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ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

Hearing on Financing Options

October 20 & 21, 1997

Legislative Information Office

716 W 4th Avenue

Anchorage, Alaska

Agenda for Monday October 20

- | | |
|-----------------|---|
| 9:00 AM | Call to Order |
| 9:05 AM | Overview of Options
Mike Greany, Legislative Fiscal Analyst |
| 10:00 AM | Bonding and State Debt Capacity
Forrest Browne, State Debt Manager |
| 11:00 AM | Community Dividend Concept
Governor Walter J. Hickel
Assemblyman George Wuerch
Kevin Richie, Alaska Municipal League |
| Noon to 1:30 PM | Lunch |
| 1:30 PM | Fuel Taxes, and Transportation Maintenance
Boyd Brownfield, Deputy Commissioner, DOT/PF
Dennis Poshard, Legislative Liaison, DOT/PF |
| 2:30 PM | Rent Structure for Maintenance
Division of Administrative Services, Dept. of Administration |
| 3:30 PM | (Education) Facilities Funding Authority
Robert LeResche, LeResche & Co |
| 5:00 PM | Adjournment |

Tuesday, October 21

The Task Force will work toward a conclusion on recommending financing options.

- | | |
|-------------------|--------------------|
| 9:00 - Noon | Morning Discussion |
| Noon - 1:30 PM | Lunch |
| 1:30 PM - 5:00 PM | Afternoon Session |

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Building an Alaska for the 21st Century

Deferred Maintenance Task Force Moves Toward Recommendations.

For Immediate Release

Thursday, October 23, 1997

Contact: Denny DeWitt
Legislative Assistant to Rep. Mulder
907 465-2647 or 258-8193

(Anchorage, AK) -- Meeting in Anchorage on October 20 and 21, the Deferred Maintenance Task Force discussed ways of financing over \$1 billion in deferred maintenance of public assets identified this interim through a series of statewide hearings. The list includes Alaska's schools, University buildings, roads, harbors, airports, and other state facilities.

The Task Force recommendations will include a multi-year, long-range, plan to finance \$1.5 billion in capital funding to renovate existing schools and University buildings, and improve our highway system, harbors, airports, water and sewer systems, and other public facilities. It will also address new school and University construction.

"We will need to use the state's large bonding capacity to rebuild our state's infrastructure," stated Representative Eldon Mulder, Task Force Co-Chair. "Our plan will provide a framework for legislative consideration beginning in January.

Equally important, the plan is consistent with the Majority's Five-Year plan to balance the state's operating budget."

"I am delighted at our progress," commented Senator Tim Kelly, Task Force Co-Chair. "We visited over a dozen communities and listened to many Alaskans. They helped focus our attention on defining the deferred maintenance problem. They gave us many positive suggestions that have been of considerable value. I think our final recommendation will receive the public's support because we find a responsible way to address this capital investment need which does not affect the Permanent Fund Dividend or force a state income tax."

Alaskans told the Task Force that schools and the University of Alaska are important assets that need expansion. As a result, the Task Force's plan will include room for including new schools and University facilities to accommodate growing student populations in many of the fastest growing areas of Alaska.

The Task Force discussed options and is developing a recommendation to be considered at its final meeting on November 6, 7, and 8, in Anchorage. At that meeting, the Task Force will also propose recommended legislation to prevent state agencies, the University, and school districts from getting behind on future maintenance responsibilities. Those recommendations will include mandatory requirements for an annual maintenance program in order to participate.

The Legislature established the Deferred Maintenance Task Force to assess the condition of public facilities and solicit input on needs. Further, and equally necessary, the task force was directed to evaluate various funding proposals to pay for the needed repair and replacement of public facilities. The task force will report back to Legislature in January of 1998.

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ACTION AND RECOMMENDATIONS

The Deferred Maintenance Task Force Tentatively adopted the following for inclusion in its final report. Staff will refine proposals and prepare final draft for final approval on January 10, 1998.

ISSUE	TASK FORCE ACTION
1. Financing Plan	Tentative Adoption
2. Level of Local Financial Responsibility	Tentative use of current match rates
3. Legislation	
a) Build Alaska - Public Facilities Financing Corporation	Prepare draft legislation
b) Required Maintenance Program	Prepare draft legislation
c) Separate Appropriation for Maintenance	Prepare draft legislation
d) Ballot Measure - Advisory Vote	Prepare draft legislation
e) Use of Prototypical Models for Schools	Prepare draft resolution
f) Expand DOE Ability to Review and Alter Proposed School Site and Design	Refer to HES Com
g) Eliminate hard metal studs in tires	Refer to Transportation Com
4. Transferring State Ownership of Harbors	Include in plan
5. Transferring Highway Ownership	Refer to Transportation Com
6. Rent Concept	Support Pilot Project
7. Reduce Unnecessary Regulatory Requirements on State Construction	Refer to Regulation Review Jt. Com
8. Prioritization	Use Draft
a) Components of each year's Funding	Work on Six Year schedule
b) Within each category	Continue work with Administration

11/7/97
9:41 AM

WORKING DRAFT

Deferred Maintenance Task Force
BUILDING ALASKA FOR THE 21ST CENTURY

Expenditures for Public Facility Repair and Replacement Construction

SIX-YEAR Build Alaska financing plan will support:

Repair

Schools	\$296,000,000
University	\$188,000,000
Highways, Marine	
Highway, Airports	\$299,000,000
Harbors	\$55,000,000
Public Facilities	\$173,000,000
Water & Sewers	\$105,000,000
Subtotal	<u>\$1,116,000,000</u>

Replacement

Schools and University	
Buildings	\$304,000,000
Subtotal	<u>\$1,420,000,000</u>

Total available in financing plan

Schools, University	
Buildings, and Other	\$80,000,000
Construction	
Total	<u>\$1,500,000,000</u>

NOTE: Sale of the Four Dam Pool and a blend of 15 and 20 year bonds could easily net an extra \$200 million from the proposed funding plan.

Deferred Maintenance Task Force
Building Alaska for the 21Century

<u>New Build Alaska Spending and Debt Service</u>							
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>TOTAL</u>
Build Alaska Debt Service	30,000.0	25,000.0	25,000.0	25,000.0	20,000.0	17,000.0	142,000.0
Cumulative Annual New Debt Service	30,000.0	55,000.0	80,000.0	105,000.0	125,000.0	142,000.0	537,000.0
Build Alaska Funds Available from Debt	300,000.0	250,000.0	250,000.0	250,000.0	200,000.0	170,000.0	1,420,000.0
Capital Funds Available from General Fund Cash	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	540,000.0
Totals	390,000.0	340,000.0	340,000.0	340,000.0	290,000.0	260,000.0	1,960,000.0

Deferred Maintenance Task Force

Building Alaska for the 21st Century

BUILD ALASKA FINANCING PLAN INTEGRATION INTO FIVE YEAR BUDGET STRATEGY

	FY 1998	FY 1999	FY 2000	FY2001	FY 2002	FY 2003				
Revenues										
Unrestricted Revenues	2,080.9	2,000.4	1,976.1	1,979.0	1,959.7	1,919.8				
Adjustments	(58.7)	(56.1)	(63.8)	(63.8)	(60.0)	(60.0)				
AHFC Dividend	70.0	72.1	74.3	76.5	78.8	81.1				
AIDEA Dividend	16.0	15.0	15.0	15.0	15.0	15.0				
General Fund Balance Forward	66.8									
CBRF Appropriated to Gen. Fund	161.1	204.7	200.0	203.3	205.4	239.8				
Revenue from Tobacco Tax	17.8	32.0	32.0	32.0	31.0	31.0				
Remaining New Revenues	40.6	46.0	38.4							
Total Revenues	2,394.5	2,314.1	2,272.0	2,242.0	2,229.9	2,226.7				
Expenditures										
Operating	2,151.5	2,096.5	2,071.6	2,058.2	2,058.2	2,058.2				
Debt Service	87.4	85.5	68.3	51.7	39.6	36.4				
Capital - Cash	100.0	90.0	90.0	90.0	90.0	90.0				
Capitol to Bond Debt Service		10.0	10.0	10.0	10.0	10.0				
Special/Transfers/Fund Capitalization	15.5	15.1	15.1	15.1	15.1	15.1				
Supplementals	16.5	17.0	17.0	17.0	17.0	17.0				
Total Expenditures	2,370.9	2,314.1	2,272.0	2,242.0	2,229.9	2,226.7				
Expenditure Reduction		56.8	42.1	30.0	12.1	3.2				
							FY 2004	FY 2005	FY 2006	FY 2007
CBRF Beginning Balance	3,297.4	3,515.1	3,805.6	4,100.9	4,161.1	4,175.8	4,151.4	4,167.9	4,185.7	4,204.7
Projected Earnings	236.1	251.7	272.5	293.6	297.9	299.0	297.2	298.4	299.7	301.1
Transfers to General Fund	(161.1)	(204.7)	(200.0)	(203.3)	(205.4)	(239.8)	(165.9)	(165.9)	(165.9)	(165.9)
Transfers to Build Alaska Fund	(17.8)	(26.5)	(47.2)	(55.1)	(102.8)	(108.6)	(139.8)	(139.8)	(139.8)	(139.8)
Additional Settlement Deposits	160.5	270.0	270.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
CBRF Fund Ending Balance	3,515.1	3,805.6	4,100.9	4,161.1	4,175.8	4,151.4	4,167.9	4,185.7	4,204.7	4,225.0
Build Alaska Fund Beginning Balance	0.0	17.8	24.3	26.5	11.4	18.4	11.0	6.5	2.0	0.4
Revenue from Tobacco Tax	17.8	32.0	32.0	32.0	31.0	31.0	31.0	30.0	30.0	30.0
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from CBRF and operations	87.4	90.0	93.5	84.6	120.6	123.0	139.8	139.8	139.8	139.8
Build Alaska Fund Debt Service		(30.0)	(55.0)	(80.0)	(105.0)	(125.0)	(142.0)	(142.0)	(142.0)	(142.0)
Current Debt Service	(87.4)	(85.5)	(68.3)	(51.7)	(39.6)	(36.4)	(33.3)	(32.3)	(29.4)	(21.9)
Capital Fund Ending Balance	17.8	24.3	26.5	11.4	18.4	11.0	6.5	2.0	0.4	0.3
							Majority Five Year Plan			
							Build Alaska Six Year Plan			

Deferred Maintenance Task Force

Building Alaska for the 21st Century

Notes and Assumptions

- 1 Debt service was adjusted to reflect the latest Alaskan Public Debt Report information less Bank of America income offset
- 2 Capital (cash) was reduced from operating expenditure budget by \$10 million annually. Beginning in FY 1999 that will be used for debt service. (Possible from savings on cash appropriations to Water & Sewer and schools and funded in new bonding proposal.)
- 3 The CBRF rate of return was calculated at 7.16% beginning in FY 1998, reflecting Dept. of Revenue's latest projections.
- 4 Tobacco tax revenue will be used in the Build Alaska Fund to support school bonds
- 5 Tobacco tax revenues utilize Department of Revenue's latest projections
- 6 No interest earnings were calculated on the Build Alaska Fund balance.
- 7 The CBRF principal is not reduced by the Build Alaska program in this scenario
- 8 A blend of 15 and 20 year bonds and/or more favorable rates could net nearly \$1.5 billion from \$125 million in debt service
- 9 Sale of the Four Dam Pool at \$100 million, deposited in the CBRF, could generate an additional \$7 million in earnings to service \$70 million in debt in the Build Alaska Fund.

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Criteria For Consideration And Prioritization

The Deferred Maintenance will use the following criteria for prioritizing the almost \$ 1.5 billion of deferred maintenance and replacement needs over a six year period. The Task Force will use these criteria and work with the administration to create a list of projects to be funded by the Build Alaska - Public Facilities Construction Fund

1. Health and safety effects
2. Preservation of educational programs
3. Impact on program operation
4. Economic development
5. Feasibility, including public support and project readiness
6. Existence and implementation of a maintenance program
7. Historical maintenance of facility
8. Use of available prototypical facilities
9. Fiscal impacts on costs and revenues
10. Distributional effects
11. Ability to transfer ownership
12. Advantages accruing from relationships to other project proposals

Working Definition of Deferred Maintenance

The Task Force uses the following definition in collecting its data and considering projects for funding as deferred maintenance needs.

"The aggregation of unfunded routine maintenance and repair and replacement which was not performed in a timely manner due to lack of available funding, lower priority, management decisions to use maintenance funds for other purposes or other recognized delaying factors. "

07 November, 1997
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WORKING DRAFT



State of Alaska

Bond Briefing Presentation



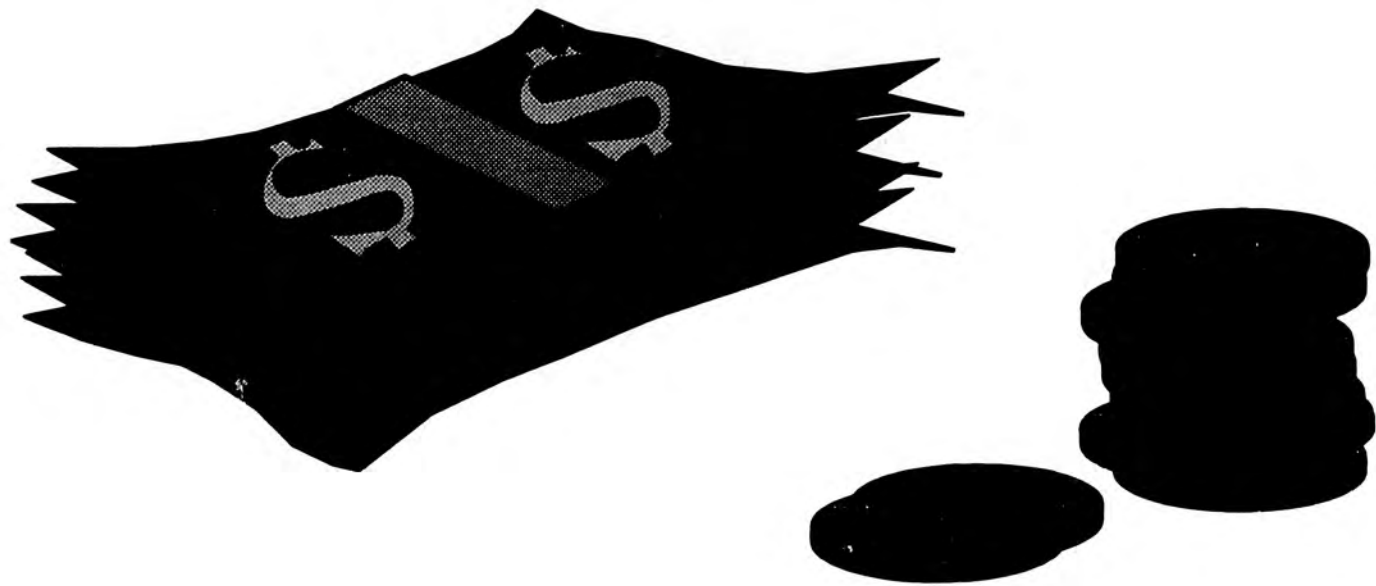
October 20, 1997



Agenda

- Alaska Public Debt
- Bonding 101
- Bond Ratings
- State Debt Capacity
- Possible Financing Master Plan

Alaska Public Debt



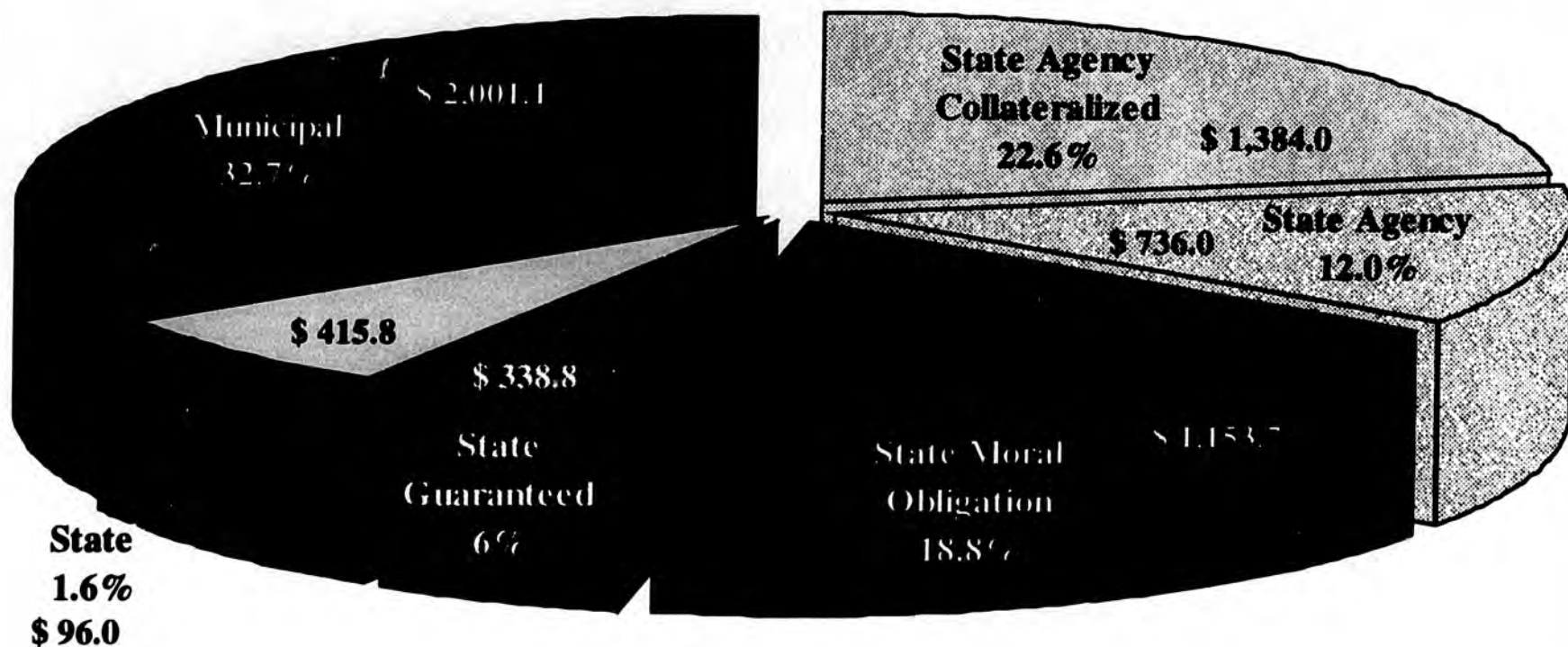
Types of Alaska Public Debt

- State Debt
- State Moral Obligation Debt
- State Supported Debt
- State Guaranteed Debt
- State and University Revenue Debt
- State Agency Debt
- State Agency Collateralized Debt
- Municipal Debt
- Industrial Development Bonds



Alaska Public Debt by Type

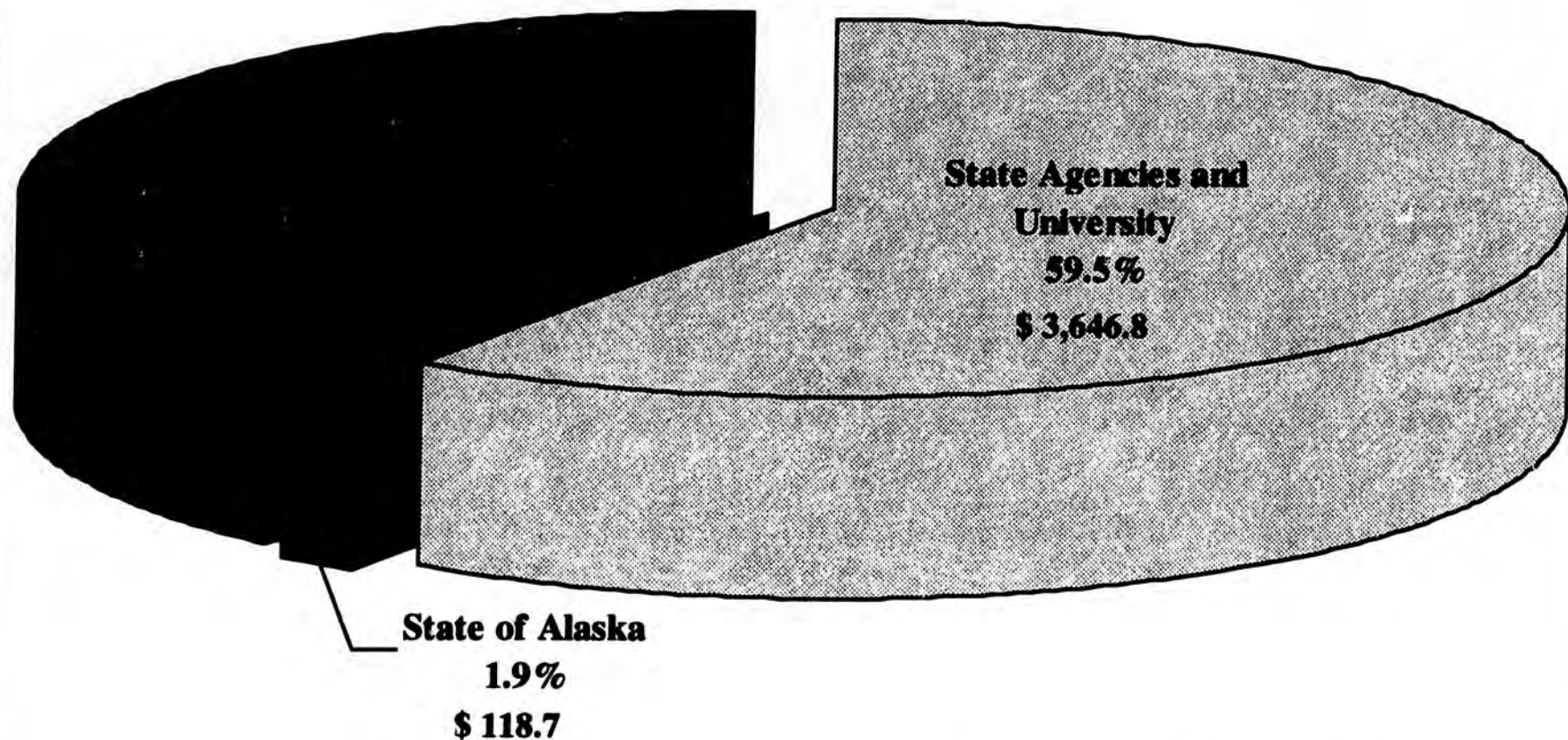
\$ (millions)



Total Alaska Public Debt: Approximately \$6.1 Billion

Alaska Public Debt by Issuer

\$ (millions)

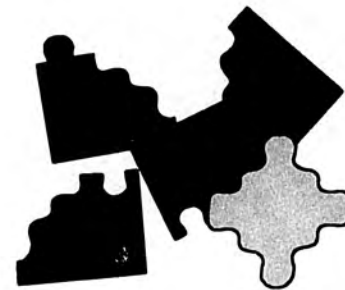


Total Alaska Public Debt: Approximately \$6.1 Billion



Bonding 101

**(What you always wanted to know
about bonds but were afraid to ask!)**



General Obligation vs. Revenue Bonds

General Obligation

- Backed by general credit and taxing powers of the state
- More diverse credit structure
- Requires voter approval
- Least cost, most flexibility



Revenue

- Backed by specific revenue stream
- Matches sources of payment for bonds to the project financed
- Users pay cost of project and financing
- Variety of revenues could be pledged to pay debt service
- Covenants could limit bonding capacity

What is Arbitrage?



- Profits from buying money in one market and selling money in another market
- Issuing tax-exempt bonds and investing in higher yielding taxable securities
- Tax-exempt bonds are subject to U.S. Treasury regulations; arbitrage profits may have to be rebated to U.S. Treasury or fund investments may have to be yield-restricted

Annual Cost per \$ Million of Bonds

(\$ thousands)

<u>Term</u>	<u>Interest Rate</u>		
	<u>5%</u>	<u>5.5%</u>	<u>6%</u>
10 years	\$ 129.4	\$ 132.6	\$ 135.7
15 years	96.3	99.6	102.9
20 years	\$ 80.2	\$ 83.6	\$ 87.1

For example, \$99.6 thousand is the annual debt service on \$1 million of 15 year bonds at 5.5% interest.

Bond Proceeds per \$ Million of Annual Cost

(\$ millions)

<u>Term</u>	<u>Interest Rate</u>		
	<u>5%</u>	<u>5.5%</u>	<u>6%</u>
10 years	\$ 7.7	\$ 7.5	\$ 7.4
15 years	10.4	10.0	9.7
20 years	\$ 12.5	\$ 12.0	\$ 11.5

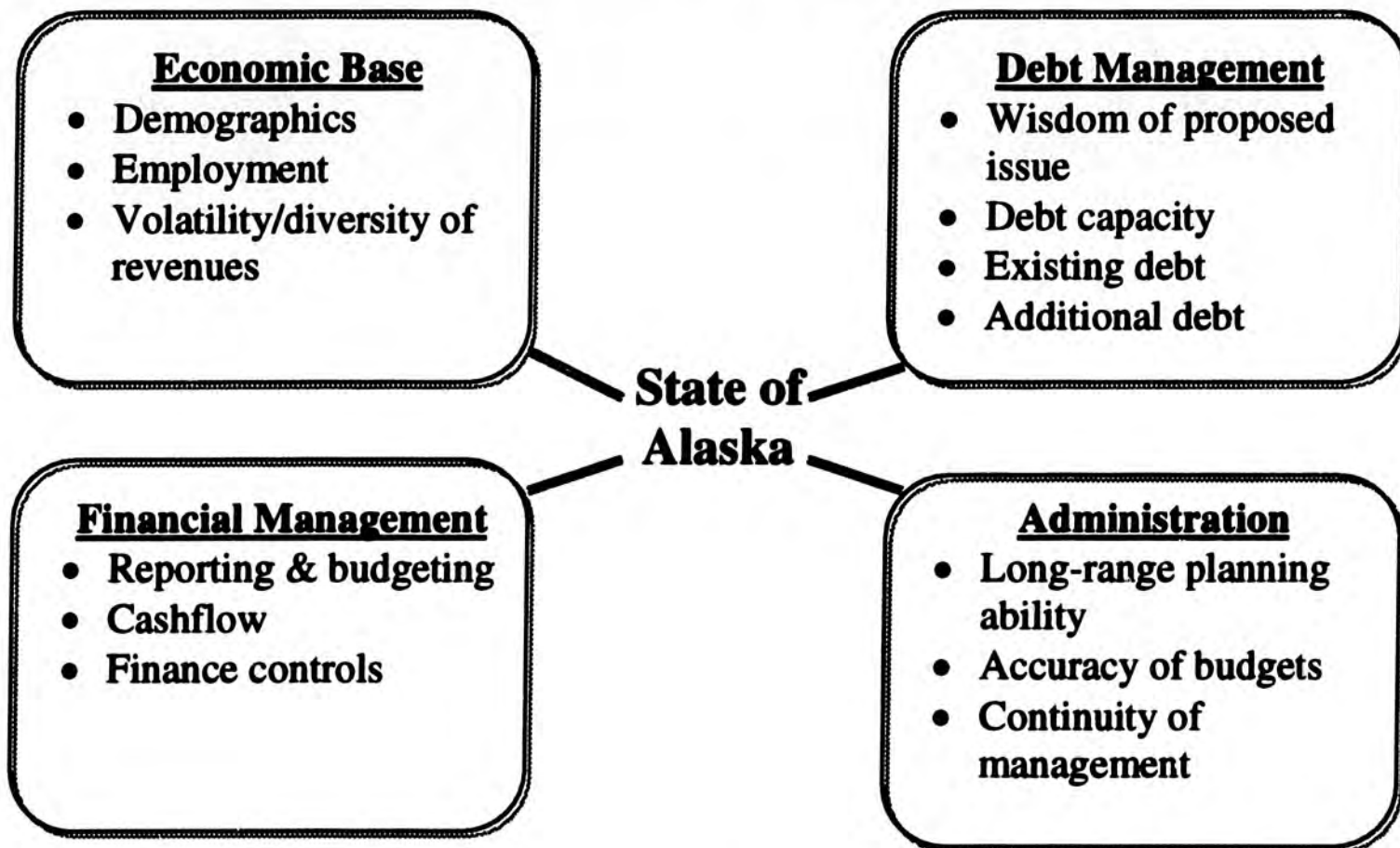
For example, \$1 million per year is the annual debt service on \$10.0 million of 15 year bonds at 5.5% interest.

Bond Ratings



Market and Rating Criteria

(assessing ability and willingness to pay)



State General Obligation Bond Rating History



	<u>Moody's</u>	<u>S & P</u>
1961	BAA	
1969	BAA1	
1971		A
1974	A1	
1975		A+
1980	AA	AA-
1992		AA
1997	AA	AA

G.O. Bond Ratings

All States

(Moody's)

Above AA

12 States

AA

21 States
(Including Alaska)

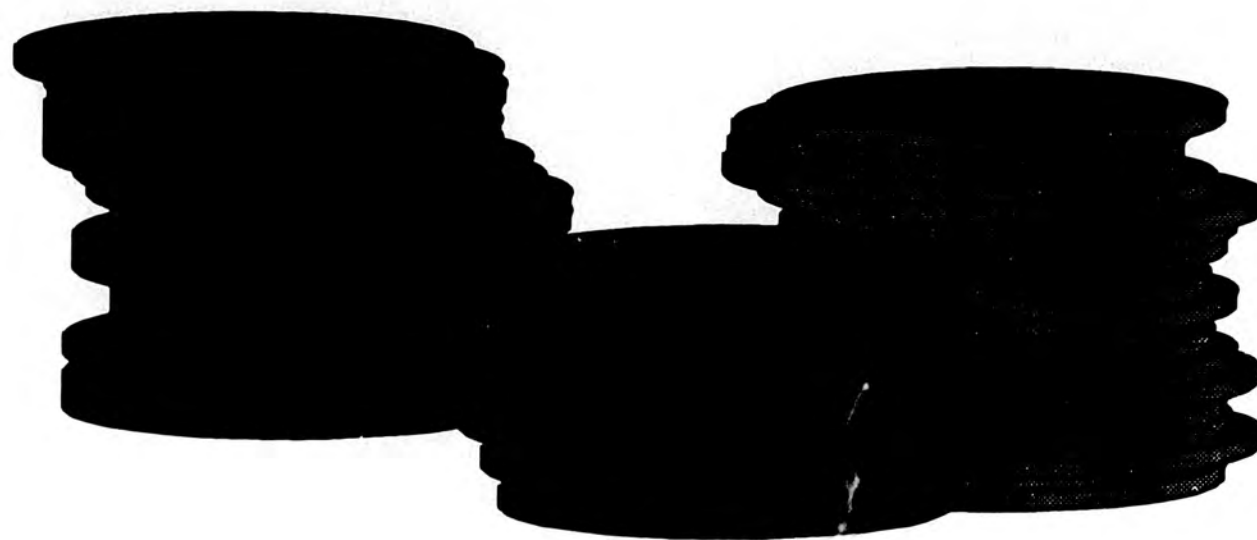
Below AA

8 States

Not Rated

9 States
(No G.O. Debt)

State Debt Capacity



State Debt Capacity Observations



- Projected fiscal gap is limiting factor
- 80% of revenues from oil is a limiting factor
- Permanent Fund is a positive factor
- Constitutional Budget Reserve is a positive factor

State Debt Capacity Guidelines

- Debt per capita
- Debt per \$1,000 of personal income
- Debt to full property value
- Ratio of debt service to revenues



Debt Service to Revenues

- Include debt service on state and state supported debt
- Applied to unrestricted General Fund revenues
- 5% Guideline for AA rating



State Debt Capacity

\$ (millions)

Debt Service/Revenues *

<u>Fiscal Year</u>	<u>5%</u>	<u>8%</u>
1999	\$124.0	\$ 713.3
2000	114.4	88.5
2001	156.1	164.2
2002	94.4	77.5
2003	8.4	(5.0)
2004	\$ 1.5	\$(16.9)

* Based on DOR Fall 1996/Spring 1997 Revenue Sources Book.

Summary

State Debt Capacity

(Current “AA” Bond Rating)



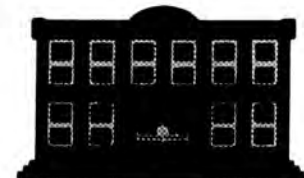
- Assume the current projection of unrestricted General Fund revenues
- Assume issuance of 15 year bonds at 5.5% interest
- Then \$700-\$800 million of State debt could be issued over the next five years

Possible State Financing Program



Cigarette Tax Revenue Bonds for School Construction

- Assume \$34.6 million of annual tax revenues
- Assume the proper legal structure is established and accepted by the market.
- Assume 15-year revenue bonds, 5.5% interest, and a 125% debt service coverage
- \$275 million of bonds could be sold



Possible State-Supported Debt Plan



- Combination of new General Obligation bonds, lease-purchase (COP's) and school debt reimbursement
- Debt issuance would be staggered over 5-6 years, at \$150 million per year
- Capital project to be identified
- Would be in addition to the cigarette tax revenue bonds for school construction



Questions / Comments



**Hearing
Joint Legislative Task Force
on Deferred Maintenance**

**Anchorage, Alaska
October 20, 1997**

**Remarks by
Mike Scott, Co-Chair
Legislative Committee
Alaska Municipal League**

Thank you, Mr. Chairman and member of the Task Force. For the record, my name is Mike Scott, Kotzebue City Manager and President of the Alaska Municipal Managers Association. AMMA represents municipal managers serving over 75% of Alaska's population including Anchorage. Also, in years gone by, I worked on the Senate Finance Committee for seven years.

By now, you've heard about the enormous backlog of deferred maintenance projects in addition a huge new for larger annual capital project budgets for new construction at both the state and local government levels. From schools to roads to police stations to day care facilities, Alaska clearly has an unfunded backlog of worthy projects.

In Kotzebue, I suggested you consider a \$1.5 billion package distributed over five years and divided into three areas: university & school districts \$700 million, plus \$400 million each for state and local government facilities. All funds should be contingent upon the grantee agency creating and funding an annual amount of money into a deferred maintenance account.

You've heard proposals on how to fund the backlog of deferred maintenance needs from endowment funds, direct appropriation and bonds.

In order to fund any of the financial mechanisms available to you, many people believe the best idea is to use the balance of the Constitutional Budget Reserve.

Others have suggested using the unreserved earnings of the Permanent Fund and/or place a temporary “cap” on the annual Fund dividends. You’ve even heard the legislature should restore separate accounting and thereby replenish the state treasury by \$200 to \$300 million a year. All of these ideas and others merit your careful consideration.

The main thrust of my testimony today is to emphasis two things:

- 1. any proposal seeking to require a local matching share of funds should first consider the ability of a community to provide such funds; and**

2. a viable means to distribute funds to communities(other than schools and state facilities) is through the SAFE communities program.

Each year, all municipalities report their locally generated revenues and assessed values. Factored together, these numbers produce a mill rate equivalency. In reviewing these statistics, the common myth that rural villages and cities are getting a “free ride” from state government is easily shattered. In fact, many people are surprised to learn that more than 60 villages and small cities have higher MRE’s than Anchorage. That means these rural community’s pay higher taxes and fees when compared to Anchorage.

As an example, comparing Anchorage, Fairbanks and Kotzebue and the value of a \$100,000 property one finds that Kotzebue pays 45% more than Anchorage and 14% than Fairbanks (city and borough combined) in local taxes and fees. Specifically, Kotzebue pays \$4,600 annually while Fairbanks pays \$3,600 while Anchorage pays \$2,800.

Consequently, rather than requiring communities to provide an upfront matching amount, require an annual appropriation into a deferred maintenance account that is reviewed and reported to the state as part of the regular single audit requirement.

Secondly, using the SAFE communities program as a means to distribute the deferred maintenance funds, you have a system that was overwhelmingly endorsed by the last legislature and unanimously agreed upon by the members of the Alaska Municipal League.

In conclusion, deferred maintenance is an important issue and municipalities stand ready to support your initiative provided we're included in the funding proposals. We look forward to the proposals the Task Force recommends. Thank you.

DCRA Research Analysis - 9/12/97

Data Elements from DCRA FY 97 State Revenue Sharing Program - Calculations Database				
Municipality	Assessed Value	LGR	MRE	Assessed Value Source
City of Akhiok	\$647,900	\$1,181	1.365	(State Value)
City of Akiak	\$9,502,345	\$25,650	2.699	(Local Value)
City of Akutan	\$8,732,600	\$461,474	52.845	(Local Value)
City of Alakanuk	\$17,935,877	\$376,234	20.977	(Local Value)
City of Aleknagik	\$5,404,459	\$68,876	12.744	(Local Value)
Aleutians East Borough	\$88,795,200	\$2,365,694	26.642	(Local Value)
City of Allakaket	\$4,662,088	\$33,078	7.095	(Local Value)
City of Ambler	\$3,469,100	\$126,443	36.448	(Local Value)
City of Anaktuvuk Pass	\$2,448,000	\$4,500	1.425	(State Value)
Municipality of Anchorage	\$12,916,355,450	\$165,213,452	12.791	(Local Value)
Municipality of Anchorage	\$11,388,443,524	\$3,380,068	0.297	(Local Value)
Municipality of Anchorage	\$354,067,257	\$320,475	0.905	(Local Value)
Municipality of Anchorage	\$1,313,161,024	\$1,102,597	0.840	(Local Value)
Municipality of Anchorage	\$3,318,280,766	\$67,185	0.020	(Local Value)
Municipality of Anchorage	\$1,168,086,017	\$2,197,294	1.881	(Local Value)
Municipality of Anchorage	\$12,316,075,029	\$18,197,064	1.478	(Local Value)
Municipality of Anchorage	\$269,319,606	\$315,492	1.171	(Local Value)
Municipality of Anchorage	\$41,636,409	\$119,128	2.861	(Local Value)
Municipality of Anchorage	\$640,182,419	\$613,735	0.959	(Local Value)
Municipality of Anchorage	\$11,388,443,524	\$9,489,833	0.833	(Local Value)
Municipality of Anchorage	\$11,348,745,990	\$35,859,911	3.160	(Local Value)
Municipality of Anchorage	\$10,493,972,424	\$33,571,227	3.199	(Local Value)
Municipality of Anchorage	\$5,369,882,657	\$158,861	0.030	(Local Value)
Municipality of Anchorage	\$319,251,214	\$151,904	0.476	(Local Value)
City of Anderson	\$10,194,600	\$113,037	11.088	(Local Value)
City of Angoon	\$17,846,592	\$172,118	9.644	(Local Value)
City of Aniak	\$17,015,137	\$24,797	1.457	(Local Value)
City of Anvik	\$2,850,704	\$7,686	2.696	(Local Value)
City of Atka	\$2,880,398	\$79,885	27.734	(Local Value)
City of Atkasuk	\$1,771,100	\$419,719	166.608	(State Value)
City of Barrow	\$97,008,100	\$2,404,627	24.788	(Local Value)
City of Bethel	\$181,259,300	\$5,021,527	27.704	(Local Value)
City of Bettles	\$1,009,624	\$8,878	8.793	(Local Value)
City of Brevig Mission	\$7,869,130	\$106,162	13.491	(Local Value)
Bristol Bay Borough	\$170,492,500	\$4,836,777	28.369	(Local Value)
City of Buckland	\$3,145,300	\$84,059	18.734	(State Value)
City of Cheformak	\$11,016,781	\$205,046	18.612	(Local Value)
City of Chevak	\$20,251,873	\$214,557	10.594	(Local Value)
City of Chignik	\$12,978,700	\$28,079	2.163	(Local Value)
City of Chuathbaluk	\$3,711,854	\$1,900	0.512	(Local Value)
City of Coffman Cove	\$7,542,488	\$58,519	7.759	(Local Value)
City of Cold Bay	\$4,358,800	\$64,670	14.837	(Local Value)
City of Cordova	\$182,199,280	\$6,936,237	38.070	(Local Value)
City of Craig	\$70,778,400	\$1,627,365	22.992	(Local Value)
City of Deering	\$1,867,700	\$77,783	41.646	(Local Value)
City of Delta Junction	\$45,937,900	\$155,472	3.384	(Local Value)
Denali Borough	\$75,475,300	\$725,451	9.612	(Local Value)
City of Dillingham	\$132,166,500	\$3,926,445	29.708	(Local Value)
City of Diomedes	\$4,573,004	\$431,617	94.384	(Local Value)

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DCRA Research Analysis - 9/12/97

Data Elements from DCRA FY 97 State Revenue Sharing Program - Calculations Database				
Municipality	Assessed Value	LGR	MRE	Assessed Value Source
City of Eagle	\$9,517,800	\$11,012	1.157	(Local Value)
City of Eek	\$8,403,637	\$100,084	11.910	(Local Value)
City of Egegik	\$4,246,385	\$0	0.000	(Local Value)
City of Ekwok	\$3,028,873	\$10,315	3.406	(Local Value)
City of Elim	\$8,344,247	\$191,229	22.917	(Local Value)
City of Emmonak	\$8,188,000	\$838,466	101.771	(State Value)
City of Fairbanks	\$1,255,695,500	\$10,069,714	8.019	(Local Value)
Fairbanks North Star Borough	\$3,843,155,460	\$47,012,866	12.904	(Local Value)
Fairbanks North Star Borough	\$224,165,603	\$311,635	1.390	(Local Value)
Fairbanks North Star Borough	\$58,970,794	\$105,868	1.795	(Local Value)
Fairbanks North Star Borough	\$2,205,119,631	\$1,342,258	0.609	(Local Value)
Fairbanks North Star Borough	\$514,576,835	\$505,897	0.983	(Local Value)
Fairbanks North Star Borough	\$870,090,694	\$879,122	1.010	(Local Value)
Fairbanks North Star Borough	\$1,768,808	\$10,985	6.210	(Local Value)
Fairbanks North Star Borough	\$2,408,912,569	\$2,134,780	0.886	(Local Value)
Fairbanks North Star Borough	\$304,236,490	\$314,040	1.032	(Local Value)
Fairbanks North Star Borough	\$81,148,053	\$32,643	0.402	(Local Value)
Fairbanks North Star Borough	\$515,097,308	\$918,045	1.782	(Local Value)
City of False Pass	\$1,727,300	\$131,671	76.229	(Local Value)
City of Fort Yukon	\$19,687,671	\$1,034,088	52.525	(Local Value)
City of Galena	\$18,136,000	\$689,171	38.000	(Local Value)
City of Gambell	\$18,648,352	\$201,872	10.825	(Local Value)
City of Golovin	\$4,632,393	\$29,360	6.338	(Local Value)
City of Goodnews Bay	\$7,542,486	\$1,148	0.152	(Local Value)
City of Grayling	\$8,295,304	\$26,952	4.281	(Local Value)
City of Haines	\$72,333,300	\$1,849,146	25.564	(Local Value)
Haines Borough	\$136,317,300	\$880,705	6.461	(Local Value)
Haines Borough	\$23,048,349	\$39,889	1.731	(Local Value)
Haines Borough	\$2,391,746	\$3,808	1.592	(Local Value)
Haines Borough	\$9,587,636	\$17,536	1.829	(Local Value)
City of Holy Cross	\$8,581,806	\$0	0.000	(Local Value)
City of Homer	\$244,646,900	\$6,498,635	26.563	(Local Value)
City of Hoonah	\$24,106,000	\$740,128	30.703	(Local Value)
City of Hooper Bay	\$7,932,700	\$254,128	23.599	(State Value)
City of Houston	\$37,209,300	\$113,409	3.048	(Local Value)
City of Hughes	\$2,316,197	\$90,168	38.929	(Local Value)
City of Huslia	\$7,572,181	\$70,153	9.265	(Local Value)
City of Hydaburg	\$5,780,300	\$91,476	15.825	(Local Value)
City and Borough of Juneau	\$1,920,444,800	\$71,304,121	37.129	(Local Value)
City and Borough of Juneau	\$1,795,707,470	\$1,707,302	0.951	(Local Value)
City and Borough of Juneau	\$1,840,274,576	\$10,811,989	5.875	(Local Value)
City of Kachemak	\$23,557,500	\$39,049	1.658	(Local Value)
City of Kake	\$17,675,800	\$1,281,544	72.503	(Local Value)
City of Kaktovik	\$3,514,600	\$357,525	101.726	(Local Value)
City of Kaltag	\$7,631,571	\$38,990	5.109	(Local Value)
City of Kasaan	\$1,217,488	\$19,391	15.927	(Local Value)
City of Kenai	\$366,484,270	\$5,958,303	16.258	(Local Value)
Kenai Peninsula Borough	\$100,483,212	\$77,777	0.774	(Local Value)
Kenai Peninsula Borough	\$3,638,751,680	\$39,403,092	10.829	(Local Value)

DCRA Research Analysis - 9/12/97

Data Elements from DCRA FY 97 State Revenue Sharing Program - Calculations Database				
Municipality	Assessed Value	LGR	MRE	Assessed Value Source
Kenai Peninsula Borough	\$53,407,900	\$93,196	1.745	(Local Value)
Kenai Peninsula Borough	\$864,899,365	\$2,302,053	2.662	(Local Value)
Kenai Peninsula Borough	\$148,676,227	\$127,589	0.858	(Local Value)
Kenai Peninsula Borough	\$2,623,008,451	\$24,567,665	9.366	(Local Value)
Kenai Peninsula Borough	\$1,254,650,624	\$2,610,044	2.080	(Local Value)
Kenai Peninsula Borough	\$1,170,650,234	\$158,638	0.136	(Local Value)
Kenai Peninsula Borough	\$1,293,442,799	\$1,319,064	1.020	(Local Value)
Kenai Peninsula Borough	\$2,544,569,369	\$1,012,302	0.398	(Local Value)
Kenai Peninsula Borough	\$660,297,282	\$13,928,928	21.095	(Local Value)
City of Ketchikan	\$529,634,000	\$14,824,211	27.990	(Local Value)
Ketchikan Gateway Borough	\$1,032,732,700	\$13,226,841	12.808	(Local Value)
Ketchikan Gateway Borough	\$21,632,548	\$76,860	3.553	(Local Value)
Ketchikan Gateway Borough	\$527,837,618	\$256,849	0.487	(Local Value)
Ketchikan Gateway Borough	\$63,187,851	\$42,853	0.678	(Local Value)
Ketchikan Gateway Borough	\$108,147,316	\$78,898	0.730	(Local Value)
City of Kiana	\$5,055,900	\$105,496	20.866	(Local Value)
City of King Cove	\$28,029,800	\$958,718	34.204	(Local Value)
City of Kivalina	\$3,388,600	\$474,260	125.685	(State Value)
City of Klawock	\$15,614,600	\$667,714	42.762	(Local Value)
City of Kobuk	\$1,102,900	\$37,076	33.617	(Local Value)
City of Kodiak	\$543,881,000	\$10,545,346	19.389	(Local Value)
Kodiak Island Borough	\$879,201,500	\$15,790,752	17.960	(Local Value)
Kodiak Island Borough	\$6,156,547	\$4,525	0.735	(Local Value)
Kodiak Island Borough	\$13,635,302	\$200,178	8.043	(State Value)
Kodiak Island Borough	\$17,445,033	\$17,996	1.032	(Local Value)
Kodiak Island Borough	\$130,932,541	\$77,403	0.591	(Local Value)
Kodiak Island Borough	\$46,085,884	\$50,505	1.096	(Local Value)
Kodiak Island Borough	\$46,085,884	\$66,099	1.434	(Local Value)
Kodiak Island Borough	\$23,590,342	\$11,333	0.480	(Local Value)
City of Kotlik	\$16,272,766	\$267,066	16.412	(Local Value)
City of Kotzebue	\$79,650,100	\$3,332,038	41.833	(Local Value)
City of Koyuk	\$8,284,857	\$133,381	16.099	(Local Value)
City of Koyukuk	\$3,711,854	\$22,687	6.112	(Local Value)
City of Kupreanof	\$712,676	\$7,000	9.822	(Local Value)
City of Kwethluk	\$20,430,042	\$49,691	2.432	(Local Value)
Lake and Peninsula Borough	\$68,357,600	\$2,144,570	31.373	(Local Value)
City of Larsen Bay	\$6,113,000	\$11,715	1.916	(Local Value)
City of Lower Kalskag	\$9,146,007	\$66,130	7.230	(Local Value)
City of Manokotak	\$11,937,321	\$6,702	0.561	(Local Value)
City of Marshall	\$8,849,059	\$121,980	13.785	(Local Value)
Matanuska-Susitna Borough	\$26,577,893	\$19,446	0.732	(Local Value)
Matanuska-Susitna Borough	\$2,220,794,840	\$32,250,127	14.522	(Local Value)
Matanuska-Susitna Borough	\$109,190,882	\$127,732	1.170	(Local Value)
Matanuska-Susitna Borough	\$154,427,560	\$124,904	0.809	(Local Value)
Matanuska-Susitna Borough	\$270,423,605	\$307,185	1.136	(Local Value)
Matanuska-Susitna Borough	\$89,459,632	\$168,823	1.887	(Local Value)
Matanuska-Susitna Borough	\$44,728,300	\$39,422	0.881	(Local Value)
Matanuska-Susitna Borough	\$1,130,378,268	\$1,114,540	0.986	(Local Value)
Matanuska-Susitna Borough	\$107,411,894	\$80,340	0.748	(Local Value)

DCRA Research Analysis - 9/12/97

Data Elements from DCRA FY 97 State Revenue Sharing Program - Calculations Database				
Municipality	Assessed Value	LGR	MRE	Assessed Value Source
Matanuska-Susitna Borough	\$4,322,185	\$20,787	4.809	(Local Value)
Matanuska-Susitna Borough	\$196,676,820	\$220,527	1.121	(Local Value)
Matanuska-Susitna Borough	\$91,648,753	\$68,657	0.749	(Local Value)
Matanuska-Susitna Borough	\$290,270,821	\$191,746	0.661	(Local Value)
Matanuska-Susitna Borough	\$53,524,435	\$113,747	2.125	(Local Value)
Matanuska-Susitna Borough	\$74,024,666	\$105,479	1.425	(Local Value)
Matanuska-Susitna Borough	\$159,889,998	\$207,088	1.295	(Local Value)
Matanuska-Susitna Borough	\$32,879,779	\$24,578	0.748	(Local Value)
Matanuska-Susitna Borough	\$124,752,726	\$182,504	1.463	(Local Value)
Matanuska-Susitna Borough	\$184,938,247	\$140,469	0.760	(Local Value)
Matanuska-Susitna Borough	\$158,223,364	\$127,574	0.806	(Local Value)
Matanuska-Susitna Borough	\$1,948,313,480	\$2,726,901	1.400	(Local Value)
Matanuska-Susitna Borough	\$13,051,944	\$20,514	1.572	(Local Value)
Matanuska-Susitna Borough	\$0	\$0	0.000	
Matanuska-Susitna Borough	\$0	\$0	0.000	(Local Value)
Matanuska-Susitna Borough	\$250,190,487	\$179,545	0.718	(Local Value)
Matanuska-Susitna Borough	\$17,621,863	\$61,253	3.476	(Local Value)
Matanuska-Susitna Borough	\$43,554,575	\$60,701	1.394	(Local Value)
Matanuska-Susitna Borough	\$18,635,131	\$34,365	1.844	(Local Value)
Matanuska-Susitna Borough	\$84,571,462	\$117,777	1.393	(Local Value)
City of McGrath	\$14,223,823	\$108,486	7.627	(Local Value)
City of Mekoryuk	\$6,295,304	\$23,449	3.725	(Local Value)
City of Mountain Village	\$3,866,700	\$107,299	13.092	(State Value)
City of Napakiak	\$9,680,514	\$59,687	6.166	(Local Value)
City of Napaskiak	\$11,996,711	\$29,610	2.468	(Local Value)
City of Nenana	\$16,205,500	\$562,683	34.722	(Local Value)
City of New Stuyahok	\$12,501,523	\$7,500	0.600	(Local Value)
City of Newhalen	\$3,480,600	\$30,776	8.842	(Local Value)
City of Nightmute	\$5,612,323	\$9,715	1.731	(Local Value)
City of Nikolai	\$3,711,854	\$128,667	34.684	(Local Value)
City of Nome	\$151,049,200	\$4,528,923	29.983	(Local Value)
City of Nondalton	\$3,687,000	\$63,453	17.210	(Local Value)
City of Noorvik	\$6,457,500	\$513,517	79.523	(Local Value)
City of North Pole	\$193,671,300	\$1,686,774	8.709	(Local Value)
North Slope Borough	\$12,291,168,560	\$201,156,733	16.366	(Local Value)
Northwest Arctic Borough	\$276,828,500	\$1,871,227	6.760	(Local Value)
City of Nuiqsut	\$3,168,300	\$99,553	22.458	(State Value)
City of Nulato	\$10,660,444	\$203,818	19.119	(Local Value)
City of Nunapitchuk	\$13,540,842	\$57,756	4.265	(Local Value)
City of Old Harbor	\$5,511,900	\$32,658	5.925	(Local Value)
City of Ouzinkie	\$2,811,200	\$121,784	43.321	(Local Value)
City of Palmer	\$127,602,600	\$3,812,764	28.313	(Local Value)
City of Pelican	\$14,198,600	\$292,563	20.605	(Local Value)
City of Petersburg	\$205,306,900	\$8,565,011	41.718	(Local Value)
City of Pilot Point	\$1,915,800	\$683,124	356.574	(Local Value)
City of Pilot Station	\$2,791,314	\$90,589	16.020	(State Value)
City of Platinum	\$1,306,572	\$28,804	22.045	(Local Value)
City of Point Hope	\$3,033,800	\$162,636	20.805	(State Value)
City of Port Alexander	\$3,266,431	\$3,044	0.932	(Local Value)

DCRA Research Analysis - 9/12/97

Data Elements from DCRA FY 97 State Revenue Sharing Program - Calculations Database				
Municipality	Assessed Value	LGR	MRE	Assessed Value Source
City of Port Heiden	\$2,834,200	\$8,729	2.374	(Local Value)
City of Port Lions	\$7,484,100	\$79,305	10.598	(Local Value)
City of Quinhagak	\$16,302,461	\$195,098	11.967	(Local Value)
City of Ruby	\$6,235,914	\$45,165	7.243	(Local Value)
City of Russian Mission	\$8,759,974	\$24,060	2.747	(Local Value)
City of Sand Point	\$39,467,400	\$1,516,090	38.414	(Local Value)
City of Savoonga	\$17,935,677	\$1,803,061	100.529	(Local Value)
City of Saxman	\$14,518,500	\$551,450	37.983	(Local Value)
City of Scammon Bay	\$12,887,556	\$62,437	4.845	(Local Value)
City of Selawik	\$7,930,700	\$513,772	64.783	(Local Value)
City of Seldovia	\$20,232,700	\$371,645	18.369	(Local Value)
City of Seward	\$191,300,300	\$7,884,468	41.215	(Local Value)
City of Shageluk	\$4,276,055	\$34,609	8.094	(Local Value)
City of Shaktolik	\$5,909,271	\$79,947	13.529	(Local Value)
City of Sheldon Point	\$4,840,257	\$42,619	8.805	(Local Value)
City of Shishmaref	\$15,916,428	\$220,093	13.828	(Local Value)
City of Shungnak	\$2,963,300	\$107,533	36.288	(Local Value)
City and Borough of Sitka	\$522,397,400	\$16,834,238	32.225	(Local Value)
City of Skagway	\$93,218,800	\$2,149,131	23.055	(Local Value)
City of Soldotna	\$255,197,100	\$4,800,437	18.811	(Local Value)
City of St. George	\$5,790,492	\$1,292,517	223.214	(Local Value)
City of St. Mary's	\$4,543,400	\$972,851	187.847	(State Value)
City of St. Michael	\$10,125,937	\$118,267	11.680	(Local Value)
City of St. Paul	\$22,775,934	\$4,133,745	181.496	(Local Value)
City of Stebbins	\$14,105,044	\$272,911	19.348	(Local Value)
City of Tanana	\$5,943,100	\$216,506	36.430	(Local Value)
City of Teller	\$8,136,383	\$442,301	54.361	(Local Value)
City of Tenakee Springs	\$3,296,126	\$25,226	7.653	(Local Value)
City of Thome Bay	\$19,301,639	\$219,509	11.373	(Local Value)
City of Togiak	\$11,588,500	\$200,299	17.284	(Local Value)
City of Toksook Bay	\$15,441,311	\$217,238	14.069	(Local Value)
City of Unalakleet	\$22,686,849	\$227,321	10.020	(Local Value)
City of Unalaska	\$357,701,700	\$17,958,743	50.206	(Local Value)
City of Upper Kalskag	\$5,463,848	\$13,656	2.499	(Local Value)
City of Valdez	\$983,782,720	\$20,103,765	20.435	(Local Value)
City of Wainwright	\$4,037,900	\$157,816	28.881	(State Value)
City of Wales	\$5,137,205	\$81,163	15.799	(Local Value)
City of Wasilla	\$272,626,900	\$5,005,511	18.360	(Local Value)
City of White Mountain	\$6,206,219	\$34,399	5.543	(Local Value)
City of Whittier	\$31,141,410	\$1,107,002	35.548	(Local Value)
City of Wrangell	\$135,929,800	\$6,540,466	48.116	(Local Value)
City and Borough of Yakutat	\$29,824,000	\$623,172	20.895	(Local Value)

FINANCING

ALASKA'S DEFERRED MAINTENANCE AND CAPITAL CONSTRUCTION NEEDS

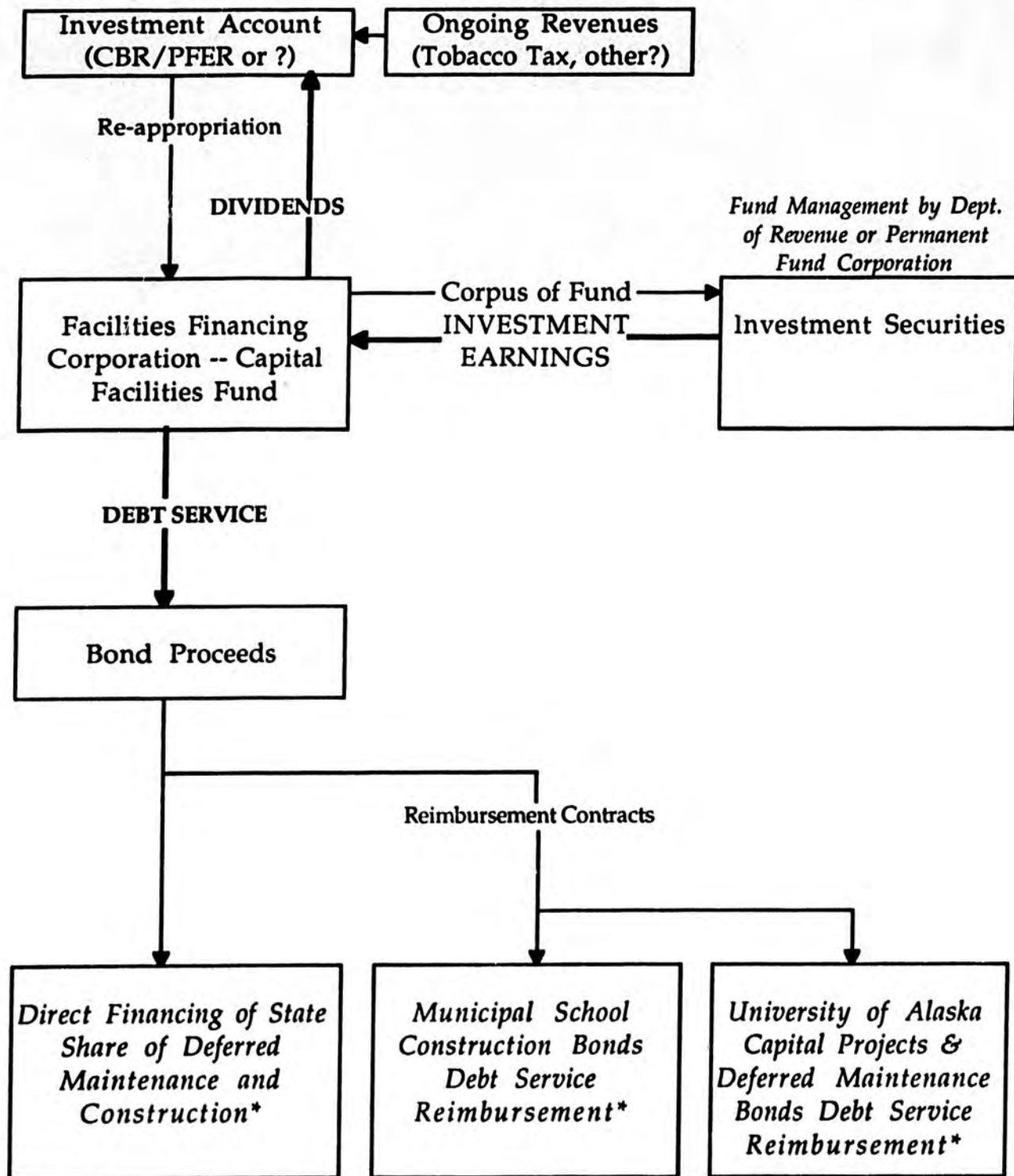
Deferred Maintenance Task Force

October 20, 1997

Robert LeResche -- Cominco Alaska, Inc., John Nuveen & Co., Inc., LeResche & Co.

- **Maintaining our capital facilities base -- An exercise in Asset Management**
 - * Capital facilities are essential "reserves"
 - * The high cost of deferral
 - * Present need and Present Value
 - * "Pay as you go" considerations
- **Key considerations in funding our capital facilities reserve**
 - * Closing the "Fiscal Gap" according to plan
 - * Maintaining adequate operating reserves
 - * Overcoming accelerating physical depreciation
 - * Beating inflation
 - * Equitably allocating the burden
 - * Self-imposed limits -- real or imagined?
- **Alaska's alternatives**
 - * Pay cash
 - * Shift the burden -- Molly Hootch revisited
 - * Issue General Obligation Bonds
 - * Modify a proven financing structure to meet our key considerations
- **The Facilities Financing Corporation Concept**
 - * Rational asset management
 - * Leveraging our liquidity
 - * Present need and Present Value
 - * Paying as we go
 - * Proposed structure
- **Applying the concept to meet our asset management and public policy needs**
 - * Closing the "Fiscal Gap" according to plan
 - * Maintaining adequate operating reserves
 - * Overcoming accelerating physical depreciation
 - * Beating inflation
 - * Managing the CBR and PFER
 - * Votes of the people
 - * Using cigarette tax or other revenues
 - * Allocating the burden equitably
 - * Allocating the benefits

Deferred Maintenance and New Construction Facilities Financing Structure



* Specific projects and reimbursement Contracts must be authorized by the Legislature before the Capital Facilities fund can enter a funding or reimbursement contract.

Capital Facilities Fund Balances & Capacity

\$1.125 Billion Scenario

12-Year Bond Maturities

<u>Year</u>	<u>Beginning Balance</u>	<u>Earnings</u>	<u>Capital Facilities Bonds</u>	<u>Debt Service</u>	<u>Ending Balance</u>	<u>Available for Re-Deposit</u>	<u>Remaining Capacity</u>
1999	\$1,500,000	\$127,500	\$250,000	\$28,161	\$1,599,339		\$881,874
2000	\$1,599,339	\$135,944	\$250,000	\$56,323	\$1,678,960		\$706,833
2001	\$1,678,960	\$142,712	\$250,000	\$84,484	\$1,737,188	\$892,350	\$516,914
2002	\$1,737,188	\$147,661	\$250,000	\$112,645	\$1,772,204	\$645,753	\$310,852
2003	\$1,772,204	\$150,637	\$125,000	\$126,726	\$1,796,115	\$528,859	\$212,274
2004	\$1,796,115	\$152,670	\$0	\$126,726	\$1,822,060	\$554,803	\$230,318
2005	\$1,822,060	\$154,875	\$0	\$126,726	\$1,850,209	\$582,952	\$249,895
2006	\$1,850,209	\$157,268	\$0	\$126,726	\$1,880,751	\$613,495	\$271,136
2007	\$1,880,751	\$159,864	\$0	\$126,726	\$1,913,889	\$646,633	\$294,182
2008	\$1,913,889	\$162,681	\$0	\$126,726	\$1,949,844	\$682,588	\$319,188
2009	\$1,949,844	\$165,737	\$0	\$126,726	\$1,988,855	\$721,599	\$346,319
2010	\$1,988,855	\$169,053	\$0	\$126,726	\$2,031,182	\$763,926	\$375,756
2011	\$2,031,182	\$172,651	\$0	\$98,564	\$2,105,268	\$1,119,624	\$657,695
2012	\$2,105,268	\$178,948	\$0	\$70,403	\$2,213,813	\$1,509,782	\$963,599
2013	\$2,213,813	\$188,174	\$0	\$42,242	\$2,359,745	\$1,937,326	\$1,295,505
2014	\$2,359,745	\$200,578	\$0	\$14,081	\$2,546,243	\$2,405,437	\$1,655,623
2015	\$2,546,243	\$216,431	\$0	\$0	\$2,762,674	\$2,762,674	\$1,921,351
2016	\$2,762,674	\$234,827	\$0	\$0	\$2,997,501	\$2,997,501	\$2,084,666

Assumes: \$1.125 Billion construction/major maintenance financed over first five years, at 0% local match.

12-year series of AA- bonds yield what they did week of October 3, 1997 (4.97% avg. to maturity).

Fund earnings average 8.5% during period.

CAPITAL FACILITIES FUND Case Study -- \$1.125 billion over 5 years

Advantages of Leveraging Invested Funds for Present Value Construction & Maintenance

YEAR	<u>Capital Facilities Fund/2</u>			<u>Cash Case I/1</u>		<u>Cash Case II/2</u>		
	Construction/ Maintenance (000\$nominal)	Fund Balance - Year end /4	Available for Fiscal Gap or Op. Budget/3	Construction/ Maintenance (000\$nominal)	Fund Balance - Year end /4	Construction/ Maintenance (000\$nominal)	Fund Balance - Year end /4	Available for Fiscal Gap or Op. Budget/3
1998	\$250,000	\$1,599,339	\$99,339	\$250,000	\$1,307,000	\$250,000	\$1,377,500	(\$122,500)
1999	\$250,000	\$1,678,960	\$71,177	\$250,000	\$1,106,666	\$250,000	\$1,244,588	(\$132,913)
2000	\$250,000	\$1,737,188	\$43,016	\$250,000	\$898,719	\$250,000	\$1,100,377	(\$144,210)
2001	\$250,000	\$1,772,204	\$14,855	\$250,000	\$682,871	\$250,000	\$943,910	(\$156,468)
2002	\$125,000	\$1,796,115	\$774	\$125,000	\$583,820	\$125,000	\$899,142	(\$44,768)
2003		\$1,822,060	\$774		\$606,005		\$975,569	\$76,427
2004		\$1,850,209	\$774		\$629,033		\$1,058,492	\$82,923
2005		\$1,880,751	\$774		\$652,936		\$1,148,464	\$89,972
2006		\$1,913,889	\$774		\$677,748		\$1,246,084	\$97,619
2007		\$1,949,844	\$774		\$703,502		\$1,352,001	\$105,917
2008		\$1,988,855	\$774		\$730,235		\$1,466,921	\$114,920
2009		\$2,031,182	\$774		\$757,984		\$1,591,609	\$124,688
2010		\$2,105,268	\$28,936		\$786,788		\$1,726,896	\$135,287
2011		\$2,213,813	\$57,097		\$816,686		\$1,873,682	\$146,786
2012		\$2,359,745	\$85,258		\$847,720		\$2,032,945	\$159,263
Net Present Value 1998\$:	\$1,023,516	\$1,408,510		\$1,023,516	\$505,996	\$1,023,516	\$1,213,446	
		\$2,432,026			\$1,529,512		\$2,236,962	
Value received \$nom	\$1,125,000	\$2,359,745		\$1,125,000	\$847,720	\$1,125,000	\$2,032,945	
		\$3,484,745	\$405,873		\$1,972,720		\$3,157,945	\$532,945

Footnotes

/1 Historic CBR yield: 3.80%

/2 Projected CBR yield 8.50%

** Permanent Fund Corp./Dept. Revenue Projection

/3 Excess of earnings over debt service or capital spending. Balance is maintained at \$1.5 billion if no more than these amounts are removed.

/4 If excess earnings are reinvested

NOTE: THIS CASE ASSUMES 0% LOCAL MATCH.

ATTACHMENT 1: CAPITAL FACILITIES FINANCING CORPORATION STRUCTURE -- EFFECTS ON THE FISCAL GAP AND THE FIVE-YEAR BUDGET STRATEGY

ALASKA LEGISLATIVE MAJORITY - FIVE YEAR BUDGET STRATEGY as of October 2, 1996
With Capital Facilities Fund

10/19/97

FY 1996 FY 1997 FY 1998 FY 1999 FY 2000 FY 2001

Revenues

1/Unrestricted Revenues	2,042.0	1,910.0	1,844.0	1,890.2	1,886.1	1,846.7
1/Other Sources/Adjustments	101.7	33.5	30.0	30.0	30.0	39.0
1/AHFC Dividend	70.0	50.0	72.1	74.3	76.5	78.8
1/AIDEA Dividend	0.0	15.0	25.6	26.5	28.0	28.4
2/CFFC Dividend (line 6b)	0.0	0.0	0.0	0.0	52.2	24.1
3/Projected CBRF Earnings	0.0	125.0	184.1	185.0	92.8	104.6
1/New Revenues	0.0	5.0	66.0	68.0	70.0	72.0
Total Revenues	2,213.7	2,138.5	2,221.8	2,274.0	2,235.6	2,193.6
(Total Revenues Projected in Five Year Budget Strategy)	2,213.7	2,138.5	2,221.8	2,274.0	2,270.0	2,240.0

Expenditures

1/Operating	2,218.1	2,192.2	2,131.5	2,089.7	2,066.4	2,053.6
1/Debt Service	109.4	93.1	91.0	82.8	66.1	48.1
1/Capital	116.0	100.1	100.0	100.0	100.0	100.0
4/(Less) Programmed Capital Projects of CFFC	0.0	0.0	0.0	(100.0)	(100.0)	(100.0)
1/Specials/Transfers/Fund Capitalizations	18.6	15.4	17.5	17.5	17.5	17.5
1/Revised Programs/Supplementals	43.0	19.2	20.0	20.0	20.0	20.0
Total Expenditures	2,505.1	2,420.0	2,360.0	2,210.0	2,170.0	2,140.0

(Total On-Budget Expenditures Projected in Five Year Budget Strategy)

1/Expenditure Reduction from Previous FY

1/As a % of Total Expenditures		(85.1)	(60.0)	(150.0)	(40.0)	(30.0)
		-3.40%	-2.48%	-6.36%	-1.81%	-1.38%

1/Projected Fiscal Gap/(Surplus) - from/(to) CBRF

	291.4	281.5	138.2	-64.0	-65.6	-53.6
--	--------------	--------------	--------------	--------------	--------------	--------------

CBRF Beginning Balance

1/Projected Earnings	2,135.4	2,499.6	2,568.1	2,579.9	1,293.9	1,459.5
1/Transfers to General Fund	124.6	125.0	184.1	185.0	92.8	104.6
1/Transfers to Capital Facilities Fund	0.0	(125.0)	(184.1)	(185.0)	(92.8)	(104.6)
5/Transfers to Capital Facilities Fund	0.0	0.0	0.0	(1,500.0)	0.0	0.0
1/Additional Settlement Deposits	551.5	350.0	150.0	150.0	100.0	100.0
1/Net of Sweep Provisions	(20.5)	0.0	0.0	0.0	0.0	0.0
1/Principal to Full Fiscal Gap [Transfers (to)/from budget]	(291.4)	(281.5)	(138.2)	64.0	65.6	53.6

CBRF Ending Balance

	2,499.6	2,568.1	2,579.9	1,293.9	1,459.5	1,613.1
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6/Capital Facilities Fund

a/Beginning Balance	0.0	0.0	0.0	0.0	1,471.8	1,471.8
b/Transfers From CBRF/(To) Revenues, CFFC Dividend [line 2]	0.0	0.0	0.0	1,500.0	(52.2)	(24.1)
c/Earnings	0.0	0.0	0.0	0.0	108.5	108.5
d/Bond Proceeds	0.0	0.0	250.0	250.0	250.0	250.0
e/Debt Service	0.0	0.0	0.0	(28.2)	(56.3)	(84.5)
f/Capital Construction/Maintenance	0.0	0.0	(250.0)	(250.0)	(250.0)	(250.0)
Capital Facilities Fund Ending Balance	0.0	0.0	0.0	1,471.8	1,471.8	1,471.8

7/Consolidated CBRF/Cap. Fac. Fund Balances

(1/CBRF End Balance projected in 10/96 Budget Strategy)	2,499.6	2,568.1	2,579.9	2,693.8	2,807.5	2,933.7
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8/Cumulative Gain/(Loss) net Revenues w/ CF Fund

	0.0	0.0	0.1	72.0	123.9	151.3
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9/Cumulative Capital Assets Acquired (Construction/Def. Maint.)

	0.0	0.0	250.0	500.0	750.0	1,000.0
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10/Total Capital and Cash Assets / CBRF

	2,499.6	2,568.1	2,829.9	3,265.8	3,681.4	4,085.0
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(1/CBRF End Balance projected in 10/96 Budget Strategy)

	2,499.6	2,568.1	2,579.9	2,693.8	2,807.5	2,933.7
--	----------------	----------------	----------------	----------------	----------------	----------------

11/Cumulative Gain/(Loss) with CF Fund

	+0.0	+0.0	+250.1	+572.0	+873.9	+1,151.3
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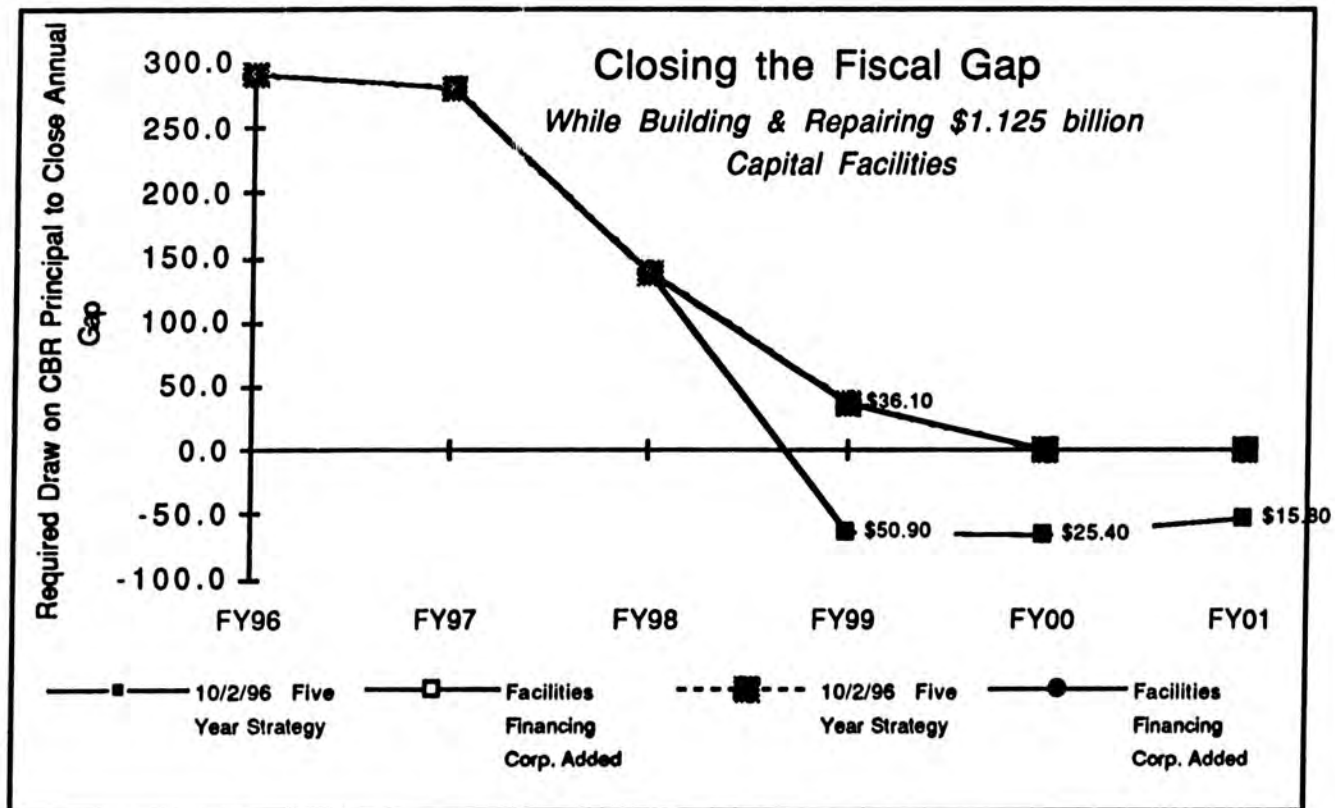
ALASKA LEGISLATIVE MAJORITY FIVE YEAR BUDGET STRATEGY
as of October 2, 1996

Modified to Include \$1.125 billion New Construction and Deferred Maintenance
Using Capital Facilities Financing Corporation Methodology

Noteworthy Results:

• Adding the Capital Facilities Financing Corporation methodology does not significantly slow the reduction of the "fiscal gap." In fact, it provides a surplus in FY99. In short, CFFC methodology can be readily meshed with the Five Year Strategy, without causing noticeable changes -- while providing \$1.25 billion in construction & major maintenance at the same time.

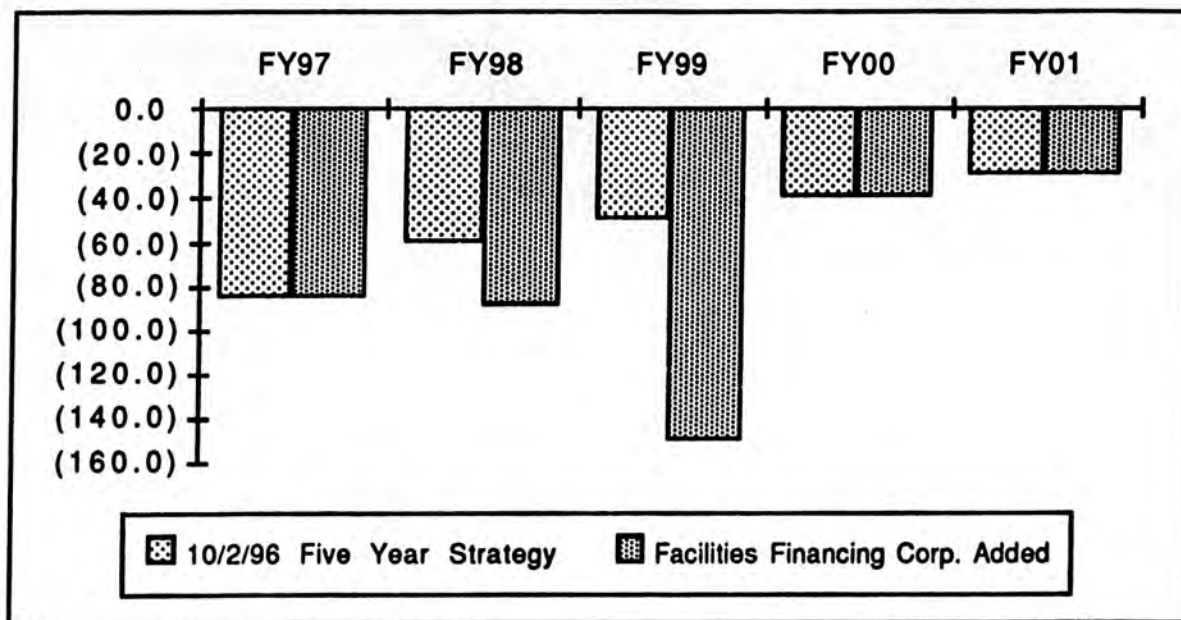
	Annual Fiscal Gap					
	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
10/2/96 Five Year Strategy	291.4	281.5	138.2	36.1	0.0	0.0
Facilities Financing Corp. Added	291.4	281.5	138.2	-64.0	-65.6	-53.6



- Adding the CFFC methodology allows the FY98 budget to be cut by more than the Five Year Strategy, while still providing the identical operating services (because the Capital Facilities Finance Corporation provides deferred maintenance and construction that would otherwise be funded by the Capital budget).

Annual Budget Cuts - Same Services Provided

	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
10/2/96 Five Year Strategy	(85.1)	(60.0)	(50.0)	(40.0)	(30.0)
Facilities Financing Corp. Added	(85.1)	(88.6)	(150.0)	(40.0)	(30.0)



Annual Percent Budget Cuts - Same Operating Services Provided

	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Five Year Strategy	-3.40%	-2.48%	-2.12%	-1.73%	-1.32%
Facilities Financing Corp. Added	-3.40%	-3.66%	-6.36%	-1.81%	-1.38%

MUNICIPAL BOND BASICS AND COMMON TERMINOLOGY

TYPES OF BONDS

There are several general types of bonds, usually referred to according to the security the issuer offers to guarantee payment.

GO -- General obligation bonds, are secured by the full faith and credit of the issuing entity. In the case of the State of Alaska, this security cannot be offered without a vote of the people in a general election. The State of Alaska has not issued a GO bond since the last Hammond administration, although Alaska municipalities issue them regularly.

Corporate Bonds -- These bonds are secured by the promise of a corporation (including a public corporation or authority) to pay. The credit markets analyze the creditworthiness of the corporation and lend money based upon the entity's entire holdings. Both AIDEA and AHFC have corporate bonds outstanding.

Revenue Bonds -- These bonds are secured by whatever revenues are assigned. These revenues may be anticipated taxes, or revenues from sale of electric power (Bradley Lake), use fees (Red Dog) or other enterprises financed by bonds.

State and municipal agencies often issue "conduit" bonds. These bonds are not secured by the issuer (unless the moral obligation is attached), but rather are corporate or revenue bonds of the owner of the project financed. The issuer merely serves as a "conduit" between the borrower and the lender. The purpose of a governmental instrumentality issuing the bonds is usually to secure tax-exempt status for the bonds (below), or to provide a easier entry into the bond market. AIDEA acts as the conduit issuer for many financings, as has the Bond Bank for Alaska municipalities' bonds.

Mortgage bonds -- These bonds are secured by deeds of trust on the facility or equipment bought with the bond proceeds. Most AHFC bonds are mortgage-backed securities.

Certificates of Participation ("COP's") -- Certificates of Participation are secured by revenues from leases entered into to pay for use of the financed facility. The issuer provides no promise of payment to the bondholder, whose sole security is the lease. In some cases, the lease itself is subject to legislative appropriation. The Seward prison bonds (issued by the City of Seward, secured by a State lease) and the Wildwood property are examples of this type of financing.

CREDIT RATINGS

Investment grade bonds are "rated" by one or more of several Rating Agencies (Moody's and Standard & Poor's are the two most common ratings). Basically, the rating agencies do the credit-investigation homework for potential investors. Their ratings are largely determinative of what interest rates the bonds will bear (what their "yield" will be) in the market at the time the bonds are sold. However, there is a slim range of interest rate differences

between similarly rated bonds, as the large institutional investors refine their due diligence investigations beyond those of the rating agencies.

The rating agencies generally rate each bond issue, based on its unique credit features. However, the agencies also periodically rate large corporations and government agencies, based upon their full faith and credit, even when bonds are not being sold. The State of Alaska presently is rated Aa by Moody's, equivalent to a AA Standard & Poor's rating. This rating predicts that Alaska GO bonds will sell at the yields common to other AA credits at the time of the sale, and that bonds carrying the moral obligation of the state will carry a AA- rating and be priced accordingly. Bonds issued by the State or state agencies other than State GO or Moral Obligation bonds would be rated according to their individual credit characteristics.

Major institutional investors give little consideration to rating differences in investment-grade securities. Because of this, the difference, or "quality spread" between interest rates paid on bonds of different credit ratings has narrowed greatly in recent years. At the moment, a 30-year bond rated A will yield about 5.45% interest, a 30-year AA will pay about 5.23%, and an AAA-rated 30-year bond about 5.14%. This narrow spread results in the difference paid on a \$1,000,000 bond by an A-rated entity being only about \$2,200 annually.

For reference, credit rating criteria by Moody's and Standard & Poor's are summarized below:

Moody's	Standard & Poor's	General Criteria	
Aaa	AAA	Extremely strong capacity to pay debt service. Low risk of changes in this capacity	Investment Grade
Aa	AA	Very strong capacity. Slightly lower margins of protection or slightly higher risks than AAA.	Investment Grade
A	A	Strong capacity to pay debt service. More susceptible to changes in circumstances & economic	Investment Grade
Baa	BBB	Adequate capacity to pay debt service. More susceptible to changes in economic environment.	Investment Grade
Ba	BB	Moderate capacity to pay debt service. Likely to be affected by adverse conditions. Cannot be considered	NOT Investment Grade
B	B	Light capacity to pay debt service. Assurance of payment over any length of time is small.	NOT Investment Grade
Caa	CCC	Not relevant	
Ca	CC		
C	C		
N/A	D		

Note: S&P may add a (+) or a (-) to the letter rating in order to show finer distinctions within each grade. Moody's recently began using a numerical modifier system (1, 2, and 3, 1 being at the high end of the grade).

CREDIT ENHANCEMENT

A bond's credit strength may be enhanced through several means. Credit enhancement is often beneficial to the issuer, since it leads to higher bond ratings, thus a lower risk of default in the investor's eyes. This leads to lower interest rates on the bonds. In certain cases, credit enhancement is not just beneficial, but is necessary to make the bonds marketable at all. Types of credit enhancement include:

Bond Insurance -- Bond insurance policies are sold by large companies specializing in this product. The issuer pays the premium, and the insurer is obligated to make all interest and principal payments as and when due. The insurer then recovers any payments it has made from the issuer. Insured bonds are as a matter of course rated AAA, based upon the insurer's credit rating.

Letters of Credit -- Letters of credit are guarantees of banks that they will make all interest and principal payments as and when due, very similar to the obligation of a bond insurer. They are essentially short-term loans to the bond issuer to enable it to avoid default on the bonds. Letters of credit are most commonly used to support variable-rate bonds, which investors may sell on a daily, weekly, or other short-term basis.

Corporate Guarantee -- On occasion, a private or public corporation will strengthen a revenue-based credit by also providing the full credit of the corporation as back-up security for a bond. AIDEA and AHFC have both done this in the past. This results in a "double-barreled" credit, with the characteristics of both a revenue and a corporate bond.

State Moral Obligation -- This is merely a promise from the issuer (usually a government or public corporation) that, in the event anticipated revenues of the issuer do not materialize, the legislature will be notified of any shortfall in the reserve funds that are used to pay principal and interest on the bonds. The moral obligation does not obligate the State to make bond payments, but investors rely on their belief that the State will find it politically expedient to make them whole. Moral Obligation bonds are generally rated a half rating below the entity that provides the moral obligation (AA- in the case of Alaska).

TAX EXEMPT BONDS

Bonds are sometimes referred to according to whether or not the investor is subject to Federal or State income tax on the interest earned from the bonds. The tax consequences of owning bonds do not affect the bonds ratings -- a credit is the same whether it's interest is taxed or not. However, tax exempt bonds always carry lower interest rates than identical taxable securities, because the investor invests for after-tax yield. (For example, if an investor earns 10% on a taxable bond and is in the 30% tax bracket, his net earnings are 7%, which is about the interest rate he would accept for a tax exempt bond with identical credit features.)

Public purpose bonds -- Bonds issued for facilities constructed, owned and operated by government or non-profit entities, and which serve a public purpose, are tax-exempt bonds. The issuer/owner may not be the same government entity which uses the facilities for the public purpose, as in the case of the Seward COP-financed prison and the Wildwood facility.

Private activity bonds -- The tax code allows issuance of a limited principal amount (\$150 million annually) of "private activity" bonds by instrumentalities of each state every year for facilities operated primarily for the benefit of non-governmental entities. The types of facilities that qualify for these bonds are greatly restricted by the tax code, and include facilities for waste disposal, ports & harbors, and electric generation facilities provided that the energy generated is used in no more than two contiguous counties. Before the 1986 tax code revisions, there was no limit on the amount of private activity bonds that could be sold, and restrictions on purpose were very broad. Before the tax change, AIDEA issued many tax exempt "industrial development" revenue bonds, and AHFC was allowed to issue tax-exempt bonds to purchase home mortgages.

Alaska's annual private activity "cap" has been allocated in recent years to projects such as the Healy Clean Coal plant (to that portion qualified as waste disposal facilities), the Snettisham hydroelectric project (the power is sold within one county), and smaller projects that qualify under the restrictions.

INTEREST RATES and THE "YIELD CURVE"

Interest rates paid on bonds depend upon the type of credit backing the bond (GO, revenue), the credit rating of the issuer (in the case of GO, corporate and moral obligation bonds) or the specific bond, the interest rate market at the time, and the term (length or "maturity") of the bond.

Longer term bonds pay higher interest rates than shorter bonds, because the investor must tie up his money further out into the future. Thus, during normal market conditions, short term notes (seen as variable-rate bonds by the issuer) bear the lowest interest rates and 30-year bonds (the longest term bond commonly available) bear the highest interests rates. Most bond issues are structured to include a set of "serial" bonds, maturing in one, two, three, etc. ...10 years, and one or more "term" bonds maturing in 15, 20, and 30 years. A bond issued with a shorter longest maturity (e.g.: 15 years) will require higher annual debt service payments, but will cost the issuer less interest due both to the yield curve and to the shorter time interest is being paid.

The next page shows a recent schedule of interest rates (yields) of tax-exempt bonds, and demonstrates how interest rates are affected by quality (rating), tax exempt characteristics, and term.

REPRESENTATIVE TAX-EXEMPT YIELDS
Based on Major General Obligation Offerings
Week Ending October 3, 1997

Maturity	AAA	AA	A
1998	3.65	3.70	3.95
1999	3.85	3.95	4.10
2000	4.00	4.10	4.25
2001	4.00	4.10	4.40
2002	4.05	4.15	4.50
2003	4.15	4.25	4.60
2004	4.25	4.35	4.65
2005	4.30	4.40	4.75
2006	4.40	4.50	4.80
2007	4.45	4.55	4.80
2012	4.90	5.00	5.25
2017	5.13	5.23	5.48

MUNICIPAL BOND AVERAGES *
30-Year Bonds by Type & Rating

	A Revenue	AAA Insured	BB20 Index
October 3, 1997	5.87	5.6	5.44

TREASURY BOND RATES **
According to Maturity

Maturity	Yield
90 Day Bills	5.062
90 Day CD's	5.590
3 years	5.781
5 years	5.893
30 years	6.302

* Tax-exempt

** Interest earned on Treasury Securities is taxable.

MEMORANDUM**State of Alaska**

**Office of the Governor
Office of Management and Budget
Telephone: 465-4660**

October 9, 1997

TO: Administrative Service Directors
Facility Advisory Council Members
DOT/PF Facility Maintenance Employees

FROM: Annalee McConnell, Director, Office of Management and Budget
Mark Boyer, Commissioner, Department of Administration
Joe Perkins, Commissioner, Department of Transportation
and Public Facilities

RE: Facility Update

To some this is an update, while to others this memorandum outlines the Knowles administration's long and short-term goals to effectively manage the state's major fixed assets — facilities. First, we would like to thank everyone who has assisted us throughout this project. We are well aware that without each agency's support, we could not have recognized progress toward these goals.

Long-term Goals

- **Rental Rate Methodology** — A rent structure for facilities would enable the state to receive reimbursement for facilities costs from the federal government and other fund sources, and would provide an incentive for more efficient utilization of facilities. The rate would recover the full costs of operating and maintaining state facilities in accordance with applicable Generally Accepted Accounting Principles, federal guidelines and state policies. We hired an independent consultant who helped us identify the elements needed to develop a facilities chargeback methodology.

We hope to work with the legislature during the 1998 session to establish a Facilities Internal Service Fund (ISF) to implement this rental concept. A facilities fund would isolate facilities financial activity, allow fund balances to carryforward into the next fiscal year and recover sufficient funds to maintain the facilities. The rate would be based on prior year costs plus anticipated repairs divided by square footage. Thus the critical need to capture accurate cost data now.

- **Deferred Maintenance Backlog** — Another advantage of an ISF is to build funds so we can prevent future accumulation of deferred maintenance projects.
- **Consolidate Facility Functions** — Ultimately we think it will be advantageous to merge the facilities functions of the Department of Transportation and Public Facilities (DOT/PF) with

Facility Update
October 9, 1997
Page 2

the leasing and space planning functions of the Department of Administration (DOA). At one point we considered consolidating these functions in the Department of Administration this year. However, given the major initiatives currently underway in both DOA and DOT/PF, we now believe that it is not advisable to proceed with a transfer of facilities responsibilities from DOT/PF to DOA at this time. DOT/PF will continue its current facilities functions for at least the next twelve months. During this time we intend to move forward with the following initiatives to improve facilities operations and maintenance.

Short-term Goals

- **Nome Pilot Project** — This pilot is testing the use of a coordinated maintenance team, the effects of performing scheduled preventative maintenance, and application of an automated maintenance management system to improve the efficiency and effectiveness of facility maintenance. It began July 1 with three participating departments: DOT/PF, Military and Veterans' Affairs, and Corrections.
- **AKSAS Account Structure** — Departments were to begin tracking facility costs in the five work categories identified by the Facility Council no later than August 1, 1997. These categories are Operations, Leasing, Routine Maintenance and Repair, Renewal and Replacement, and Renovation and Remodeling. Accurately tracking costs in these categories by building or other Facility Council approved method is vital to the rate development process.
- **Facilities Rent Structure Pilot** — As the first phase of establishing a rent structure for state facilities, we are developing a simulated rate on one facility using the rate methodology established by the independent consultant. Our objective is to establish a rent structure that can be evaluated for possible incorporation in the FY 2000 budget cycle.

We hope this facility update clarifies our goals and objectives for improving the maintenance of our state facilities. If you have any questions or comments, contact Keith Gerken (DOA) at 465-5683, Rod Wilson (DOT/PF) at 465-6962 or Kym Gertner (OMB) at 465-4666.

Transportation Maintenance and Funding

Department of Transportation
Presentation to Deferred Maintenance
Task Force
October 20, 1997

Purpose of Presentation

- ◆ To address questions about federal funding of deferred maintenance projects
- ◆ To present funding options for maintenance including:
 - tax increases
 - dedicated fund

Background/History

- ◆ With decline in funds for maintenance of roads, airfields, and harbors the facilities are gradually deteriorating and the state will lose valuable assets
- ◆ Continued lack of adequate state funded maintenance will directly affect the public's use of the facilities
- ◆ DOT&PF continues to work to increase efficiencies
 - Internal Effectiveness Review
- ◆ DOT&PF lacks a stable and reliable funding source to maintain our transportation system

Types of DOT Maintenance

- ◆ Highways
- ◆ Airports
- ◆ Public Facilities
- ◆ Harbors

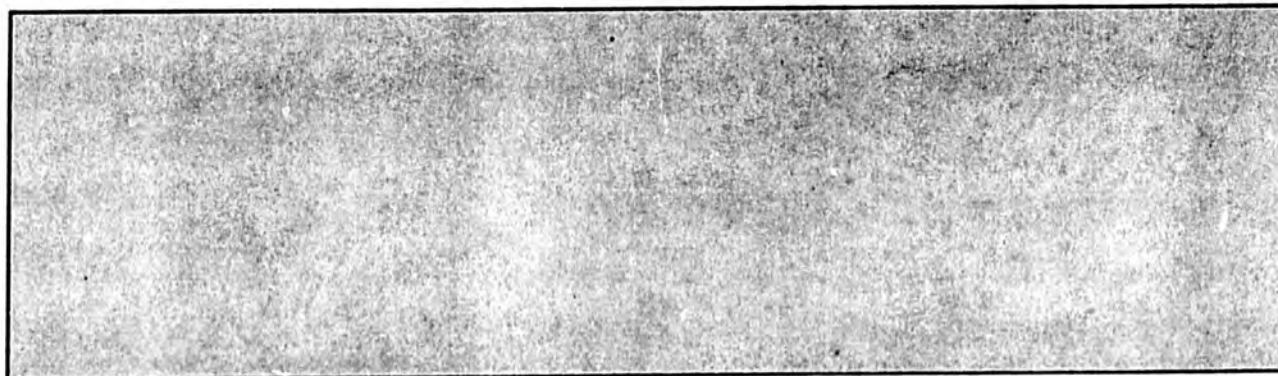
Deferred Maintenance Backlog

◆ How does it happen?

Annual Maintenance Costs

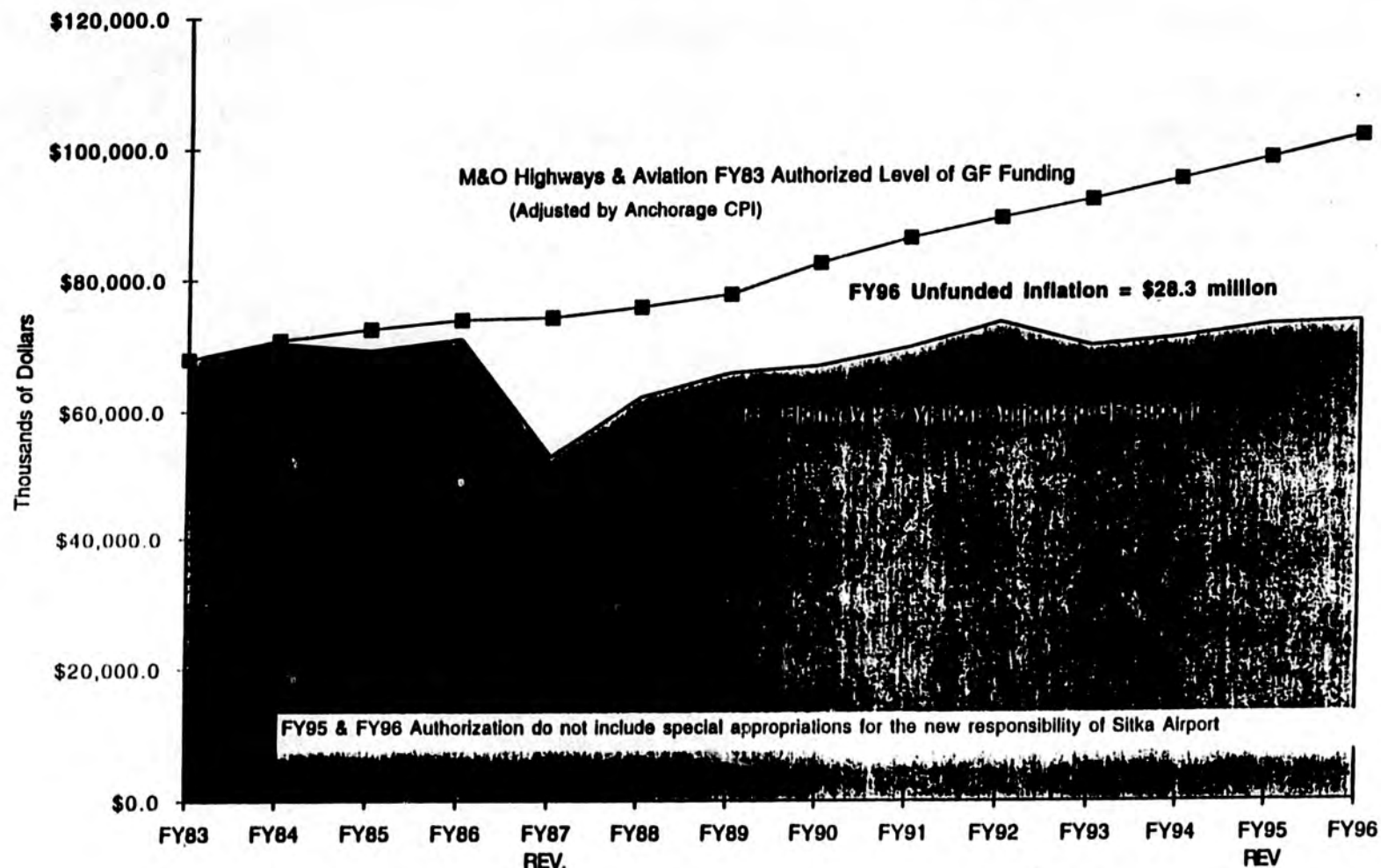
Health/Safety Maintenance (operational) - Snow Plowing - Lights - Traffic Signs	- Pot Holes - Brush Cutting - Sealing - Ditch Cleaning
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Annual Maintenance Budget

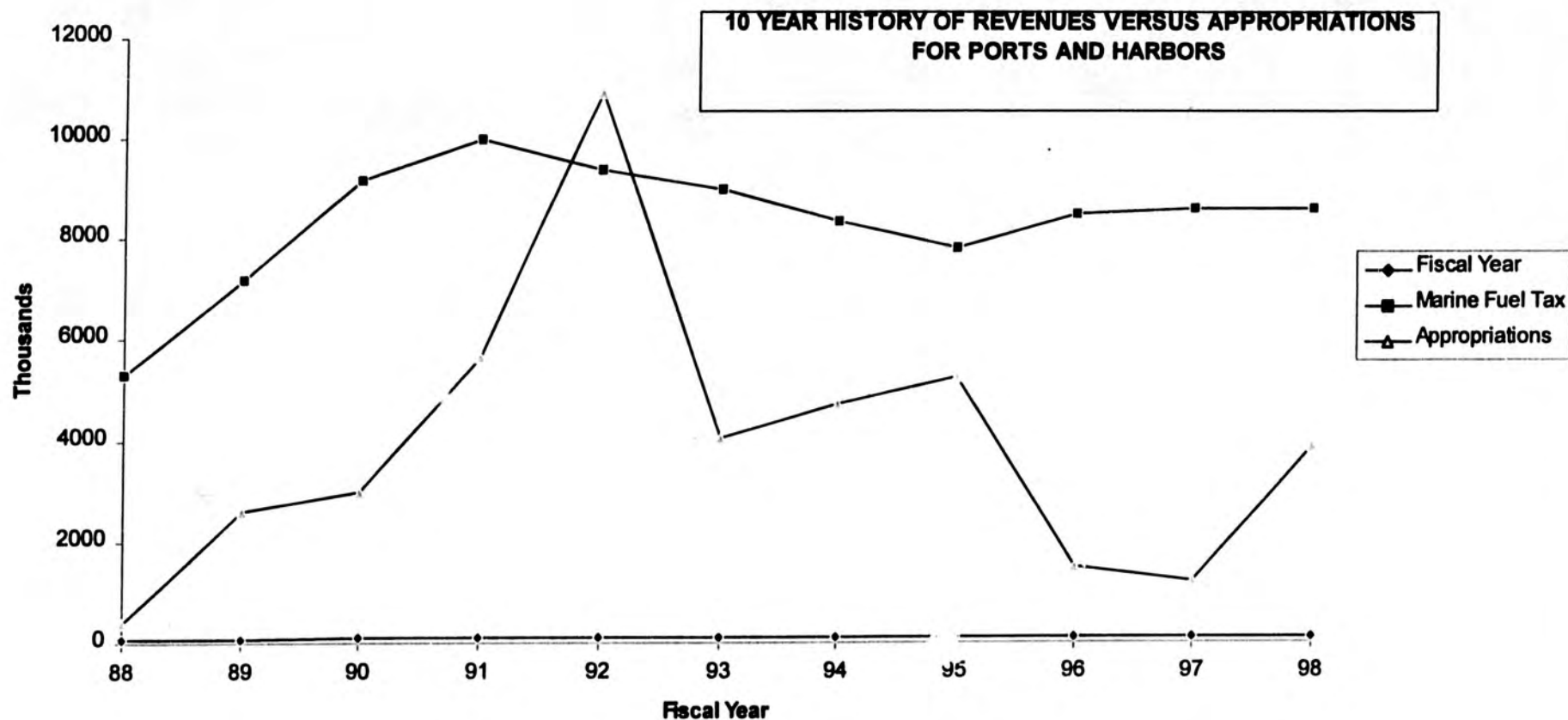


Revenues vs. Appropriations for Highways and Airports

DOT&PF Highways & Aviation Maintenance GF Comparison
FY83 Funding Level vs. Authorized Budget



Revenues vs. Appropriations for Ports and Harbors



Fuel Tax Increases

- ◆ Revenue Generated per \$0.01 increase for each tax type

<u>MODE</u>	<u>Revenue per Cent Increase</u>
Highway	\$2.6 million
Off-Highway	\$1.6 million
Aviation Gasoline	\$210.0 thousand
Jet Fuel	\$2.5 million
Marine	\$1.3 million
Marine Off-Highway	\$29.4 thousand

State Comparisons for Motor Fuel Tax Rates

Comparison of Highway Gasoline Tax Rates
October 1997

State	Rate (¢ per gallon)	Other Tax ⁽¹⁾ (¢ per gallon)	Total (¢ per gallon)	Rank	Last Change
Alabama	16	4.4	20.4	27	6/1/92
ALASKA	8	0	8	50	5/28/70
Arizona	18	1	19	36	7/1/90
Arkansas	18.5	0.1	18.6	39	4/1/91
California	18	11.9	29.9	4	1/1/94
Colorado	22	0	22	20	1/1/91
Connecticut ⁽²⁾	36	4.3	40.3	1	4/1/96
Delaware	23	0	23	17	1/1/95
Florida	12.5	13.5	26	10	1/1/95
Georgia	7.5	4.4	11.9	48	7/1/71
Hawaii	16	19.4	35.4	2	7/1/91
Idaho	25	0	25	12	4/1/96
Illinois	19	5.7	24.7	13	1/1/90
Indiana	15	4.2	19.2	35	4/1/88
Iowa	20	1	21	25	1/1/89
Kansas	18	1	19	36	7/1/92
Kentucky	15	1.4	16.4	45	7/15/94
Louisiana	20	0	20	29	1/1/90
Maine	19	0	19	36	7/17/91
Maryland	23.5	0	23.5	15	5/1/92
Massachusetts	21.5	0	21.5	23	1/1/91
Michigan	15	6	21	25	1/1/84
Minnesota	20	2	22	20	5/1/88
Mississippi	18	2.4	20.4	27	7/1/93
Missouri	17	0	17	42	4/1/96
Montana	27	0.8	27.8	7	7/1/94

State Comparisons for Motor Fuel Tax Rates Continued...

Nebraska	25.7	0.8	26.5	9	4/1/96
Nevada	23	7.2	30.2	3	10/1/92
New Hampshire	18	1.7	19.7	33	6/7/93
New Jersey	10.5	4	14.5	47	7/1/88
New Mexico	17	1	18	40	7/1/95
New York	8	21.9	29.9	4	6/1/94
North Carolina ⁽³⁾	22	0.3	22.3	19	1/1/95
North Dakota	20	0	20	29	1/1/96
Ohio	22	0	22	20	7/1/93
Oklahoma	17	0	17	42	7/1/89
Oregon	24	0	24	14	1/1/93
Pennsylvania	12	11.4	23.4	16	9/1/91
Rhode Island	28	1	29	6	7/8/94
South Carolina	16	0.8	16.8	44	1/1/89
South Dakota	18	2	20	29	4/1/88
Tennessee	20	1.4	21.4	24	4/1/89
Texas	20	0	20	29	10/1/91
Utah	19	0.5	19.5	34	4/1/87
Vermont	15	1	16	46	7/1/89
Virginia	17.5	0.2	17.7	41	7/1/92
Washington	23	0	23	17	4/1/91
West Virginia	20.5	4.9	25.4	11	5/1/93
Wisconsin	23.7	3	26.7	8	4/1/96
Wyoming	9	0	9	49	7/1/89
Federal	18.3	N/A	18.3	N/A	1/1/96
U.S. Median	17.6	4.9	22.5	N/A	N/A

⁽¹⁾ Includes state sales tax, gross receipts tax and underground storage tank taxes.

State sales taxes are based on the national retail price of gasoline as of May 10, 1996.

⁽²⁾ Tax rate will increase to 37¢ on 7/1/96; 38¢ on 10/1/96; and 39¢ on 1/1/97.

⁽³⁾ Tax rate will decrease to 21.7¢ on 7/1/96.

SOURCE: American Petroleum Institute, *A Summary of Nationwide and State-by-State Motor Fuel Taxes as of May 1997*.

State Comparisons for Aviation Fuel Tax Rates

Comparison of Aviation Fuel Tax Rates
October 1997

State	Jet Fuel (\$ per gallon)	Rank ¹	Aviation Gas (\$ per gallon)	Rank ²	Dedicated to Aviation
Alabama	1.2	27	3.6	31	Yes
ALASKA	3.2	17	4.7	28	No
Arizona	1.5	26	5.0	22	Yes
Arkansas	Sales Tax	N/A	Sales Tax	N/A	Yes
California	2.0	22	18.0	2	Yes
Colorado	4.0	13	6.0	16	Yes
Connecticut	None	N/A	None	N/A	N/A
Delaware	None	N/A	None	N/A	N/A
Florida	6.9	3	6.9	15	Yes
Georgia	Sales Tax	N/A	1.0	36	No
Hawaii	1.0	28	1.0	36	Yes
Idaho	4.5	12	5.5	20	Yes
Illinois	Sales Tax	N/A	Sales Tax	N/A	No
Indiana	Sales Tax	N/A	15.0	4	No
Iowa	3.0	18	8.0	11	No
Kansas	Sales Tax	N/A	Sales Tax	N/A	No
Kentucky	Sales Tax	N/A	15.0	4	No
Louisiana	Sales Tax	N/A	Sales Tax	N/A	Yes
Maine	3.4	16	19.0	1	No
Maryland	None	N/A	7.0	14	No
Massachusetts	5.0	7	10.0	9	Yes
Michigan	3.0	18	3.0	33	Yes
Minnesota	5.0	7	5.0	22	Yes
Mississippi	5.25	6	6.0	16	Yes
Missouri	Sales Tax	N/A	9.0	10	Yes
Montana	3.0	18	3.0	33	Yes

State Comparisons for Aviation Fuel Tax Rates Continued...

Nebraska	3.0	18	5.0	22	Yes
Nevada	1.0	28	10.5	8	Yes
New Hampshire	2.0	22	4.0	29	No
New Jersey	2.0	22	12.5	7	Yes
New Mexico	Sales Tax	N/A	17.0	3	Yes
New York	8.0	1	8.0	11	No
North Carolina	Sales Tax	N/A	Sales Tax	N/A	No
North Dakota	8.0	1	8.0	11	Yes
Ohio	Sales Tax	N/A	Sales Tax	N/A	No
Oklahoma	0.08	32	0.08	39	No
Oregon	0.5	31	3.0	33	Yes
Pennsylvania	1.7	25	3.5	32	Yes
Rhode Island	None	N/A	None	N/A	N/A
South Carolina	Sales Tax	N/A	Sales Tax	N/A	No
South Dakota	4.0	13	6.0	16	Yes
Tennessee	1.0	28	1.0	36	Yes
Texas	None	N/A	None	N/A	N/A
Utah	4.0	13	4.0	29	Yes
Vermont	Sales Tax	N/A	15.0	4	No
Virginia	5.0	7	5.0	22	Yes
Washington	5.5	5	5.5	20	Yes
West Virginia	4.85	11	4.85	27	Yes
Wisconsin	6.0	4	6.0	16	No
Wyoming	5.0	7	5.0	22	Yes
Federal	4.3	N/A	19.3	N/A	Yes
U.S. Median	3.5	N/A	5.2	N/A	N/A

¹Out of 32 states with tax rates

²Out of 39 states with tax rates

SOURCE: National Business Aircraft Association, Inc.
1997-98 State Aviation Tax Report

Dedicated Funds

- ◆ One option for funding annual maintenance
- ◆ One of only two states that does not have a dedicated fund
- ◆ Several States include license fees in fund
- ◆ Could include revenue sharing for local governments that take over state maintained facilities

Testimony by Walter J. Hickel
Legislative Task Force on Deferred Maintenance
Anchorage, Monday October 20, 1997

Good morning Mr. Chairman and members of the Task Force.

I'm pleased to be here following the presentation made by the Alaska Municipal League and the Alaska Conference of Mayors.

In just a few minutes, I'd like to lay out our proposal to establish a Community Dividend program with the Permanent Fund.

As you might have heard, after leaving Juneau as your Governor in 1994, I went back to school. We founded an Institute of the North at Alaska Pacific University.

The Institute will focus on management of commonly owned resources -- lands and oceans -- and how democracies respond to the obligations of ownership.

In our research, we've looked closely at the terms of Alaska statehood.

We got 103 million acres to select, and 90 percent of the revenue from federal lands.

The lands and resources of the state were given to our state government so they could pay the bill the federal government had been paying.

Congress knew we could not run this state --as big and as undeveloped as it is -- on taxes alone.

It was conservative Republicans who insisted we get what we have so we wouldn't be on federal welfare forever.

And that resource wealth was not given to be given away.

In fact, since 1921, when the Land Act was passed after the so-called Teapot Dome scandal, there was no way the subsurface resources of this state could be owned by anyone except the government.

Now let's skip forward 40 years. Here we are today, a model of an owner state. We manage our resources for the benefit of the total. Prudhoe Bay is the best example I know of a commonly owned resource being put to work not for the benefit of a few, but for the many.

In Alaska, we established the Permanent Fund. It has grown now to over \$22 billion, and it is growing still. The money from the Permanent Fund has yet to be used, however, for any public purpose.

Yes, we pay ourselves a dividend. But we don't use the income in any way collectively to accomplish our common mission as Alaskans.

I'm here today to propose a new approach to the revenue -- not the corpus -- of the Permanent Fund.

I believe we should keep building the Permanent Fund, and I believe we should continue to pay the dividend. But I also believe we should look down the road at the expected growth of the dividend, and channel some of that money into a new program.

I call that program the Community Dividend.

The idea is this. A few weeks ago in Fairbanks, the Permanent Fund Board threw a dinner and announced that we're going to each get almost \$1300 this year.

Suppose that a year or two from now, the announcement is that we'll each get that same amount, and our local governments will also get a check of --maybe-- \$200 per person.

As the revenue from the Fund available for dividends grows, the numbers would soon be equal. My estimate, based on the current returns the Fund is getting, would put the two checks about equal in seven to ten years. And then income to both dividends would take off and grow together.

In a place like Kodiak, with 7,300 people, a community dividend the size of this year's individual dividend would equal almost \$9.5 million dollars. And the same amount, given the population, could be distributed through the rest of the Kodiak Borough.

By giving a dividend to local governments, we put the money where the people are. If Kodiak wants to fix a school, it can. If Ketchikan wants to expand the harbor, you've got the capability. If people in Stevens Village want a dock or a boardwalk, they've got the means to do it.

Most important, like the existing dividend program, communities would be able to plan for it ahead of time.

Mr. Chairman, how often do the cities and boroughs in your district, and every other, have to send someone to Juneau just to get basic funding for maintenance of infrastructure, much less an important capital project?

The hallways in Juneau are crawling with lobbyists, sent there by Alaska's voters, to get money for their cities and towns. It's awful.

The community dividend program would put the decision in the hands of the people.

The state's capital budget for the last few years has leveled out at \$100 million. That's barely enough to make a dent in our needs for maintaining our roads and schools and water and sewer. It means little or nothing to beautification, enhancement of our environment where we live.

In the meantime, this year, the dividend paid out was over \$700 million. I don't fault that, but we can do more.

When I left office, the University of Alaska alone had a maintenance backlog of \$160 million. The needs for basic water and sewer in our rural communities were calculated to cost \$1 billion. Not much has changed. The community dividend could be structured to help both these problems.

I believe the community dividend program is the most viable funding option to meet our capital and deferred maintenance needs.

Let's talk about the money that will be available.

If you've been counting since we started paying dividends in this state, you know that by the end of last year we've distributed over \$6 billion. That's over a 17 year period.

Now the Permanent Fund has estimated how much money will be available to distribute over the next 17 years if the Fund returns a conservative four percent after inflation.

That number is close to \$19 billion -- three times what has been given out in the last generation.

What's more, if the Fund continues to make a return of eight percent after inflation like it does today, over \$38 billion would be available.

The story those numbers tell is this: we will have enough growth in our revenue to keep paying the dividend we are, and to pay communities a like amount in a very short time.

Besides, the money we pay out in community dividends will not be taxed like the individual dividend.

Finally, in this pioneering country, we need to remember that we must allocate resources to capital. It is the common infrastructure -- our roads, schools, harbors -- that bring us the common wealth.

I believe 25 to 30 percent of state spending should be in capital -- and the community dividend program will get us there. That's not building for the sake of building -- that's meeting our needs and maintaining what we have.

The most important part of this proposal is that it gets us to a public purpose for the Permanent Fund that meets Alaskans needs, does not inflate the size of government.

Finally, Mr. Chairman, there are many politicians afraid to touch the earnings of the Permanent Fund. There are all sorts of "don't touch the Fund" measures headed for next year's ballot.

I've discussed with Senator Green the idea that a constitutional amendment would promise Alaskans both the dividend they have, inflation proofing, and the community dividend -- and I urge consideration of that idea.

By keeping the dividend we have, and sharing some of the growth with a community dividend, we've got a great chance to meet our common needs even as we feed our individual desires.

Thank you very much, and please ask questions.



LAWS OF ALASKA

1993

Source
HCS CSSB 60(FIN) am H

Chapter No.
83

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.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: July 16, 1993
Actual Effective Date: July 17, 1993

AN ACT

1 Making appropriations for school construction projects and making an appropriation of
2 \$1,066,280 from the general fund to the Department of Education for payment as grants for
3 additional district support for the fiscal year ending June 30, 1994; and providing for an
4 effective date.

5
6 * Section 1. Contingent upon the establishment of an educational facilities maintenance
7 and construction fund by the Eighteenth Alaska State Legislature, the sum of \$192,408,894
8 is appropriated from the general fund to the educational facilities maintenance and construction
9 fund (AS 37.16.010).

10 * Sec. 2. Contingent upon the establishment of an educational facilities maintenance and
11 construction fund by the Eighteenth Alaska State Legislature, the sum of \$150,970,794 is
12 appropriated from the educational facilities maintenance and construction fund (AS 37.16.010)
13 to the school construction grant fund (AS 14.11.005) and is allocated for payment as grants
14 under AS 14.11.005 by the Department of Education to the following school districts and

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Chapter 83

1	regional educational attendance areas (REAA) for the projects described in the amounts listed:		
2	SCHOOL DISTRICT/REAA	PROJECT	ALLOCATION
3	Ketchikan Gateway		
4	Borough Schools	Ketchikan High final phase	\$ 9,501,600
5	Juneau Borough Schools	Juneau-Douglas High School	
6		structural repair	152,600
7	Juneau Borough Schools	New elementary school	9,940,000
8	Yakutat City Schools	Elementary school repair	523,100
9	Kake City Schools	Elementary and high school	
10		life/safety	1,738,500
11	Annette Island Schools	Elementary/middle school repair	706,400
12	Craig City Schools	Craig High School roof replacement	491,100
13	Craig City Schools	Elementary portable classrooms/	
14		expansion design	392,400
15	Kenai Peninsula Borough		
16	Schools	Tustumena elementary addition	3,822,100
17	Kenai Peninsula Borough		
18	Schools	Portable classrooms district wide	298,400
19	Anchorage Schools	District wide school design and	
20		construction	27,171,600
21	Matanuska-Susitna Borough		
22	Schools	Swanson Elementary	8,190,000
23	Matanuska-Susitna Borough		
24	Schools	Palmer middle school addition	5,400,000
25	Matanuska-Susitna Borough		
26	Schools	Mat-Su Borough alternate school	
27		replacement	400,000
28	Fairbanks North Star		
29	Borough Schools	New high school/new elementary	
30		school/Lathrop renovation projects	20,000,000
31	Fairbanks North Star		

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1	Borough Schools	Eielson elementary school design/	
2		bid preparation	600,000
3	Denali Borough Schools	Tri-valley fire separation	94,500
4	Delta/Greely Schools	Delta school roof replacement	1,483,300
5	Copper River Schools	Glennallen Secondary School final phase	3,045,800
6	Alaska Gateway Schools	Tok school replacement	8,505,300
7	Yukon-Koyukuk Schools	Nulato vocational education upgrade	274,600
8	Tanana City Schools	Heat exchanger and storage tank	86,400
9	Kuspuk Schools	Sleetmute foundation and roof repair	372,400
10	North Slope Borough Schools	Point Lay Cully school drinking water	86,500
11	North Slope Borough Schools	Point Hope entryways and roof renovation	172,300
12	North Slope Borough Schools	District wide renovations	72,800
13	Northwest Arctic Borough		
14	Schools	Selawik school replacement	12,930,000
15	Northwest Arctic Borough		
16	Schools	Buckland school addition design	595,400
17	Bering Strait Schools	Gambell elementary addition	12,334,700
18	Kashunamiut Schools	Replacement school facility design	771,600
19	Lower Yukon Schools	Mt. Village elementary replacement,	
20		phase II	3,229,700
21	Lower Yukon Schools	Hooper Bay classroom addition	610,200
22	Lower Kuskokwim Schools	New Bethel middle school design	926,700
23	Lower Kuskokwim Schools	Newtok Elementary School addition	
24		design	500,000
25	Yupit Schools	Akiachak elementary replacement/	
26		upgrade design	269,500
27	Lake and Peninsula Schools	Chignik Bay school addition	1,494,000
28	Southwest Region Schools	New Stuyahok roof and wall replacement	747,500
29	Pribilof Islands Schools	St. Paul roofing and siding	
30		replacement	1,198,200
31	Pribilof Islands Schools	St. George roof and exterior repair	350,400

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1	Aleutians East Borough		
2	Schools	King Cove elementary life/safety	910,000
3	Unalaska City Schools	Unalaska elementary addition	3,552,900
4	Denali Borough Schools	Tri-Valley school replacement/renovation	3,325,000
5	~~Kenai Peninsula Borough~~	~~Pedro Bay school replacement~~	~~2,303,200~~
6	~~Schools~~	~~West High School electrical repair~~	~~1,400,000~~
7	Anchorage Schools	West High School electrical repair	1,400,000
8	* Sec. 3. Contingent upon the establishment of an educational facilities maintenance and		
9	construction fund and a major maintenance grant fund by the Eighteenth Alaska State		
10	Legislature, the sum of \$21,198,500 is appropriated from the educational facilities maintenance		
11	and construction fund (AS 37.16.010) to the major maintenance grant fund (AS 14.11.007) and		
12	is allocated for payment as grants under AS 14.11.007 by the Department of Education to the		
13	following school districts and regional educational attendance areas (REAA) for the projects		
14	described in the amounts listed:		
15	SCHOOL DISTRICT/REAA	PROJECT	ALLOCATION
16	Wrangell City Schools	Intermediate school drainage	\$ 42,000
17	Petersburg City Schools	Elementary school code upgrades	105,000
18	Mt. Edgecumbe High School	Deferred maintenance projects	303,800
19	Juneau Borough Schools	Juneau-Douglas High School roof repairs	116,200
20	Juneau Borough Schools	Glacier Valley roof replacement	769,300
21	Kenai Peninsula Borough		
22	Schools	Seward Jr/Sr high school restroom	
23		renovations	19,600
24	Kenai Peninsula Borough		
25	Schools	Soldotna elementary gym roof replacement	113,400
26	Kenai Peninsula Borough		
27	Schools	Seward Jr/Sr high school roof renovations	42,000
28	Kenai Peninsula Borough		
29	Schools	Homer junior high handicap access	28,200
30	Kenai Peninsula Borough		
31	Schools	Nikiski elementary roof replacement	90,900

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1	Kenai Peninsula Borough		
2	Schools	Kenai junior high handicap access	28,200
3	Anchorage Schools	Dimond heat/ventilation/public address/	
4		clock system upgrade	1,557,500
5	Anchorage Schools	District wide traffic safety upgrade	1,648,500
6	Anchorage Schools	District wide restroom safety upgrade	140,000
7	Anchorage Schools	King Career Center heat/life safety	
8		renovations/asbestos abatement	1,190,000
9	Anchorage Schools	District wide Americans with Disabilities	
10		Act compliance	700,000
11	Anchorage Schools	District wide fire code upgrade	1,645,000
12	Anchorage Schools	District wide kitchen code upgrade	700,000
13	Anchorage Schools	District wide roof replacement	6,622,000
14	Anchorage Schools	District wide heating system upgrade	612,500
15	Anchorage Schools	District wide electrical system upgrade	728,000
16	Denali Borough Schools	Anderson school old gym upgrade	96,000
17	Chugach Schools	Whittier school roof repairs	47,000
18	Lower Kuskokwim Schools	Bethel High School major maintenance/	
19		roof replacement	551,700
20	Lower Kuskokwim Schools	Napakiak school relocation	540,000
21	Lower Kuskokwim Schools	District wide water treatment	2,184,200
22	Dillingham Schools	Dillingham Elementary School roof repair	192,500
23	Anchorage Schools	Mt. Spurr roof replacement	385,000
24	~~Sec. 4. If the First Session of the Eighteenth Alaska State Legislature does not pass and~~		
25	~~enact into law an appropriation to the Department of Education for additional district support~~		
26	~~for school districts at Ozona, Hoonah, Hydaburg, Kake, Klawock, Pelican, Skagway, Tanana,~~		
27	~~and Yakutat in the amount of \$1,066,280 or more, then the sum of \$1,066,280 is appropriated~~		
28	~~from the general fund to the Department of Education for payment as grants for additional~~		
29	~~district support for the fiscal year ending June 30, 1994, and is further allocated to the~~		
30	~~following school districts in the amounts listed:~~		
31	~~SCHOOL DISTRICT~~	~~ALLOCATION AMOUNT~~	<del></del>

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1	~~WJH~~ Galena City School District	~~\$139,080~~
2	Hoonah City School District	125,660
3	Hydaburg City School District	103,090
4	Kake City School District	134,200
5	Klawock City School District	147,010
6	Pelican City School District	57,950
7	Skagway City School District	124,440
8	Tanana City School District	115,900
9	~~WJH~~ Valdez City School District	~~118,930~~

10 * Sec. 5. The appropriations made by secs. 2 and 3 of this Act are for capital projects and
 11 are subject to AS 37.25.020.

12 * Sec. 6. This Act takes effect July 1, 1993.

1	Department of Transportation/Public Facilities (cont.)	
2	General Fund Receipts	\$60,500
3	*** Total Funding ***	\$60,500
4	Department of Environmental Conservation	
5	General Fund Receipts	\$230,000
6	*** Total Funding ***	\$230,000
7	Department of Community & Regional Affairs	
8	General Fund Receipts	\$1,126,300
9	*** Total Funding ***	\$1,126,300
10	University of Alaska	
11	General Fund Receipts	\$3,652,500
12	*** Total Funding ***	\$3,652,500
13	Grants to Municipalities (AS 37.05.315)	
14	General Fund Receipts	\$62,139,400
15	*** Total Funding ***	\$62,139,400
16	Unincorporated Community Grants (AS 37.05.317)	
17	General Fund Receipts	\$1,896,300
18	*** Total Funding ***	\$1,896,300
19	• • • • • Total Budget • • • • •	\$80,000,000
20	(SECTION 23 OF THIS ACT BEGINS ON PAGE 119)	

* Sec. 23. The sum of \$906,403 is appropriated from the general fund for payment of the judgment, interest, and attorney fees in Frontier Flying Service v. Turpin, Case No. 3AN-91-8086 Civil to be paid as follows:

(1) the sum of \$406,000 is appropriated for deposit in the International Airports Revenue Fund (AS 37.15.430(a)) on behalf of Markair, Inc., and Markair, Express, Inc., to reimburse the International Airports Revenue Fund for a debt owed to the state by Markair, Inc., and Markair Express, Inc; and

(2) the sum of \$500,403 is appropriated to the Department of Law as payment, after credit for the payments made in (1) of this section, of the judgment, interest, and attorney fees in Frontier Flying Service v. Turpin.

* Sec. 24. Contingent upon the establishment of an educational facilities maintenance and construction fund by the Eighteenth Alaska State Legislature, the sum of \$20,239,600 is appropriated from the educational facilities maintenance and construction fund (AS 37.16.010) to the University of Alaska and is allocated for the following projects in the amounts listed:

PROJECT	ALLOCATION
Deferred maintenance projects	\$14,239,600
Fairbanks fire code compliance	6,000,000

* Sec. 25. (a) The unexpended and unobligated balance of a grant funded by an appropriation made by secs. 2, 9, and 11 of this Act lapses into the fund from which the appropriation was made if work on the grant project has not begun by December 1, 1999.

(b) The unexpended and unobligated balances of the appropriations made by secs. 2, 9, 11, and 12 of this Act lapse into the fund from which the appropriations were made December 1, 1997.

* Sec. 26. The appropriations made in secs. 3 - 8, 10, 13 - 17, 19 - 22, and 24 of this Act are for capital projects and are subject to AS 37.25.020.

* Sec. 27. Sections 1 - 15, 23, and 25 - 26 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 28. Except as provided by sec. 27 of this Act, this Act takes effect July 1, 1993.

HISTORY OF CONSTRUCTION BOND VOTES SINCE 1978.

election year	proposed bond issue	No./% in favor		No./% opposed	
1978	Flood Control & Port Facilities (\$33,290,000)	70,207	58%	50,156	42%
1978	Recreational Facilities Construction (\$5,850,000)	63,455	53%	57,034	47%
1978	Health Facilities & Senior Citizen Centers/Pioneers Homes Construction (\$25,000,000)	86,099	71%	35,054	29%
1978	Educational Facilities Construction (\$33,656,000)	65,211	53%	57,896	47%
1978	Tranportation Projects (\$88,450,000)	75,454	61%	47,600	39%
1978	Public Safety Facilities Construction (\$30,504,000)	61,071	50%	60,561	50%
1978	Fish Facilities Construction (\$29,965,000)	68,128	56%	54,229	44%
1978	National Guard Facilities Construction (\$3,645,000)	41,001	35%	77,789	65%
1978	Water Supply & Sewage System (\$27,640,000)	68,746	58%	50,525	42%
1978	New State Capital Construction (\$966,000,000)	31,491	26%	88,783	74%
1980	Fisheries Facilities Construction (\$7,718,800)	91,091	60%	60,342	40%
1980	Water Supply & Sewer System Construction (\$33,000,000)	84,650	56%	66,668	44%
1980	Facilities Upgrade Construction (\$18,787,500)	64,978	44%	84,187	56%
1980	Correctional Facilities Construction (\$28,350,000)	77,816	52%	72,090	48%
1980	Cultural Facilities Construction (\$20,000,000)	62,545	41%	90,255	59%
1980	Transportation Construction (\$156,992,700)	105,122	68%	48,726	32%
1980	Education, Library & University Facilities Construction (\$63,651,000)	86,958	57%	66,718	43%

Please note that percentages are rounded to the closest whole number.

HISTORY OF NON-CONSTRUCTION BOND VOTES SINCE 1978.

election year	proposed bond issue	No./% in favor		No./% opposed	
1982	veterans' residential mortgage (\$400,000,000)	118,914	64%	67,168	36%
1983	veterans' residential mortgage (\$500,000,000)	24,167	75%	8,243	25%
1984	veterans' residential mortgage (\$700,000,000)	145,258	73%	53,548	27%
1986	veterans' residential mortgage (\$600,000,000)	112,672	65%	59,482	35%

Please note that percentages are rounded to the closest whole number.



LEGISLATIVE TELECONFERENCE I

SIGN-IN SHEET

70928

SPONSOR: Defined Mnt.

SUBJECT: _____

START/END TIME: 9am DATE: 10-20

PLEASE PRINT

	Name/Representing	Address	Zip	Phone No.	Testify
1.	Forrest Browne DOR	11th - 50 B - Juneau		465-3750	
2.	Mike Scott	Kotzebue - AMK		414-2401	X
3.	Dennis Poshard - DOT & PF	Juneau		465-3904	X
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