

HB

66

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/28/97

FURTHER: REPORTED OUT OF
SFC - APR 30 1997

DATE TURNED
IN TO OFFICE: 4-30-97

Finance Committee considered CS FOR HOUSE BILL NO. 66(HES)

"An Act giving notice of and approving the entry into, and the issuance of certificates of participation in, a lease-purchase agreement for a centralized public health laboratory facility."

and recommends:

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

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Rob E. Plo</i>	✓	<i>Sean P. Russell</i>	✓		
<i>John Ingram</i>	✓	<i>Al Adams</i>	✓		
<i>Dave Wiley</i>	✓				
Co-Chair: <i>Peace</i>	✓	Co-Chair: <i>[Signature]</i>	✓		
Co-Chair:		Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
1 DPS	1/29	✓	
2 DOA	1/29		✓
3 DHSS	1/27		✓
4 REV	1/24		2378.3

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

REPORTED BY SFC APR 30 1997

1997 LEGISLATIVE SESSION

Revision Date: _____
 Title: Approve Centralized Public Health Lab

Dept. Affected: Public Safety
DPS Statewide Support
 Component: Scientific Crime Detection Laboratory

Sponsor: H. HESS
 Requestor: H. HESS

COMPONENT SERIAL NO. 0527

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
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CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Code Revenue						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)
 No fiscal impact is anticipated to the Department of Public Safety

Prepared By: George Taft, Director

Phone: 269-5687

Division: Scientific Crime Detection Laboratory

Date: 1/29/97

Approved by Commissioner: *Ronald L. Otte*

Date: 1/29/97

Agency: Ronald L. Otte, Dept. of Public Safety

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STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____
Title: "An Act relating to notice of and approving . . . a lease purchase agreement for a centralized health laboratory facility."
Sponsor: (H) HESS
Requestor: (H) HESS

Department Affected: Administration
BRU: General Services
Component: Leasing
COMPONENT SERIAL NO. 81

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)
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FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER * CIP receipts						
TOTAL	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
The bill would authorize financing and construction of a new laboratory facility which would replace two leased locations in Anchorage and Juneau. Lease savings would be expected to begin in FY 2001. The specific leases and current costs are shown on the following page. Costs for the Juneau lease are budgeted in the Department of Health & Social Services. Future years estimated lease savings have been adjusted to reflect probable CPI adjustments. Payments for the new lease purchase, design, construction, acquisition and construction contract compliance are not included on this fiscal note.

Prepared by: Dugan Petty, Director *[Signature]*
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Boyer *[Signature]*
Agency: Department of Administration

Date: 1-29-97

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**FISCAL NOTE
STATE OF ALASKA
1997 LEGISLATIVE SESSION**

BILL NO. HB 66

ANALYSIS: (continued)

Current Public Health Laboratory Leases

Lease #	Location	Property	FY 97 Cost		RSA Amount	Net FY 97 Estimated FY01	
			Sq Ft	/ Year		DOA Budget	DOA Reduction
1517C	Anchorage	CR Lewis Bldg	5,100	73,440	C	73,440	76,044
1517D	Anchorage	CR Lewis Bldg	385	2,079	2,079	0	0
			<u>5,485</u>	<u>75,519</u>	<u>2,079</u>	<u>73,440</u>	<u>76,044</u>

STATE OF ALASKA
1997 LEGISLATIVE SESSION

REPORT
APR 30 1997

No. 3
Bill Version: CSHB 66(HES)
(H) Publish Date: 2/5/97

Revision Date: _____
Title: Centralized Lab Facility
Sponsor: House HESS
Requestor: _____

Dept. Affected: Health and Social Services
BRU: State Health Services
Component: Laboratory Services
COMPONENT SERIAL NO. 291
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	0.0	0.0	0.0	(83.2)	(85.3)	(87.4)
TRAVEL				(3.6)	(3.7)	(3.8)
CONTRACTUAL				(130.8)	(134.1)	(137.5)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	(217.6)	(223.1)	(228.7)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF				(217.6)	(223.1)	(228.7)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	(217.6)	(223.1)	(228.7)

POSITIONS:

FULL-TIME				-2	-2	-2
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Currently, the Division of Public Health operates three inadequate state public health laboratories in Anchorage, Juneau and Fairbanks and the Medical Examiner's laboratory temporarily located in the Department of Public Safety crime lab. Consolidation of the Juneau lab activities within Anchorage would not only save the state from having to upgrade two laboratories but would also show a savings in operating costs.

The savings would start to occur in FY01 in the following line items.

Personal Services Line 100

With the consolidation of the two laboratories the current staffing level can be reduced by two positions:

PCN 06-1065 Lab Technician I, range 10 GG, PFT Juneau, \$46.4

Prepared by: Peter M. Nakamura, MD, MPH
Division: Public Health
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: (907) 465-3090
Date: 01/22/97
Date: 1/22/97

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ANALYSIS (cont.):

PCN 06-1436 Admin. Clerk II, range 8, GG, PFT, Juneau \$36.8

Travel Line 200

Travel would be reduced by \$3.5 due to the staff being located in two locations, rather than three, the Chief would have to travel to each laboratory as required under CLIA.

Contractual Line 300

Janitorial Services - \$2.2

Federal Inspections - \$1.5

Subscriptions - \$0.5

Telephones - \$1.9

Public Utilities - \$2.8

Rent - \$0.6

Maintenance and Repair of Equipment - \$3.2

Courier Services - \$2.9

Space Lease - \$115.2

All line items listed above assume a 2.5% per year inflation factor.

Revision Date: _____ Dept. Affected: Revenue
Title: Approve Centralized Public Health Lab BRU: Revenue Operations
Component: Treasury
Sponsor: (H) HES
Requestor: (H) HES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS-Lease Payments		2,378.3	2,381.3	2,379.2	2,380.2	2,381.2
TOTAL OPERATING	0.0	2,378.3	2,381.3	2,379.2	2,380.2	2,381.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		2,378.3	2,381.3	2,379.2	2,380.2	2,381.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	2,378.3	2,381.3	2,379.2	2,380.2	2,381.2

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

Authorizes a lease-purchase agreement for up to \$18,440,000 for a centralized public health lab facility with anticipated annual rent of \$2,420,000 and total rent of \$24,130,000. Bond counsel suggests that the sentence beginning in line 6 of the proposed bill be amended to read: "The State Bond Committee is authorized to provide for the issuance of certificates of participation for, and the Department of Administration is authorized to enter into, a lease purchase agreement for a centralized public laboratory facility to be constructed under the lease-purchase agreement and to be operated by the Department of Health and Social Services." The lease payments shown above are projected at current interest rates over ten years for \$18,440,000 and assume rental payments begin on 8-1-98. These payments are within the amounts anticipated in the proposed bill. If, however, interest rates are projected at current rates plus 75 basis points (.75%/year), the rental payments are projected to exceed the amounts anticipated in the proposed bill. In that event, the amount financed and available for project costs would have to be reduced by approximately \$410,000.

Prepared by: Forrest R. Browne
Division: Treasury
Approved by Commissioner: Ross A. Kinney
Agency: Revenue

Phone: 465-3750
Date: January 24, 1997
Date: January 24, 1997

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Sizing Debt Services Schedule
H&SS Centralized Lab
Current Interest Rates

Dated: 2/1/98
 Delivered: 2/1/98

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Contgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				439,126.25	439,126.25				439,126.25	
8	99	2/1/99	N	3.800	1,500,000.00	439,126.25	1,939,126.25				1,939,126.25	2,378,252.50
1	2	0	8/1/99			410,626.25	410,626.25				410,626.25	
8	0	2/1/00	N	4.300	1,560,000.00	410,626.25	1,970,626.25				1,970,626.25	2,381,252.50
2	2	1	8/1/00			377,086.25	377,086.25				377,086.25	
8	1	2/1/01	N	4.550	1,625,000.00	377,086.25	2,002,086.25				2,002,086.25	2,379,172.50
3	2	2	8/1/01			340,117.50	340,117.50				340,117.50	
6	2	2/1/02	N	4.650	1,700,000.00	340,117.50	2,040,117.50				2,040,117.50	2,380,235.00
4	2	3	8/1/02			300,592.50	300,592.50				300,592.50	
8	3	2/1/03	N	4.750	1,780,000.00	300,592.50	2,080,592.50				2,080,592.50	2,381,185.00
5	2	4	8/1/03			258,317.50	258,317.50				258,317.50	
8	4	2/1/04	N	4.850	1,865,000.00	258,317.50	2,123,317.50				2,123,317.50	2,381,635.00
6	2	5	8/1/04			213,091.25	213,091.25				213,091.25	
8	5	2/1/05	N	4.950	1,955,000.00	213,091.25	2,168,091.25				2,168,091.25	2,381,182.50
7	2	6	8/1/05			164,705.00	164,705.00				164,705.00	
8	6	2/1/06	N	5.000	2,050,000.00	164,705.00	2,214,705.00				2,214,705.00	2,379,410.00
8	2	7	8/1/06			113,455.00	113,455.00				113,455.00	
8	7	2/1/07	N	5.100	2,150,000.00	113,455.00	2,263,455.00				2,263,455.00	2,376,910.00
9	2	8	8/1/07			58,630.00	58,630.00				58,630.00	
8	8	2/1/08	N	5.200	2,255,000.00	58,630.00	2,313,630.00				2,313,630.00	2,372,260.00
						18,440,000.00	5,351,495.00	23,791,495.00			23,791,495.00	23,791,495.00

True Interest Cost (TIC).....1,924,404.9
 Net Interest Cost (NIC).....1,938,170.2
 Arbitrage Yield Limit (AYL).....4,924,404.9
 Arbitrage Net Interest Cost (ANIC)..... 4,936,170.2

Prepared by: FORREST R BROWNE, STATE TREAS
 Prepared on: 1/24/97 09:46 8.05 Rpt 14
 Record ID: LAB-1998-P :MUNIDB

Sizing Debt Services Schedule
H&SS Centralized Lab
Current Rates +75bp

Dated: 2/1/98
 Delivered: 2/1/98

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Cntgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				508,971.25	508,971.25				508,971.25	
8	99	2/1/99	N	4.550	1,450,000.00	508,971.25	1,958,971.25				1,958,971.25	2,467,942.50
1	2	0	8/1/99			475,983.75	475,983.75				475,983.75	
8	0	2/1/00	N	5.050	1,515,000.00	475,983.75	1,990,983.75				1,990,983.75	2,466,967.50
2	2	1	8/1/00			437,730.00	437,730.00				437,730.00	
8	1	2/1/01	N	5.300	1,590,000.00	437,730.00	2,027,730.00				2,027,730.00	2,465,460.00
3	2	2	8/1/01			395,595.00	395,595.00				395,595.00	
8	2	2/1/02	N	5.400	1,675,000.00	395,595.00	2,070,595.00				2,070,595.00	2,466,130.00
4	2	3	8/1/02			350,370.00	350,370.00				350,370.00	
8	3	2/1/03	N	5.500	1,765,000.00	350,370.00	2,115,370.00				2,115,370.00	2,465,740.00
5	2	4	8/1/03			301,832.50	301,832.50				301,832.50	
8	4	2/1/04	N	5.600	1,865,000.00	301,832.50	2,166,832.50				2,166,832.50	2,468,665.00
6	2	5	8/1/04			249,612.50	249,612.50				249,612.50	
8	5	2/1/05	N	5.700	1,970,000.00	249,612.50	2,219,612.50				2,219,612.50	2,469,225.00
7	2	6	8/1/05			193,467.50	193,467.50				193,467.50	
8	6	2/1/06	N	5.750	2,080,000.00	193,467.50	2,273,467.50				2,273,467.50	2,466,935.00
8	2	7	8/1/06			133,667.50	133,667.50				133,667.50	
8	7	2/1/07	N	5.850	2,200,000.00	133,667.50	2,333,667.50				2,333,667.50	2,467,335.00
9	2	8	8/1/07			69,317.50	69,317.50				69,317.50	
8	8	2/1/08	N	5.950	2,330,000.00	69,317.50	2,399,317.50				2,399,317.50	2,468,635.00
						18,440,000.00	6,233,095.00	24,673,095.00			24,673,095.00	24,673,095.00

True Interest Cost (TIC).....5.6770480
Net Interest Cost (NIC).....5.6925841
Arbitrage Yield Limit (AYL).....5.6770480
Arbitrage Net Interest Cost (ANIC)..... 5.6925841

Prepared by: FORREST R BROWNE, STATE TREASURER
 Prepared on: 1/24/97 10:01 8.05 Rpt 14
 Record ID: LAB-1998-R :MUNIDB

Dated: 2/1/98
 Delivered: 2/1/98

Sizing Debt Services Schedule
H&SS Centralized Lab
+75bp & Reduced Cost

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Coupon Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Cntgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				497,678.75	497,678.75				497,678.75	
8	99	2/1/99	N	4.550	1,415,000.00	497,678.75	1,912,678.75				1,912,678.75	2,410,357.50
1	2	0	8/1/99			465,487.50	465,487.50				465,487.50	
8	0	2/1/00	N	5.050	1,480,000.00	465,487.50	1,945,487.50				1,945,487.50	2,410,975.00
2	2	1	8/1/00			428,117.50	428,117.50				428,117.50	
8	1	2/1/01	N	5.300	1,555,000.00	428,117.50	1,983,117.50				1,983,117.50	2,411,235.00
3	2	2	9/1/01			386,910.00	386,910.00				386,910.00	
8	2	2/1/02	N	5.400	1,640,000.00	386,910.00	2,026,910.00				2,026,910.00	2,413,820.00
4	2	3	8/1/02			342,630.00	342,630.00				342,630.00	
8	3	2/1/03	N	5.500	1,725,000.00	342,630.00	2,067,630.00				2,067,630.00	2,410,260.00
5	2	4	8/1/03			295,192.50	295,192.50				295,192.50	
8	4	2/1/04	N	5.600	1,820,000.00	295,192.50	2,115,192.50				2,115,192.50	2,410,385.00
6	2	5	8/1/04			244,232.50	244,232.50				244,232.50	
8	5	2/1/05	N	5.700	1,925,000.00	244,232.50	2,169,232.50				2,169,232.50	2,413,465.00
7	2	6	8/1/05			189,370.00	189,370.00				189,370.00	
8	6	2/1/06	N	5.750	2,035,000.00	189,370.00	2,224,370.00				2,224,370.00	2,413,740.00
8	2	7	8/1/06			130,863.75	130,863.75				130,863.75	
8	7	2/1/07	N	5.850	2,155,000.00	130,863.75	2,285,863.75				2,285,863.75	2,416,727.50
9	2	8	8/1/07			67,830.00	67,830.00				67,830.00	
8	8	2/1/08	N	5.950	2,280,000.00	67,830.00	2,347,830.00				2,347,830.00	2,415,660.00
						18,030,000.00	6,096,625.00	24,126,625.00			24,126,625.00	24,126,625.00

True Interest Cost (TIC).....5.6771947
Net Interest Cost (NIC).....5.6927261
Arbitrage Yield Limit (AYL).....5.6771947
Arbitrage Net Interest Cost (ANIC)..... 5.6927261

Prepared by: FORREST R BROWNE, STATE TREAS
 Prepared on: 1/24/97 10:34 8.05 Rpt 14
 Record ID: LAB-1998-U :MUNIDB