SCOMM

122:30

MACKAY: Developer pur

Continued from Page B-1

ready. The way Marlow read the ordinance, the incentive to perform was linked to the tax break, not the sale of the annex. The tax break for the entire two-block area, worth millions, doesn't take effect until Marlow develops the area.

Work is already under way to shore up the foundation of the MacKay Building, Marlow said Thursday. And renovations will begin soon on the annex. Marlow plans to have both projects completed by May 1, 2001, he said.

For financing, Marlow said he applied for a $15 million loan from the Alaska Electrical Pension Fund, run by

Pioneers' Homes sale eyed

The Associated Press

JUNEAU — Privatizing the Pioneers' Homes and moving the Legislature out of Juneau are among cost-saving recommendations made by subcommittees of a state privatization commission.

Subcommittees made up of volunteers are looking at each department in state government and making recommendations to the Legislature's Commission on Privatization and Delivery of Government Services.

The full commission will then consider the recommendations and prepare a report to be submitted to lawmakers.

The group looking at the Department of Administration suggested the state consider turning Pioneers' Homes over to the private sector.

Subcommittee Chairman Joe Henri said the panel didn't have enough information to say for certain the idea is good, but members want the state to have an independent consultant analyze the option.

"They're nursing homes, and usually states don't run nursing homes," Henri told the Juneau Empire.

"Pioneers' Homes are structurally located as assisted living homes, which don't have to provide the same level of medical care as nursing

THEATER: Pl

Continued from Page B-1

"In a theater with the lights out, it's not a good idea," Peck said. "It's pretty dangerous."

At 4:30 p.m. Wednesday, Ellie Sullivan, the production's director, was in tears. The 50 cast and crew members started working on the play more than two months ago. The actors memorized 740 lines.

Sullivan, a Service teacher and director of the school's drama program, has been dealing with the theater's outdated equipment and problems for nine years, she said.

Despite many requests to update the equipment, Sullivan said, the school's theater has received some leftovers from other schools, a new rug and some curtains. Most of the extension cords and the theater's ladder come from her home.

"The School District and administration have let it go on way too long," she said. "Now the kids are being punished."

Joshua Briggs, one of Sullivan's former students and a 1995 Service graduate, showed up for opening night Wednesday and found the theater a shambles. Thursday, he was back at school helping set up a new lighting system. Back when he was in school, he and two other students made a presentation to the School Board about unsafe and substandard theater equipment, he said.

Five years later, and nothing has changed, Briggs said.

homes.

Department of Administration Deputy Commissioner Alison Elgee said the Pioneers' Homes have about a $20 million maintenance backlog, which wouldn't make them very attractive to buyers.

In addition, Alaska doesn't include Alzheimer's disease among conditions covered by Medicaid, so there is no public financing available to pay for poor Alzheimer's patients in nursing homes.

The subcommittee said the state could include Alzheimer's among conditions covered by Medicaid. Elgee said it isn't clear how much that change would cost the state.

She also said there's no reason to assume Pioneers' Home residents, most of whom suffer from dementia, would receive better care in the private sector.

"We right now have a program that is recognized statewide and nationally as a leader in dementia care," she said.

"The folks running the Pioneers' Homes are very good at it."

The group examining the Legislature presented a report Wednesday recommending moving the annual session, said Kip Knudson, the former legislative aide who chairs the subcommittee.

"Just a real rough, cursory look at moving legislative sessions to either Anchorage or Fairbanks showed some savings based on legislators' per-diem and moving costs," Knudson said.

The group also recommended cutting session lengths from 120 to 90 days.

State Rep. Bill Hudson, a Juneau Republican, criticized the idea and said moving the session wouldn't save money.

Savings in per-diem payments to Anchorage or Fairbanks legislators would be offset by the cost of moving executive branch employees out of Juneau for the session, he said.

But he agreed with the committee that sessions probably could be shortened.

Weslevan University in Connecticut with a degree in drama.

Peck "was just doing his job. It's just bad timing," he said.

After the canceled opening show, Sullivan rummaged

temporary lighting system. Other district employees helped.

"The equipment was just outdated, plain and simple, by today's standards," Renke said.

Renke guessed he could

About a month after ... of work, Peck opened ... later. He worked mos... day with Renke and o... trict employees to exp... necessary changes.

"It's not the first ... has seen old schools ... later lighting problen...

PFD: Panel discussion to consider f...

Continued from Page B-1

problem in Alaska," said Anchorage attorney Cliff Groh, who helped organize the forum. "It affects everybody."

The account the state has been drawing from to balance the budget, the Constitutional Budget Reserve, is expected to last only through 2003. Most legislators agreed this spring that the gap, which waxes and wanes with the changing price of oil, is too large to close through budget cuts alone.

Sen. Sean Parnell, who backed the bipartisan plan voters rejected in September, said it's unlikely the Legislature will develop a new plan to use Permanent Fund earnings next year.

"I think the public sent a clear message that the Permanent Fund earnings are not to be used," said Parnell, R-Anchorage and co-chairman of the Senate Finance Committee. "For that reason I don't see any movement by any legislator to spend Permanent Fund earnings."

The plan for next year, he said, is to concentrate on cutting the budget, to continue drawing from the Constitutional Budget Reserve and to invest the reserve so it lasts longer.

"In the short term it will sustain us," he said. "And in the long run it remains to be seen, depending on the price of oil."

Hammond said legislators shouldn't interpret the no vote as a prohibition against ever spending Permanent Fund earnings. He'd support a plan to tap the earnings as long as there was a guarantee that the spending would not go above 20 percent of the fund's earnings, he said Thursday. The public will

give its consent, he sa... it understands that u... current dividend f... only about half the... earnings are spent ... dends. Roughly one-f... the earnings are put b... the fund to protect ag... flation. The Legisla... been pumping the ... earnings" — those ... for dividends or i... proofing — back ... fund.

"We, in my view, s... prepared to give up t... ... in return for the a... that the basic cake ... the same," he said.

The day is coming ... predicted, when th... will back a restraine... use Permanent Fur...

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• Bridal Gowns
• Plus Sizes Too!
• Lingerie
• Oils
• Games
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Roxanne's Lingerie
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Galeria North adjacent to University Center
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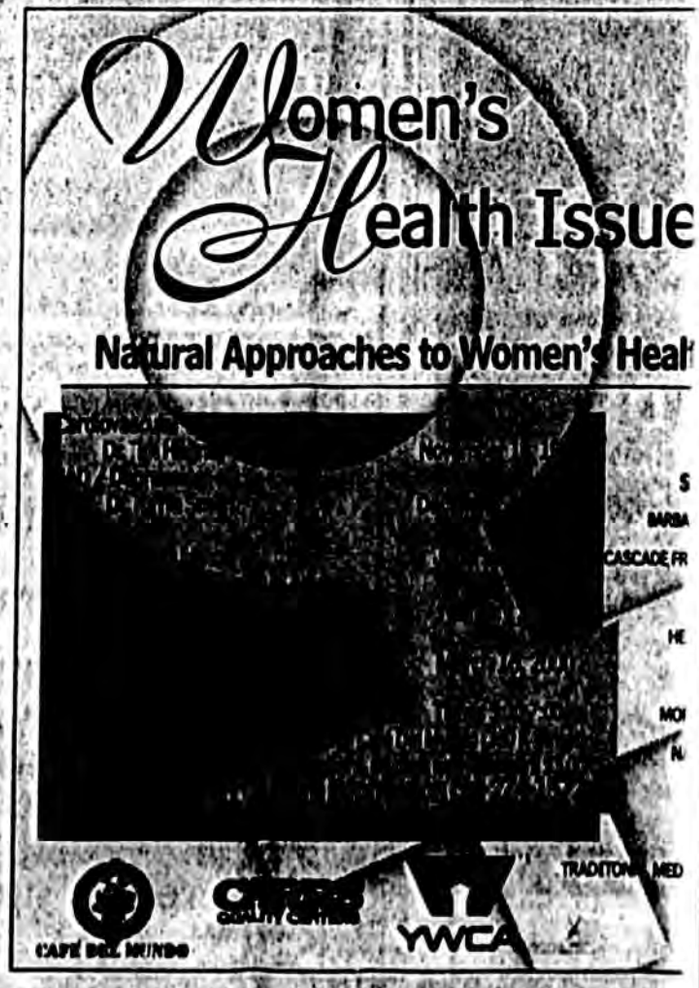
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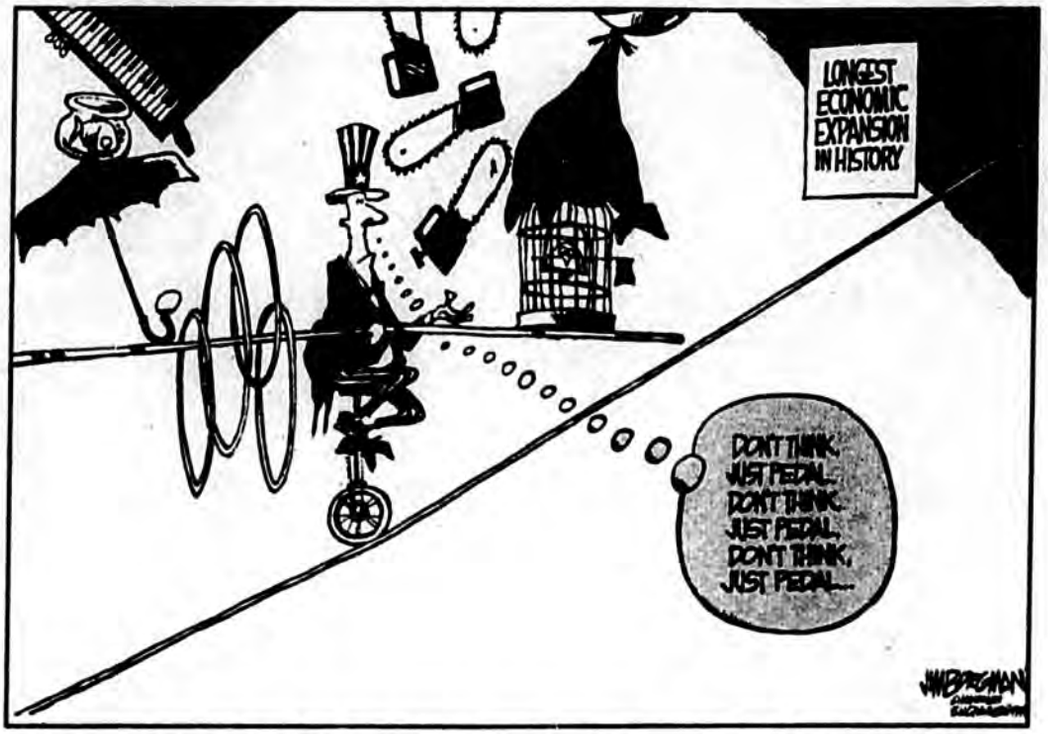

The Voice of The Times in its Nov. 3 editorial "Shortchanged" failed to tell the entire story when it criticized my recent testimony before Rep. Don Young's House Resources Committee opposing HR 2958, which would provide federal lands to the University of Alaska.

I have long been an advocate for increased budgets for the university, including when I worked as an aide to Rep. Mike Davis, D-Fairbanks, and to Gov. Tony Knowles. The university is a critical part of Alaska's economic future, and I believe Alaskans all have a stake in its success.

The university provides opportunities that build and strengthen Alaska's economy, education and social structure. But it is not a land manager and should not be expected to be one.

We need to all work to ensure that the university obtains funding for its programs and that the funds not be dependent on land management decisions. Then we can avoid divisive debates over land use and stewardship.

I'd like to provide information that was not included in the Times editorial:

• First, the University of Alaska bill introduced by Sen. Frank Murkowski and Rep. Young allows for lands to be selected by the university from some of the most valuable federal lands in Alaska, including the Tongass and Chugach national forests and the National Petroleum Reserve Alaska. Why should the university alone benefit from the revenues gained from these federal lands rather than K-12 education or other critical programs?

• Second, although the proceeds from the existing land grant go to a good cause, the university has not been the best steward of our natural resources. On the Kenai Peninsula, for example, reforestation has only been done on a minimal portion of the approximately 5,000 acres that have been logged by the university. In addition, the university is eligible for an exemption from reforestation requirements if the harvest does not provide enough revenues to support reforestation.

In Southeast Alaska, near Yakutat, where the UA has cutting rights for 300 million board feet, there has been a great deal of contention because the university has continually contracted with an out-of-state logging company, and has not given the local community or Native organiza-

work. In addition, all of this timber is being exported in the round because, unlike on federal lands, there are no requirements for any in-state, value-added processing and therefore no in-state jobs.

• Third, while the university benefits from public dollars, it does not have to meet federal or state standards for development on its lands. Nor does it have to meet the requirements for streamside buffers and fish and wildlife protection required on U.S. Forest Service or state lands. In addition, the UA does not have to prepare an environmental impact statement for oil and gas, mining, timber harvest or other major development projects. This is required on these lands in federal ownership.

• Fourth, the Interior Department believes there are less controversial and more efficient methods of providing funds to the University of Alaska. The university receives approximately $2.5 million in income annually from the University Land Grant assets, a small fraction of the annual operating budget of $172 million. The small increase in income the university would receive each year from increases to its land grant does not outweigh the land management concerns mentioned above.

What the university really needs is long-term, sustained support, more along the lines of what Gov. Knowles has re-

funds for an Arctic Engineering Program at UAF. This would be of direct benefit to the UA and to Alaska's long-term economic stability.

• And finally, the Department of Interior believes that the U.S. government has fully discharged its responsibility to the state of Alaska with regard to university land entitlements. This includes the 12,000 acres transferred on March 4, 1915, and the 100,000 acres transferred on Jan. 21, 1929. These 112,000 acres exceed what the university would have received under the terms of the Morril Act, which is the law that guided how much land each state university should receive. Under that act, states received 30,000 acres for each member of Congress. Alaska would have received only 90,000 acres.

In addition, 105 million acres were transferred to the state at statehood — four times that of any other state. This was due, in part, to the fact that Congress decided to provide all of the acreage directly to the state rather than to different entities like the university in order to provide Alaska with flexibility to make the best decisions for the state as a whole.

I thank The Voice of The Times for the opportunity to provide its readers the rest of the story regarding our stand on the University Lands Bill.

Marilyn Heiman is the special assistant to the Secretary of Interior for Alaska.

Peninsula Clarion Sunday November 14, 1999
Press file

Different twist put on capital move

Privatization panel recommends relocating legislative sessions

By CATHY BROWN
Morris News Service-Alaska
and MARK KELSEY
Peninsula Clarion

Privatizing pioneers' homes and moving legislative sessions out of Juneau are among the latest suggestions being made to a state privatization commission.

Subcommittees made up of volunteers are looking at each department in state government and making recommendations to the Legislature's Commission on Privatization and Delivery of Government Services, which is co-chaired by Sen. Jerry Ward, R-Anchorage.

Ward, whose commission will hear the final report of the subcommittees in December, hailed the effort being put into finding ways to save the state money.

"The population says 'we want some options before you take away our dividend,'" Ward said. "Privatizing and outsourcing are done in 43 other states. I think (what the subcommittees are doing is) a great start on an enormous project."

Ward said his commission, co-chaired on the House side by Rep. John Cowdery, R-Anchorage, hopes to have a final report done within 30 days of the opening of the legislative session in January so lawmakers have ample time to peruse it.

The volunteer group examining the Legislature presented a report Wednesday recommending moving legislative sessions, said Kip Knudson, a former legislative aide

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who chairs that subcommittee.

"Just a real rough cursory look at moving legislative sessions to either Anchorage or Fairbanks showed some savings based on legislators' per diem and moving costs," he said.

The group also recommended cutting session lengths from 120 to 90 days and looking at whether money could be saved by contracting out services, such as janitorial work and meals in the legislative lounge.

State Rep. Bill Hudson, R-Juneau, said talk of moving legislative sessions has been around for years. It's "tantamount to a back-door capital move," he said, and wouldn't save money.

While there would be savings in per-diem expenses for Anchorage or Fairbanks legislators, there would be increased per-diem costs associated with moving executive branch employees out of Juneau for the session, he said.

He agreed with the committee, however, that sessions probably could be shortened.

Ward, an advocate of moving the capital, said he did not know yet whether the recommendation was cost-effective, but he said he expected it to be among the final suggestions that reach the full commission.

The volunteer group looking at the Department of Administration suggested the state consider turning pioneers' homes over to the private sector.

Subcommittee Chairman Joe Henri said the panel didn't have enough information to say for certain the idea is good, but members want the state to have an independent consultant analyze the option.

"They're nursing homes, and usually states don't run nursing homes," Henri said.

Ward agreed, citing the "very large sum per day" it costs the state to house a single patient.

"It's been done in other states," Ward said of the recommendation. "Providence Hospital has shown some interest (in taking it over). They think they can operate it at a lower cost."

But Department of Administration Deputy Commissioner Alison Elgee cited several problems with the idea.

The pioneers' homes have about a $20 million deferred maintenance backlog, which wouldn't make them very attractive to buyers, she said.

In addition, Alaska doesn't include Alzheimer's disease among conditions covered by Medicaid, so there is no public financing mechanism for private nursing homes to fund care for poor Alzheimer's patients. The state now subsidizes their care in pioneers' homes.

The subcommittee, however, said the problem could be solved by having the state start including Alzheimer's among conditions covered by Medicaid, a program funded 60 percent by the federal government and 40 percent by the state.

Elgee said it isn't clear how much that change would cost the state.

She also said there's no reason to assume pioneers' home residents, the majority of whom are suffering from dementia, would receive better care in the private sector.

"We right now have a program that is recognized statewide and nationally as a leader in dementia care," she said. "The folks running the pioneers' homes are very good at it."

Henri said the subcommittee isn't certain privatizing pioneers' homes would be a great idea.

"None of the conclusions we have are based on thorough research, careful study of the budget, careful study of other things in the economy," he said.

Members said they did believe, however, that the idea is worth studying.

The committee also recommended the Department of Administration focus only on providing administrative service to the rest of state government and turn all "direct-line" public service over to other departments.

It mentioned the Alaska Public Offices Commission, Office of Public Advocacy and Alaska Oil and Gas Conservation Commission as programs that could be moved to other departments.

Elgee said the reason some of those programs wound up in the Department of Administration is because having them in other departments creates conflicts of interest.

Others, such as Senior Services, are there because senior citizens didn't want them to be in the Department of Health and Social Services because they didn't want their programs to be perceived as welfare programs.

Although some of the subcommittee recommendations don't deal with privatization, Knudson said that wasn't the groups' only charge.

"I think the name of the commission is a bit misleading. Their real goal is to find out how to better provide services. ... The commission did ask us to look at ways to do things better or cheaper, as well as look at services that could be privatized."

Ward said there is still time for citizens to weigh in with their own money-saving ideas and urged them to visit the Alaskan Privatization Task Force's Web site: at http://www.privatizealaska.com.

"There's lots of information there," he said.

PRIVATIZATION REPORT

A Report by the AFL-CIO Representative on the Alaska Commission on Privatization and Delivery of Government Services
Don Valesko, Business Manager/Secretary Treasurer, Public Employees Local 71

PRIVATIZATION COMMISSION IN FINAL PROCESS

The Commission on Privatization and delivery of Government services is now having weekly meetings. The heavy workload that the commission is currently undertaking has departmental subcommittees presenting their findings and suggestions for legislation to privatize parts of each department.

It was a surprise to see Representative John Cowdery and his aide Marco Pignalberi show up at the last labor-only teleconference on privatization held on Oct. 5th. The uninvited guests were quickly made to feel at home as they explained their intentions and reasons for the privatization of state jobs. Rep Cowdery and Marco both stated that their intention was to only make government more efficient and responsive to the current fiscal problems plaguing the state's budget.

Teleconference Chair Don Valesko assured the guests that organized labor would be highly critical of any offerings of legislation that would affect the livelihoods of unionized state employees. The pair left the meeting with a better understanding of organized labor's concerns. The only question that remained after their departure was: *Who faxed them the teleconference invitation that was only sent to labor organizations?*

Attached to this report is the final schedule of commission meetings. The attendance of union officials at the subcommittee and full commission meetings has been surprisingly low.

Email: *info@Local71.com* Phone: (907) 276-7211 Fax: (907) 279-7171
Alternate contact: Pat Smutz, Local 71 Communications Officer; Email: pat@Local71.com

PRIVATIZATION REPORT

A Report by the AFL-CIO Representative on the Alaska Commission on Privatization and Delivery of Government Services

Don Valesko, Business Manager/Secretary Treasurer, Public Employees Local 71

SUBCOMMITTEE REPORTS ROLLING IN

The staff from Representative Cowdery's office should be ready to join a union after all the uncompensated time and effort contributed towards wrapping up the subcommittees' reports and getting a finished product to the legislature. Last Wednesday's full commission had three more subcommittees report their dubious findings.

Administration, Alaska Court System and the Legislature's subcommittees reported on their ideas to privatize state government. Though the Administration's report appeared benign on the surface, due to the fact that the Chair admitted there was not enough time to really make concrete suggestions, the commission's in-house press release flatly stated that privatizing the Pioneer Homes in Alaska was one of the subcommittee recommendations. This was not a press release sanctioned by the commission itself, it came out of Cowdery and Ward's offices. The fact that the Department of Administration said the state could provide the service cheaper than the private sector was somehow left out of the press release.

Moving the legislative sessions out of Juneau was one of the considerations of the Legislative subcommittee. It was stated that a couple of hundred thousand dollars could be saved (mostly on per diem for legislators). One individual from Legislative Affairs pointed out that it would be expensive to provide office space and meeting rooms for the legislature and their staff. Apparently this was left out of the subcommittee's equations. However, they did note that legislators rebuild and remodel the Capitol building every two years to accommodate the whims of legislators who want their offices customized. Moreover, they stated the Capitol has the same amount of maintenance people for one building as the state has for all of its buildings in Juneau. There was also a brief mention of looking into expenditures and the use of state employees in the legislature's exclusive restaurant.

The DOA subcommittee Chair, in mentioning that the report was only a recommendation to look at certain things for possible privatization, said the University of Alaska learned a big lesson in switching providers of essential services. He said the University was lobbied by a trucking company that said they could deliver coal (for their generation/heat plant) from Healy cheaper than the Alaska Railroad. The University gave them the bid and saved money in the first contract that was awarded to the trucking firm. Unfortunately, it was faced with a "monstrous" increase in the subsequent contract bid.

The University found out they were spit out of luck in trying to get the cost of coal delivery back down to a reasonable level. They couldn't get the railroad to bid against the trucking firm. The railroad had removed the railroad tracks they had going into the university thus taking themselves out of competition and inadvertently putting the University behind the proverbial 8 ball.

For more information, schedules and unsanctioned press releases from the Commission go to: www.privatizealaska.org

Email: *info@Local71.com* Phone: (907) 276-7211 Fax: (907) 279-7171
Alternate contact: Pat Smutz, Local 71 Communications Officer; Email: *pat@:Local71.com*

FRIDAY 12/10/99 Anchorage Daily News

Privatization ideas abound

Legislative group picks 19 suggestions from hundreds

The Associated Press

JUNEAU — The Legislature's privatization commission wants to rewrite state employee contracts so public work can be more easily turned over to the private sector.

The group also recommends selling several state hydroelectric projects and the Matanuska Maid dairy, having private businesses collect court fines and delinquent child support payments and selling more state land to the private sector.

The proposals were among 19 recommendations the Commission on Privatization and Delivery of Government Services adopted this week.

The 11-member panel spent Monday and Tuesday choosing from nearly 300 ideas submitted by volunteer subcommittees that looked at each department of state government, said Marco Pignalberi, an aide to Rep. John Cowdery, R-Anchorage, one of the commission's co-chairmen.

"We felt that was too many," said Tom Fink, a commission member from Anchorage. "No one could wade through it."

Among the many subcommittee recommendations not adopted was moving the Legislature's sessions to Anchorage or Fairbanks from Juneau. However, the panel meets again Monday and may amend the list that will be submitted to the Legislature and Gov. Tony Knowles, said Sen. Jerry Ward, R-Anchorage, the commission's other co-chairman.

Don Valesko, who represented organized labor on the commission, was among the minority voting against most of the recommendations. He especially favored keeping language in state employee contracts that restricts privatization.

Most state employee contracts call for the state to conduct a cost-efficiency study before contracting out work. Some contracts require the private sector to pay the same wages state workers would receive.

Valesko said he wants to make sure "that privatization not be used as a means in itself to cut down the wages and benefits of working people in the state and just create a profit for somebody off the backs of the working people."

Legislators said they don't know yet whether any of the recommendations will result in laws being changed.

Plan would merge 2 state agencies

Privatization task force pitches idea

By CATHY BROWN
Morris News Service-Alaska

A committee of the state Privatization Commission has come up with a way to help close the state's fiscal gap.

The idea: Put the money from the Alaska Industrial Development and Export Authority into the state's general fund and merge the authority with the Alaska Housing Finance Corp.

State officials, however, say the idea is not workable and such suggestions hurt the Privatization Commission's credibility.

"Many of the recommendations hopefully by the time the group is completed won't even show up because there hasn't been a legitimate look at the issues," said Jeff Bush, deputy commissioner of the Department of Community and Economic Development.

The subcommittee of the Legislature's Commission on Privatization and Delivery of Government Services suggested moving AIDEA's net worth of about $847 million into the state's general fund, then merging AIDEA with AHFC.

AIDEA provides financing for economic development projects in Alaska, while AHFC provides financing for housing.

Katelyn Markley, a development specialist with AIDEA, said such a move would hurt AIDEA's bond rating, which would make the financing it provides for projects more expensive.

Another problem is the $847 million net worth isn't just sitting in a bank waiting to be withdrawn. Some of it is tied up in projects AIDEA has ownership in and some of it is required to be set aside to back the bonds AIDEA sells, she said.

"We were kind of surprised to see the recommendation because

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...Plan

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they hadn't even talked to us," Markley said.

Lee Wareham, co-chairman of the subcommittee that made the proposal, said the recommendation was sent on to the full commission with the idea that it would get more review there.

"What happened was we got kind of behind in terms of time," he said.

Sen. Jerry Ward, co-chairman of the full commission, said he doesn't know what the commission will do with the AIDEA recommendation. However, the Anchorage Republican said despite the department's dislike, the suggestion could still be good.

The AIDEA move is among a multitude of recommendations subcommittees of the Privatization Commission have come up with. Separate subcommittees looked at each department.

They've been turning in their reports this month, and the last is scheduled to go to the full commission next week.

The commission will begin deliberating Dec. 1 on which ideas to recommend pursuing, said Marco Pignalberi, an aide to commission co-chairman Rep. John Cowdery, R-Anchorage.

Ward said the goal is to have a report finished by mid-December.

Other recent subcommittee recommendations are to:

- Have legislative committees look at the possibility of having private attorneys prosecute misdemeanor criminal cases.
- Move the Department of Transportation's bridge design section from Juneau to Fairbanks or Anchorage and trim the number of employees from 21 to three, contracting out most of the work.
- Transfer ownership and maintenance of more roads from the state to local governments.
- Privatize the permitting work of the Department of Natural Resources.