

SB

306

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 BRU: ALL
...correctional facilities 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 complies 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 (1567 4), 1 PFT Criminal Justice Planner (1571 9), and 1 PFT Administrative Clerk (1532 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 Shiner Phone: 465-4652
 Division: Office of the Commissioner Date: 3/10/96
 Approved by Commissioner: Margaret M. Pugh Date: 3/10/96
 Agency: Department of Corrections

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further dist: FISCAL NOTE

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.

9-GS2062AF
Cook
4/30/96

CS FOR SENATE BILL NO. 306(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing of adult and juvenile correctional facilities;
2 providing for the issuance of general obligation bonds in the amount of
3 \$120,450,000 for the purpose of paying the cost of design, construction, and
4 other capital improvement of state correctional facilities; giving notice and
5 approval for a lease of a replacement jail facility in Anchorage; and providing
6 for an effective date."

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

8 • Section 1. For the purpose of paying the cost of design, construction, and other capital
9 improvement of correctional facilities of the state, general obligation bonds of the state in the
10 principal amount of not more than \$120,450,000 shall be issued and sold. The full faith,
11 credit, and resources of the state are pledged to the payment of the principal of and interest
12 and redemption premium, if any, on the bonds. The bonds shall be issued under the
13 provisions of AS 37.15 as those provisions read at the time of issuance.

1 * Sec. 2. If the issuance of the bonds is authorized by the qualified voters of the state, a
 2 special fund of the state to be known as the "State Correctional Facility Construction Fund"
 3 shall be established, to which shall be credited the proceeds of the sale of the bonds described
 4 in sec.1 of this Act except for the accrued interest and premiums.

5 * Sec. 3. The amount of \$120,450,000 is appropriated from the "State Correctional Facility
 6 Construction Fund" to the Department of Transportation and Public Facilities to be allocated
 7 among the following projects in the amounts listed, which include the cost of issuance of the
 8 bonds, subject to reallocation between projects in accordance with AS 37.07.080(e):

9	(1) Palmer Correctional Center	\$13,050,000
10	(2) Hiland Mountain (Eagle River) Correctional Center	1,000,000
11	(3) Yukon-Kuskokwim (Bethel) Correctional Center	5,000,000
12	(4) Mat-Su Pretrial (Palmer) Correctional Center	6,000,000
13	(5) Fairbanks Correctional Facility	10,250,000
14	(6) North Slope Borough (Barrow) Correctional Facility	15,000,000
15	(7) Lemon Creek (Juneau) Correctional Center	9,000,000
16	(8) Wildwood (Kenai) Correctional Center	29,200,000
17	(9) McLaughlin Youth Center (Anchorage)	15,350,000
18	(10) Mat-Su Youth Facility	7,600,000
19	(11) Fairbanks Youth Facility	5,000,000
20	(12) Ketchikan Youth Facility	4,000,000

21 * Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of
 22 advance planning for the improvements financed under this Act shall be reimbursed to the
 23 fund from the proceeds of the sale of bonds authorized by this Act.

24 * Sec. 5. The unexpended and unobligated balance of the appropriation made in sec. 3 of
 25 this Act lapses under AS 37.25.020 and is appropriated to the state bond committee to redeem
 26 bonds sold under the Act or to pay rebatable arbitrage if necessary. The amounts expended
 27 from the general fund to pay the principal, interest, and redemption premium on bonds issued
 28 under this Act shall be reimbursed to the general fund from the appropriation made under this
 29 section to the extent that the money is not needed to redeem the bonds.

30 * Sec. 6. The question whether the bonds authorized in this Act are to be issued shall be
 31 submitted to the qualified voters of the state at the next general election and shall read

1 substantially as follows:

2 PROPOSITION

3 State General Obligation Correctional Facility

4 Construction Bonds \$120,450,000

5 Shall the State of Alaska issue its general obligation bonds in the
6 principal amount of not more than \$120,450,000 for the purpose of
7 paying the cost of design, construction, and other capital improvement
8 of adult and juvenile correctional facilities? The annual operating cost
9 of the facilities is estimated at \$31,231,600. Between 1997 and 2013
10 the average annual debt service for bonds is estimated at \$10,936,340.

11 Bonds Yes

12 Bonds No

13 * Sec. 7. NOTICE AND APPROVAL OF LEASE AGREEMENT. To provide for a
14 replacement jail facility in the Municipality of Anchorage in order to relieve overcrowding of
15 existing correctional facilities, the Department of Administration, on behalf of the Department
16 of Corrections, may enter into a lease agreement under AS 33.30.031 for a replacement jail
17 facility with the Municipality of Anchorage that will house persons who are committed to the
18 custody of the commissioner of corrections. The approval given by this subsection is subject
19 to the following limitations:

20 (1) the anticipated annual lease obligation for the initial term of the lease may
21 not exceed \$6,010,000; and

22 (2) the total lease payments for the full term of the agreement may not exceed
23 \$100,000,000.

24 * Sec. 8. Sections 1 - 6 of this Act take effect on the date that the municipal clerk of the
25 Municipality of Anchorage certifies to the revisor of statutes that an ordinance authorizing the
26 issuance of municipal revenue bonds to finance the design and construction of a replacement
27 jail facility has become law.

28 * Sec. 9. Section 7 of this Act takes effect on the date that the lieutenant governor certifies
29 to the revisor of statutes that a majority of the votes cast on a proposition appearing on the
30 1996 general election ballot favor the issuance of general obligation bonds for the design,
31 construction, and other capital improvement of state correctional facilities.

CSSB 306(JUD)

AMMENDMENT

Page 1, Line 3:

Delete: [\$120,450,000]

Add: \$121,650,000

Page 1, Line 10:

Delete: [\$120,450,000]

Add: \$121,650,000

Page 2, Line 5:

Delete: [\$120,450,000]

Add: \$121,650,000

Page 2, After line 20:

Add new line 21: (13) Kotzebue Jail 1,2000,000

Renumber subsequent lines accordingly

Page 3, Line 4:

Delete: [\$120,450,000]

Add: \$121,650,000

Page 3, Line 6:

Delete: [\$120,450,000]

Add: \$121,650,000

Page 3, Line 9:

Delete: [\$31,231,600]

Add: \$31,516,353

Page 3, Line 10:

Delete: [\$10,936,340]

Add: \$11,049,977

State of Alaska
General Obligation Bonds-"AA" Scale As Of April 26, 1996
(Construction of State Correctional Facilities)

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
7/1/98			1,846,172.50	1,846,172.50	1,846,172.50
7/1/98	3,410,000.00		1,846,172.50	4,256,172.50	
7/1/99			2,147,931.25	2,147,931.25	6,404,103.75
7/1/99	3,050,000.00		2,147,931.25	5,197,931.25	
7/1/00			2,373,448.75	2,373,448.75	7,571,300.00
7/1/00	3,715,000.00		2,373,448.75	6,088,448.75	
7/1/01			2,539,142.50	2,539,142.50	8,627,591.25
7/1/01	4,400,000.00		2,539,142.50	6,939,142.50	
7/1/02			3,264,620.00	3,264,620.00	10,203,762.50
7/1/02	6,405,000.00		3,264,620.00	9,669,620.00	
7/1/03			3,099,340.00	3,099,340.00	12,764,960.00
7/1/03	6,760,000.00		3,099,340.00	9,859,340.00	
7/1/04			2,909,606.25	2,909,606.25	12,764,966.25
7/1/04	7,145,000.00		2,909,606.25	10,054,606.25	
7/1/05			2,708,588.75	2,708,588.75	12,763,195.00
7/1/05	7,575,000.00		2,708,588.75	10,263,588.75	
7/1/06			2,491,158.75	2,491,158.75	12,774,747.50
7/1/06	8,015,000.00		2,491,158.75	10,500,158.75	
7/1/07			2,257,078.75	2,257,078.75	12,763,237.50
7/1/07	8,505,000.00		2,257,078.75	10,762,078.75	
7/1/08			2,004,423.75	2,004,423.75	12,766,502.50
7/1/08	9,025,000.00		2,004,423.75	11,029,423.75	
7/1/09			1,731,796.25	1,731,796.25	12,761,220.00
7/1/09	9,575,000.00		1,731,796.25	11,326,796.25	
7/1/10			1,437,136.25	1,437,136.25	12,763,932.50
7/1/10	10,205,000.00		1,437,136.25	11,642,136.25	
7/1/11			1,118,626.25	1,118,626.25	12,760,762.50
7/1/11	10,805,000.00		1,118,626.25	12,003,626.25	
7/1/12			773,438.75	773,438.75	12,777,065.00
7/1/12	11,595,000.00		773,438.75	12,368,438.75	
7/1/13			401,293.75	401,293.75	12,769,732.50
7/1/13	12,365,000.00		401,293.75	12,766,293.75	
ACCRUED	121,650,000.00		66,199,605.00	187,849,605.00	
	121,650,000.00		66,199,605.00	187,849,605.00	

Dated 7/1/97 with Delivery of 7/1/97 \$11,049,977 Ann PMT

PREPARED BY: GOVERNMENT FINANCE ASSOCIATES, INC.

Micro-Print Debt Date: 05-02-1996 @ 10:14:51 File: 202 Key: COMBINEZ

NOTE:

- Over the next twelve to eighteen months, interest rates maybe higher, and an assumption taking a possible increase into account has been incorporated herein.
- Outside factors (i.e. higher inflation expectations) can alter interest rate estimates.
- 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.

Post-It® brand fax transmittal memo 7071 # of pages = 1	
To: CHUCK ACHBERGER	From: ROSS KINNEY
Co.	Co. DOR
Dept.	Phone # 3669
Fax # 3922	Fax # 2389

9-GS2062\G ✓

Cook

5/2/96

CS FOR SENATE BILL NO. 306(JUD)**IN THE LEGISLATURE OF THE STATE OF ALASKA****NINETEENTH LEGISLATURE - SECOND SESSION****BY THE SENATE JUDICIARY COMMITTEE****Offered:****Referred:****Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to the financing of adult and juvenile correctional facilities;
2 providing for the issuance of general obligation bonds in the amount of
3 \$120,450,000 for the purpose of paying the cost of design, construction, and
4 other capital improvement of state correctional facilities; relating to and giving
5 notice and approval for leases for correctional facilities; and providing for an
6 effective date."

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

8 * Section 1. For the purpose of paying the cost of design, construction, and other capital
9 improvement of correctional facilities of the state, general obligation bonds of the state in the
10 principal amount of not more than \$120,450,000 shall be issued and sold. The full faith,
11 credit, and resources of the state are pledged to the payment of the principal of and interest
12 and redemption premium, if any, on the bonds. The bonds shall be issued under the
13 provisions of AS 37.15 as those provisions read at the time of issuance.

1 * Sec. 2. If the issuance of the bonds is authorized by the qualified voters of the state, a
 2 special fund of the state to be known as the "State Correctional Facility Construction Fund"
 3 shall be established, to which shall be credited the proceeds of the sale of the bonds described
 4 in sec.1 of this Act except for the accrued interest and premiums.

5 * Sec. 3. The amount of \$120,450,000 is appropriated from the "State Correctional Facility
 6 Construction Fund" to the Department of Transportation and Public Facilities to be allocated
 7 among the following projects in the amounts listed, which include the cost of issuance of the
 8 bonds, subject to reallocation between projects in accordance with AS 37.07.080(e):

9	(1) Palmer Correctional Center	\$13,050,000
10	(2) Hiland Mountain (Eagle River) Correctional Center	1,000,000
11	(3) Yukon-Kuskokwim (Bethel) Correctional Center	5,000,000
12	(4) Mat-Su Pretrial (Palmer) Correctional Center	6,000,000
13	(5) Fairbanks Correctional Facility	10,250,000
14	(6) North Slope Borough (Barrow) Correctional Facility	15,000,000
15	(7) Lemon Creek (Juneau) Correctional Center	9,000,000
16	(8) Wildwood (Kenai) Correctional Center	29,200,000
17	(9) McLaughlin Youth Center (Anchorage)	15,350,000
18	(10) Mat-Su Youth Facility	7,600,000
19	(11) Fairbanks Youth Facility	5,000,000
20	(12) Ketchikan Youth Facility	4,000,000

21 * Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of
 22 advance planning for the improvements financed under this Act shall be reimbursed to the
 23 fund from the proceeds of the sale of bonds authorized by this Act.

24 * Sec. 5. The unexpended and unobligated balance of the appropriation made in sec. 3 of
 25 this Act lapses under AS 37.25.020 and is appropriated to the state bond committee to redeem
 26 bonds sold under the Act or to pay rebatable arbitrage if necessary. The amounts expended
 27 from the general fund to pay the principal, interest, and redemption premium on bonds issued
 28 under this Act shall be reimbursed to the general fund from the appropriation made under this
 29 section to the extent that the money is not needed to redeem the bonds.

30 * Sec. 6. The question whether the bonds authorized in this Act are to be issued shall be
 31 submitted to the qualified voters of the state at the next general election and shall read

1 substantially as follows:

2 PROPOSITION

3 State General Obligation Correctional Facility

4 Construction Bonds \$120,450,000

5 Shall the State of Alaska issue its general obligation bonds in the
6 principal amount of not more than \$120,450,000 for the purpose of
7 paying the cost of design, construction, and other capital improvement
8 of adult and juvenile correctional facilities? The annual operating cost
9 of the facilities is estimated at \$31,231,600. Between 1997 and 2013
10 the average annual debt service for bonds is estimated at \$10,936,340.

11 Bonds Yes

12 Bonds No

13 * Sec. 7. NOTICE AND APPROVAL OF LEASE AGREEMENT. To provide for a new
14 correctional facility in the Municipality of Anchorage, the Department of Administration, on
15 behalf of the Department of Corrections, may enter into a lease agreement under AS 33.30.031
16 for a correctional facility in the Municipality of Anchorage on a privately owned site of at
17 least 30 acres that will house persons who are committed to the custody of the commissioner
18 of corrections. The facility shall be designed for sentenced felons, and pretrial, presentenced,
19 and sentenced misdemeanants who, in the determination of the commissioner of corrections,
20 pose an immediate threat to the public. The approval given by this section is subject to the
21 following limitations:

22 (1) the anticipated annual lease obligation may not exceed \$12,000,000;

23 (2) the total lease payments may not exceed \$200,000,000; and

24 (3) the total cost of the facility may not exceed \$100,000,000.

25 * Sec. 8. NOTICE AND APPROVAL OF LEASE AGREEMENT. To provide for a new
26 correctional facility in the City of Valdez, the Department of Administration, on behalf of the
27 Department of Corrections, may enter into a lease agreement under AS 33.30.031 for a
28 correctional facility in the City of Valdez that will house persons who are committed to the
29 custody of the commissioner of corrections. The correctional facility shall be provided by
30 conversion of the existing state hospital in the City of Valdez. The approval given by this
31 section is subject to the following limitations:

- 1 (1) the anticipated annual lease obligation may not exceed \$3,000,000;
2 (2) the total lease payments may not exceed \$40,000,000; and
3 (3) the total cost of the facility may not exceed \$20,000,000.

4 * Sec. 9. In the evaluation of a bid to construct and operate a correctional facility described
5 in secs. 7 and 8 of this Act, the Department of Administration may provide incentive to the
6 maker of a bid that pledges to employ state residents generally, and former state hospital
7 employees with respect to the City of Valdez correctional facility, particularly, as far as
8 practicable.

9 * Sec. 10. Sections 1 - 6 of this Act take effect on the date that the municipal clerk of the
10 Municipality of Anchorage certifies to the revisor of statutes that an ordinance authorizing the
11 issuance of municipal revenue bonds to finance the design and construction of a replacement
12 jail facility has become law.

13 * Sec. 11. Section 7 of this Act takes effect on the date that the lieutenant governor
14 certifies to the revisor of statutes that a majority of the votes cast on a proposition appearing
15 on the 1996 general election ballot favor the issuance of general obligation bonds for the
16 design, construction, and other capital improvement of state correctional facilities.

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

TONY KNOWLES, GOVERNOR

REPLY TO:

PO BOX 112000
JUNEAU, ALASKA 99811-2000
PHONE (907) 465-3376

April 4, 1996

The Honorable Robin Taylor
Mail Stop 3100, Capitol Room 30
Juneau, AK 99811

Dear Senator Taylor:

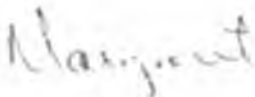
Thank you for the opportunity to speak with you this morning about SB306, the Governor's general obligation bond bill for correctional facilities. As you know, CSSB 306 passed out of Senate State Affairs on Tuesday April 2, 1996, and the Senate Judiciary Committee is the next committee of referral.

This bill is important for the protection of the public - it will ensure that there is adequate space in our now overcrowded, regional Correctional Centers to lock up dangerous criminals. It will authorize a \$148.5 million general obligation bond package for correctional facilities expansion on the November 1996 ballot for a vote of the people. General obligation bonds provide the best financial advantage for the state. And further, the bonds, associated debt and operational costs are included in the Governor's Long Range Fiscal Plan.

On behalf of the Criminal Justice Cabinet, I request that you schedule SB 306 for hearing before the Senate Judiciary Committee at the earliest possible time.

Thank you in advance for your prompt consideration of this request.

Sincerely,



Margaret Pugh
Commissioner

PROPOSED G.O. BONDED CAPACITY EXPANSION

Location	New Beds	Initial Capital Costs	Design & Construction Period ****	First Full Year Operating (FY05)
Palmer C C	221	\$13,050.0	7/1/97 - 12/31/99	\$3,763.3
Comined Hiland C.C.	0	\$1,000.0	7/1/97 - 3/31/00	\$0.0
Yukon-Kuskokwim C C.	48	\$5,000.0	7/1/97 - 12/31/99	\$963.7
Anchorage Criminal Justice	400	\$60,000.0	7/1/97 - 6/30/01	\$8,076.4 *
North Slope Borough	50	\$15,000.0	7/1/97 - 6/30/00	\$2,801.2 **
1st Bond Issuance	719	\$94,050.0		\$15,604.6
Matanuska-Susitna C C	64	\$6,000.0	7/1/98 - 12/31/00	\$1,107.1
2nd Bond Issuance	64	\$6,000.0		\$1,107.1
Fairbanks C C	80	\$10,250.0	7/1/99 - 12/31/01	\$2,266.5
3rd Bond Issuance	80	\$10,250.0		\$2,266.5
Lemon Creek C C	64	\$9,000.0	7/1/00 - 12/31/02	\$1,931.0
4th Bond Issuance	64	\$9,000.0		\$1,931.0
Wildwood C C	149	\$29,200.0	7/1/01 - 3/31/04	(\$2,111.4)***
5th Bond Issuance	149	\$29,200.0		(\$2,111.4)
GRAND TOTAL	1076	\$148,500.0		\$18,797.8

Notes

* Represents a "Net" cost by factoring in the closure of the Sixth Avenue CC (104 Beds) with a \$4,352.2 budget [ACJ \$ 12,428.7 less \$ 4,352.3 = \$ 8,076.4]

** Represents a "Net" cost by factoring in the closure of the current North Slope Jail Contract (9 Beds) with a \$ 834.8 budget [NSB \$ 3,636.0 less \$ 834.8 = \$ 2,801.2]

*** Represents a "Net" cost by factoring in the closure of the Arizona Out-Of-State Contract (208 Beds) with a \$ 4,798.7 budget [Wildwood \$ 2,687.3 less \$ 4,798.7 = (\$2,111.4)]

**** These schedules are subject to change depending on detailed planning with the Architects and Construction contractors

DRAFT

ESTIMATED FUNDING SUMMARY

I. DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Expenditure Line	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
71000	\$100.0	\$500.0	\$596.9	\$842.7	\$574.4	\$241.5	\$232.6	\$111.8	\$3,200.8
73000	\$0.0	\$10.0	\$30.0	\$70.0	\$50.0	\$20.0	\$20.0	\$10.0	\$210.0
78000	\$0.0	\$3,966.1	\$16,800.5	\$43,636.9	\$32,464.8	\$11,700.0	\$17,893.8	\$14,307.1	\$140,769.2
TOTAL	\$100.0	\$4,477.0	\$17,427.4	\$44,549.6	\$33,089.2	\$11,961.5	\$18,146.4	\$14,428.9	\$144,180.0

II. DEPARTMENT OF REVENUE:

Expenditure Line	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
73000	\$35.7	\$125.1	\$86.8	\$50.4	\$32.9	\$42.6	\$18.8	\$1.3	\$393.6
78000	\$950.0	\$240.0	\$265.0	\$260.0	\$440.0	\$0.0	\$0.0	\$0.0	\$2,155.0
TOTAL	\$985.7	\$365.1	\$351.8	\$310.4	\$472.9	\$42.6	\$18.8	\$1.3	\$2,548.6

III. DEPARTMENT OF CORRECTIONS:

Expenditure Line	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
71000	\$85.9	\$180.9	\$190.5	\$200.6	\$211.2	\$219.1	\$219.1	\$219.1	\$1,526.4
72000	\$5.0	\$15.0	\$15.0	\$20.0	\$0.0	\$10.0	\$10.0	\$10.0	\$95.0
78000	\$10.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$150.0
TOTAL	\$100.9	\$215.9	\$225.5	\$240.6	\$241.2	\$249.1	\$249.1	\$249.1	\$1,771.4

ESTIMATED FUNDING TOTALS

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES	\$144,180.0
DEPARTMENT OF REVENUE	\$2,548.6
DEPARTMENT OF CORRECTIONS	\$1,771.4
TOTAL	\$148,500.0

DRAFT

HB412

Page 4, between lines 4 and 5: Insert the following new material to read:

"(c) If the issuance of general obligation bonds is authorized by the qualified voters of the state at the 1996 general election, the sum of \$5,200,000 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the improvements authorized at that election.

(d) If the issuance of general obligation bonds is authorized by the qualified voters of the state at the 1996 general election, \$900,000 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the State Bond Committee to cover the cost of issuance incurred before the bonds are sold.

(e) An amount equal to the amounts appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) in (c) and (d) of this section for the purpose of advance planning for improvements financed under this Act and to pay the cost of issuance of the bonds is appropriated from the proceeds of the sale of bonds to reimburse the budget reserve fund."

Line 5: after "(a)" delete "and (b)" and insert "- (d)" in its place.

Renumber remaining subsections accordingly..

CS for SENATE BILL NO. 306 (STA)

Section 1. Provides for the issuance of general obligation (GO) bonds in the amount of \$ 148,500,000 for the purpose of paying the cost of issuance of the bonds and design and construction of state correctional facilities across the state. The issuance is subject to voter approval at the next general election in November, 1996.

NOTE: An amendment to HB 412, the operating budget bill, has been prepared to use the Constitutional Budget Reserve Fund (CBRF) to cover the costs of initial bond preparation by the State Bond Committee. This appropriation covers only expenses that must be incurred before bonds are sold. Once the bonds are sold, proceeds are used to cover the costs and to reimburse the Constitutional Budget Reserve Fund. [See Attachment; (d) and (e)]

Section 2. Establishes a "State Correctional Facility Construction Fund" (SCFC) in DOT&PF to receive proceeds from bond issuances.

Section 3. Authorizes allocation of bond proceeds in the SCFC to the projects listed.

NOTE: An amendment to HB 412, the operating budget bill, has been prepared to use the Constitutional Budget Reserve Fund (CBRF) to capitalize the Public Facilities Planning Fund (PFPF) in OMB, for the purpose of forward funding advance planning of the listed projects by DOT&PF and DOC. As bonds are issued, PFPF will be reimbursed and funds paid back to the CBRF by PFPF. The net effect is a one time capital appropriation to PFPF which declines as advanced planning of projects is accomplished, and the amount "loaned" to PFPF by the CBRF is reimbursed to the CBRF. [See attachment; (c)]

Section 4. Authorizes bond proceeds to be used to reimburse the "Public Facilities Planning Fund (PFPF) for the advanced planning costs of the Departments of Corrections and Transportation/Public Facilities.

Section 5. Allows excess bond proceeds, should any be realized, to be used by the bond committee to redeem these bonds or pay arbitrage fees.

Section 6. Authorizes a ballot measure to be placed on the ballot November, 1996 asking voters whether they support the issuance of these bonds and associated operating costs

Section 7. Establishes an immediate effective date for the Act under AS 01.10.070(c).



CITY OF BETHEL

P.O. Box 388 Bethel, Alaska 99559
007-543-2297
FAX # 543-4171

RECEIVED
APR 19 1996

Ans'd.....

April 15, 1996

Senator Robin L. Taylor
Alaska State Legislature
State Capitol - Room 30
Juneau, AK 99801-1182

Dear Senator Taylor:

The Bethel City Council, at their April 9, 1996, regular meeting, passed Resolution # 96-14, a copy of which is enclosed. This resolution supports Senate Bill #306, which provides for the issuance of general obligation bonds to fund the design and construction of state correctional facilities.

Senate Bill #306 has the support of the Bethel City Council for several reasons. First, this approach builds the beds where they are needed. The Yukon-Kuskokwim Correctional Center is regularly filled to capacity, and our Council believes that any additional capacity should be in Bethel, rather than in Anchorage. Second, the expansion would create new jobs in Bethel, aiding the local economy. And finally, the bill calls for general obligation bonds, the least expensive type of debt that can be incurred, and it lists the additional operating costs up-front.

I understand that SB 306 is currently awaiting a hearing in the Judiciary Committee. We would like to see this bill scheduled, so that it may be discussed and considered by the Committee. Please do not hesitate to call me if I can answer any questions, or put you in touch with the Mayor, City Manager, or one of our Council Members.

Sincerely,

L. J. Tanner
City Clerk

cc: Mayor and City Council
City Manager



CITY OF BETHEL

P.O. Box 388 Bethel, Alaska 99559

907-543-2297
FAX # 543-4171

Presented By: Council Member McComas

Date: April 9, 1996

Action: Passed

Vote: 6-Yes, 0-No

RESOLUTION #96-14

A RESOLUTION OF THE CITY COUNCIL OF BETHEL, ALASKA, SUPPORTING SENATE BILL #306, PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF PAYING THE COST OF DESIGN AND CONSTRUCTION OF STATE CORRECTIONAL FACILITIES.

WHEREAS, Senate Bill #306 provides for the issuance of \$148,500,000 in general bonds, for the purpose of paying the cost of design and construction of correctional facilities of the state, with \$5,000,000 earmarked for an expansion of the Yukon-Kuskokwim Correctional Center in Bethel, and

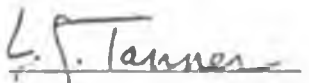
WHEREAS, residents of the Yukon-Kuskokwim Delta Region whose relatives are incarcerated at the Y-K Correctional Center are able to visit them in Bethel, but housing those same prisoners in Anchorage would make it very difficult for families to continue to visit; and

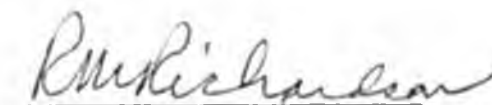
WHEREAS, the expansion of the Y-K Correctional Center would result in the creation of ten new jobs, including Corrections Officers, Probation Officers, Registered Nurses, and Mental Health Clinicians; and

NOW, THEREFORE, BE IT RESOLVED THAT THE BETHEL CITY COUNCIL supports Senate Bill #306, and the expansion of the Yukon-Kuskokwim Correctional Center, and strongly opposes the establishment of a regional correctional center in Anchorage.

PASSED AND APPROVED THIS 9TH DAY OF APRIL, 1996.

ATTEST:


B.J. Tanner, City Clerk


Ruth M. Richardson, Mayor