/10			66,948.75	66,948.75	607,697.50
7/ 1/10	485,000.00	6.100000	66,948.75	551,948.75	
1/ 1/11			52,156.25	52,156.25	604,105.00
7/ 1/11	515,000.00	6.200000	52,156.25	567,156.25	
1/ 1/12			36,191.25	36,191.25	603,347.50
7/ 1/12	550,000.00	6.300000	36,191.25	586,191.25	
1/ 1/13			18,866.25	18,866.25	605,057.50
7/ 1/13	585,000.00	6.450000	18,866.25	603,866.25	
1/ 1/14					603,866.25
	6,000,000.00		3,260,397.50	9,260,397.50	
ACCRUED	6,000,000.00		3,260,397.50	9,260,397.50	

Dated 7/ 1/98 with Delivery of 7/ 1/98

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 @ 11:59:36 Filename: AKGO Key: 7-1-98

State of Alaska
General Obligation Bonds-"AA" Scale As Of March 4, 1996
(Construction of State Correctional Facilities)

=====

DELIVERY DATE: 7/ 1/99

SOURCES AND USES OF FUNDS
=====

Par Amount of Bonds.....	\$10,250,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		10,250,000.00

		\$10,250,000.00

Uses of Funds
=====

Net Bond Proceeds.....		9,985,000.00
Cost of Issuance.....		265,000.00
Contingency.....		0.00

		\$10,250,000.00

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 a 11:57:53 Filename: AKGO Key: 7-1-99

State of Alaska
 General Obligation Bonds-"AA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

 DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
1/ 1/ 0			292,046.25	292,046.25	292,046.25
7/ 1/ 0	505,000.00	4.450000	292,046.25	797,046.25	
1/ 1/ 1			280,810.00	280,810.00	1,077,856.25
7/ 1/ 1	525,000.00	4.850000	280,810.00	805,810.00	
1/ 1/ 2			268,078.75	268,078.75	1,073,888.75
7/ 1/ 2	555,000.00	5.150000	268,078.75	823,078.75	
1/ 1/ 3			253,787.50	253,787.50	1,076,866.25
7/ 1/ 3	585,000.00	5.300000	253,787.50	838,787.50	
1/ 1/ 4			238,285.00	238,285.00	1,077,072.50
7/ 1/ 4	615,000.00	5.400000	238,285.00	853,285.00	
1/ 1/ 5			221,680.00	221,680.00	1,074,965.00
7/ 1/ 5	650,000.00	5.500000	221,680.00	871,680.00	
1/ 1/ 6			203,805.00	203,805.00	1,075,485.00
7/ 1/ 6	690,000.00	5.600000	203,805.00	893,805.00	
1/ 1/ 7			184,485.00	184,485.00	1,078,290.00
7/ 1/ 7	730,000.00	5.700000	184,485.00	914,485.00	
1/ 1/ 8			163,680.00	163,680.00	1,078,165.00
7/ 1/ 8	770,000.00	5.800000	163,680.00	933,680.00	
1/ 1/ 9			141,350.00	141,350.00	1,075,030.00
7/ 1/ 9	815,000.00	5.900000	141,350.00	956,350.00	
1/ 1/10			117,307.50	117,307.50	1,073,657.50
7/ 1/10	865,000.00	6.000000	117,307.50	982,307.50	
1/ 1/11			91,357.50	91,357.50	1,073,665.00
7/ 1/11	920,000.00	6.100000	91,357.50	1,011,357.50	
1/ 1/12			63,297.50	63,297.50	1,074,655.00
7/ 1/12	980,000.00	6.200000	63,297.50	1,043,297.50	
1/ 1/13			32,917.50	32,917.50	1,076,215.00
7/ 1/13	1,045,000.00	6.300000	32,917.50	1,077,917.50	
1/ 1/14					1,077,917.50
-----			5,105,775.00	15,355,775.00	
ACCRUED	10,250,000.00				
-----			5,105,775.00	15,355,775.00	
-----			-----	-----	-----

Dated 7/ 1/99 with Delivery of 7/ 1/99
 PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.
 Micro-Muni Sizing Date: 03-08-1996 @ 11:58:02 Filename: AKGO Key: 7-1-99

State of Alaska
General Obligation Bonds-"AAA" Scale As Of March 4, 1996
(Construction of State Correctional Facilities)

=====

SOURCES AND USES OF FUNDS

=====

DELIVERY DATE: 7/ 1/ 0

Sources of Funds

=====

Par Amount of Bonds.....	\$9,000,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		9,000,000.00

		\$9,000,000.00

Uses of Funds

=====

Net Bond Proceeds.....	8,740,000.00	
Cost of Issuance.....	260,000.00	
Contingency.....	0.00	

		\$9,000,000.00

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 @ 11:56:01 Filename: AKGO Key: 7-1-00

State of Alaska
 General Obligation Bonds-"AA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
1/ 1/ 1			253,403.75	253,403.75	253,403.75
7/ 1/ 1	490,000.00	4.450000	253,403.75	743,403.75	
1/ 1/ 2			242,501.25	242,501.25	985,905.00
7/ 1/ 2	515,000.00	4.850000	242,501.25	757,501.25	
1/ 1/ 3			230,012.50	230,012.50	987,513.75
7/ 1/ 3	540,000.00	5.150000	230,012.50	770,012.50	
1/ 1/ 4			216,107.50	216,107.50	986,120.00
7/ 1/ 4	570,000.00	5.300000	216,107.50	786,107.50	
1/ 1/ 5			201,002.50	201,002.50	987,110.00
7/ 1/ 5	600,000.00	5.400000	201,002.50	801,002.50	
1/ 1/ 6			184,802.50	184,802.50	985,805.00
7/ 1/ 6	635,000.00	5.500000	184,802.50	819,802.50	
1/ 1/ 7			167,340.00	167,340.00	987,142.50
7/ 1/ 7	675,000.00	5.600000	167,340.00	842,340.00	
1/ 1/ 8			148,440.00	148,440.00	990,780.00
7/ 1/ 8	710,000.00	5.700000	148,440.00	858,440.00	
1/ 1/ 9			128,205.00	128,205.00	986,645.00
7/ 1/ 9	755,000.00	5.800000	128,205.00	883,205.00	
1/ 1/10			106,310.00	106,310.00	989,515.00
7/ 1/10	800,000.00	5.900000	106,310.00	906,310.00	
1/ 1/11			82,710.00	82,710.00	989,020.00
7/ 1/11	850,000.00	6.000000	82,710.00	932,710.00	
1/ 1/12			57,210.00	57,210.00	989,920.00
7/ 1/12	900,000.00	6.100000	57,210.00	957,210.00	
1/ 1/13			29,760.00	29,760.00	986,970.00
7/ 1/13	960,000.00	6.200000	29,760.00	989,760.00	
1/ 1/14					989,760.00
	9,000,000.00		4,095,610.00	13,095,610.00	
ACCRUED	9,000,000.00		4,095,610.00	13,095,610.00	

Dated 7/ 1/ 0 with Delivery of 7/ 1/ 0

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micra-Muni Sizing Date: 03-08-1996 @ 11:56:11 Filename: AKGO Key: 7-1-00

State of Alaska
General Obligation Bonds-"AA" Scale As Of March 4, 1996
(Construction of State Correctional Facilities)

=====

SOURCES AND USES OF FUNDS

=====

DELIVERY DATE: 7/ 1/ 1

Sources of Funds

=====

Par Amount of Bonds.....	\$29,200,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		29,200,000.00

		\$29,200,000.00

Uses of Funds

=====

Net Bond Proceeds.....	28,760,000.00
Cost of Issuance.....	440,000.00
Contingency.....	0.00

	\$29,200,000.00

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 @ 11:54:27 Filename: AKGO Key: 7-1-01

State of Alaska
 General Obligation Bonds-"AA" Scale As Of March 4, 1996
 (Construction of State Correctional Facilities)

 DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
1/ 1/ 2			812,162.50	812,162.50	812,162.50
7/ 1/ 2	1,785,000.00	4.450000	812,162.50	2,597,162.50	
1/ 1/ 3			772,446.25	772,446.25	3,369,608.75
7/ 1/ 3	1,870,000.00	4.850000	772,446.25	2,642,446.25	
1/ 1/ 4			727,098.75	727,098.75	3,369,545.00
7/ 1/ 4	1,965,000.00	5.150000	727,098.75	2,692,098.75	
1/ 1/ 5			676,500.00	676,500.00	3,368,598.75
7/ 1/ 5	2,075,000.00	5.300000	676,500.00	2,751,500.00	
1/ 1/ 6			621,512.50	621,512.50	3,373,012.50
7/ 1/ 6	2,185,000.00	5.400000	621,512.50	2,806,512.50	
1/ 1/ 7			562,517.50	562,517.50	3,369,030.00
7/ 1/ 7	2,310,000.00	5.500000	562,517.50	2,872,517.50	
1/ 1/ 8			498,992.50	498,992.50	3,371,510.00
7/ 1/ 8	2,440,000.00	5.600000	498,992.50	2,938,992.50	
1/ 1/ 9			430,672.50	430,672.50	3,369,665.00
7/ 1/ 9	2,585,000.00	5.700000	430,672.50	3,015,672.50	
1/ 1/10			357,000.00	357,000.00	3,372,672.50
7/ 1/10	2,735,000.00	5.800000	357,000.00	3,092,000.00	
1/ 1/11			277,685.00	277,685.00	3,369,685.00
7/ 1/11	2,900,000.00	5.900000	277,685.00	3,177,685.00	
1/ 1/12			192,135.00	192,135.00	3,369,820.00
7/ 1/12	3,080,000.00	6.000000	192,135.00	3,272,135.00	
1/ 1/13			99,735.00	99,735.00	3,371,870.00
7/ 1/13	3,270,000.00	6.100000	99,735.00	3,369,735.00	
1/ 1/14					3,369,735.00
	-----		-----	-----	
	29,200,000.00		12,056,915.00	41,256,915.00	
ACCRUED					
	29,200,000.00		12,056,915.00	41,256,915.00	
	-----		-----	-----	

Dated 7/ 1/ 1 with Delivery of 7/ 1/ 1

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Muni Sizing Date: 03-08-1996 @ 11:54:46 Filename: AKGO Key: 7-1-01

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

SB 306

March 11, 1996

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

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for the issuance of general obligation bonds to finance the expansion of regional correctional facilities at several locations in Alaska. The bonds would be issued in the principal amount of \$148,500,000.

Alaska's jails and prisons are severely overcrowded. While we have put more police on the streets and rewritten the criminal code to produce longer and stronger sentences, we have not significantly increased the number of prison beds in Alaska's correctional system since Spring Creek Correctional Center opened in January 1988.

As a result, we now face substantial fines for any violation of court-ordered population limits at our correctional facilities. We are now also confronted by a new class action lawsuit related to the housing and program needs of female prisoners that promises to be just as costly and protracted as the Clery litigation if the issues it raises are not addressed swiftly.

My Administration inherited this problem, and we accept the responsibility of remedying it.

After several months of study and planning by the criminal justice mini-cabinet, we propose this bill as one part of a three-part plan to manage Alaska's growing prisoner population. Our approach to expanding capacity takes a statewide view and puts the jail and prison beds where they belong -- in the regional centers around the state where there are courts, prosecutors, defense attorneys, law enforcement resources, and existing correctional facilities suffering from overcrowding.

In addition to expansion, the Department of Corrections will pursue new initiatives to reduce the number of low-risk offenders entering correctional facilities, while increasing the number of low-risk offenders exiting our jails and prisons. These two parts of the plan are equally as critical as expansion. They will employ both programmatic efforts and increased use of private and non-profit halfway houses to ensure that beds in our secure facilities are available for dangerous offenders. A prisoner will not be released from a secure setting unless the prisoner is judged to be at low risk to reoffend; protecting the public will remain as the foremost concern as these parts of the plan are carried out.

I must note that even if this three-part plan is completely successful, Alaska will not have solved its prisoner problems. Our state population continues to grow; alcohol abuse continues to fuel a disproportionate growth in the crime rate; and tough new laws and enhanced law enforcement efforts are resulting in our criminal justice system apprehending, convicting, and incarcerating more offenders than at any time in our history.

If we are ever to stem this rising tide of prisoners, we must focus more resources on prevention and intervention, especially in programs aimed at our young people. Some 1,500 juveniles were arrested last year on felony charges and we know that many of these children eventually will appear in the adult corrections system. Clearly, we need stronger efforts in prevention, and I anticipate specific recommendations along these lines when the Youth and Justice Conference that I convened last fall issues its report later this year. Also, I again urge the legislature to work with me to endow, for the first time, the recently reconstituted Children's Trust Fund as a public-private partnership dedicated to meeting the needs of troubled children.

For now, we are obligated to provide more jail and prison space in which to house our prisoners. Construction and operation of these proposed correctional projects will represent a significant commitment of state revenue to support our criminal justice system and, in turn, protect the people of Alaska. But we believe that over the long term it will be the most cost-effective method of dealing with our growing prisoner population.

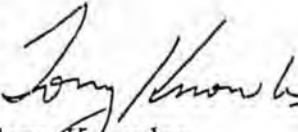
I have purposefully chosen general obligation bonds as the primary vehicle to finance expansion for two reasons. First, with revenue declining, it is more feasible to pay for these projects over a long term than it would be to fund them with direct capital appropriations. Second, the Alaska Constitution requires general obligation bonds to be submitted to the voters of the state for ratification and I strongly believe that such a substantial financial commitment deserves to be subjected to a vote of the people.

I have taken the additional step of including the costs of the first full year of operations once all of the projects in the ballot proposition are completed. We expect an estimated average annual debt service payment of \$13,423,000 through 2013 if the bonds are sold at

par. The Department of Corrections estimates that the operating costs for the first full year after all these projects are completed will be approximately \$28,000,000. Cost reductions made possible by the projects, such as closure of the 6th Avenue jail in Anchorage and the return of 206 prisoners from a contract facility in Arizona, are expected to produce a net operating cost of \$18,700,000 for these facilities in the first year that all of them are in use.

If approved by the voters, this commitment will then become an integral part of the state's long-range financial plan. I urge your support for this bill.

Sincerely,



Tony Knowles
Governor

SENATE COMMITTEE REPORT

DATE: 4/3/96

FURTHER: Finance

DATE TURNED INTO OFFICE: 5-2-96

The Judiciary Committee considered SB 306

Providing for the issuance of general obligation bonds for correctional facilities.

and recommends:

- be replaced with _____ CS SB 306 (JUD)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical change
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/12/96

FURTHER: Judiciary
Finance

Date of 5-Day Notice: 3/28/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/3/96

The State Affairs Committee considered SB 306

Providing for the issuance of general obligation bonds in the amount of \$148,500,000 for the purpose of paying the cost of design and construction of state correctional facilities.

and recommends:

- be replaced with CS SB 306 (STA)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to the Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓	✓	
		<i>[Signature]</i>	✓		
CHAIR:		CHAIR: <i>[Signature]</i>			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DIV. OF ELECTIONS	3/7/96		F397
OFFICE OF LT. GOV.			2.2
Revenue	3/8/96		F397
			35.7

apply to 51

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill