

SB

310

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/00

FURTHER:

REPORTED OUT OF
SFC 4/19/00

Date of 5-Day Notice: 24-hour rule in effect
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 19 April 00

Finance Committee considered

SENATE BILL NO. 310

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the state cost of school, University of Alaska, and port and harbor capital projects; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 310 (FIN)
- adopt previous _____ CS CS ()
- attached amendment(s) forthcoming
- adopt Letter of Intent by _____
- further referral to the _____ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical title
- new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<u>Gary Hill</u>	✓	<u>John Green</u>		✓	
<u>Pete Kelly</u>	✓	<u>Linda Green</u>	✓		
		<u>John Adams</u>	✓		
		<u>Karen Jensen</u>	✓		
		<u>David J. Kelly</u>	✓		
Co-Chair: <u>John Green</u>	✓	Co-Chair:			
Co-Chair: <u>Karl Parrell</u>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

F/n forthcoming Dept. Revenue #			

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 310

Revision Date/Time (Note if correction) _____ Dept. Affected Revenue
 Title Bonds: UA, Schools BRU Revenue Operations
 Component Treasury Division
 Sponsor Senate Finance Committee
 Requester Senate Rules Committee Component Serial No. 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)	15.0	15.0				
Contractual (issuance cost/paying agent)	800.0	800.0	10.0	10.0	10.0	10.0
Supplies	1.0	1.0				
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		10,322.9	20,644.6	20,642.0	20,642.5	20,642.7
TOTAL OPERATING	816.0	11,138.9	20,654.6	20,652.0	20,652.5	20,652.7

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts					0.0	0.0
1003 GF Match					0.0	0.0
1004 GF	816.0	11,138.9	20,654.6	20,652.0	20,652.5	20,652.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	816.0	11,138.9	20,654.6	20,652.0	20,652.5	20,652.7

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes \$237 million in general obligation bonds to fund education capital projects. This fiscal note assumes there would be two series of bonds sold, one in the spring of 2001 and the second in the spring of 2002. However, final issuance amounts and timing will be determined by the State Bond Committee based on construction schedules and the need for capital.

Assuming a true interest cost of 5.93% (approximately 0.40% above current rates), and a 20-year term, annual debt service is approximately \$10.3 million in fiscal year 2002 and \$20.6 million in fiscal year 2003 and after. The projected \$816 thousand in contractual expenses during fiscal years 2001 and 2002 from the general fund would be reimbursed by bond proceeds.

Prepared by Deven Mitchell, Debt Manager Phone 465-3750
 Division Treasury Division Date/Time April 19, 2000
 Approved by _____ Date April 19, 2000
 Commissioner Wilson L. Condon
 Agency Department of Revenue

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

For further distribution information, call the Governor's Legislative Office

Dated: 03/15/2001
 Delivered: 04/01/2001

Sizing Debt Service Schedule
 General Obligation
 Senate Bill 310

Fiscal Coupon Yr	Zer Date	Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvcRsv Int&Prin	CntgncyFnd Int&Prin	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
1	4/01/2001									
2	3/01/2001			7,509,427.49	7,509,427.49				7,509,427.49	
2	4/01/2002	N 4.780	6,240,000.00	6,896,413.00	13,136,413.00				13,136,413.00	20,645,840.49
3	3/01/2002			6,747,277.00	6,747,277.00				6,747,277.00	
3	4/01/2003	N 5.070	7,150,000.00	6,747,277.00	13,897,277.00				13,897,277.00	20,644,554.00
4	3/01/2003			6,566,024.50	6,566,024.50				6,566,024.50	
4	4/01/2004	N 5.260	7,510,000.00	6,566,024.50	14,076,024.50				14,076,024.50	20,642,049.00
5	3/01/2004			6,368,511.50	6,368,511.50				6,368,511.50	
5	4/01/2005	N 5.370	7,905,000.00	6,368,511.50	14,273,511.50				14,273,511.50	20,642,023.00
6	3/01/2005			6,156,262.25	6,156,262.25				6,156,262.25	
6	4/01/2006	N 5.460	8,330,000.00	6,156,262.25	14,486,262.25				14,486,262.25	20,642,524.50
7	3/01/2006			5,928,853.25	5,928,853.25				5,928,853.25	
7	4/01/2007	N 5.500	8,785,000.00	5,928,853.25	14,713,853.25				14,713,853.25	20,642,706.50
8	3/01/2007			5,687,265.75	5,687,265.75				5,687,265.75	
8	4/01/2008	N 5.540	9,270,000.00	5,687,265.75	14,957,265.75				14,957,265.75	20,644,531.50
9	3/01/2008			5,430,486.75	5,430,486.75				5,430,486.75	
9	4/01/2009	N 5.600	9,780,000.00	5,430,486.75	15,210,486.75				15,210,486.75	20,640,973.50
10	3/01/2009			5,156,646.75	5,156,646.75				5,156,646.75	
10	4/01/2010	N 5.630	10,330,000.00	5,156,646.75	15,486,646.75				15,486,646.75	20,643,293.50
11	3/01/2010			4,865,857.25	4,865,857.25				4,865,857.25	
11	4/01/2011	N 5.680	10,910,000.00	4,865,857.25	15,775,857.25				15,775,857.25	20,641,714.50
12	3/01/2011			4,556,013.25	4,556,013.25				4,556,013.25	
12	4/01/2012	N 5.740	11,530,000.00	4,556,013.25	16,086,013.25				16,086,013.25	20,642,026.50
13	3/01/2012			4,225,102.25	4,225,102.25				4,225,102.25	
13	4/01/2013	N 5.800	12,195,000.00	4,225,102.25	16,420,102.25				16,420,102.25	20,645,204.50
14	3/01/2013			3,871,447.25	3,871,447.25				3,871,447.25	
14	4/01/2014	N 5.880	12,900,000.00	3,871,447.25	16,771,447.25				16,771,447.25	20,642,894.50
15	3/01/2014			3,492,187.25	3,492,187.25				3,492,187.25	
15	4/01/2015	N 5.920	13,660,000.00	3,492,187.25	17,152,187.25				17,152,187.25	20,544,374.50
16	3/01/2015			3,087,851.25	3,087,851.25				3,087,851.25	
16	4/01/2016	N 5.980	14,470,000.00	3,087,851.25	17,557,851.25				17,557,851.25	20,645,702.50
17	3/01/2016			2,655,198.25	2,655,198.25				2,655,198.25	
17	4/01/2017	N 6.050	15,335,000.00	2,655,198.25	17,990,198.25				17,990,198.25	20,645,396.50
18	3/01/2017			2,191,314.50	2,191,314.50				2,191,314.50	
18	4/01/2018	N 6.110	16,260,000.00	2,191,314.50	18,451,314.50				18,451,314.50	20,642,629.00
19	3/01/2018			1,694,571.50	1,694,571.50				1,694,571.50	
19	4/01/2019	N 6.150	17,255,000.00	1,694,571.50	18,949,571.50				18,949,571.50	20,544,143.00
20	3/01/2019			1,163,980.25	1,163,980.25				1,163,980.25	
20	4/01/2020	N 6.160	18,315,000.00	1,163,980.25	19,478,980.25				19,478,980.25	20,642,960.50
21	3/01/2020			599,878.25	599,878.25				599,878.25	
21	4/01/2021	N 6.170	19,445,000.00	599,878.25	20,044,878.25		6,432.89	20,038,445.36	20,038,445.36	20,638,323.61
				237,575,000.00	175,295,298.45	412,870,298.45		6,432.89	412,863,865.60	412,863,865.60

True Interest Cost (TIC).....	5.9275207	Arbitrage Yield Limit (AYL).....	5.9275207
Net Interest Cost (NIC).....	5.9558941	Arbitrage Net Interest Cost (ANIC).....	5.9564350

Prepared by: Deven Mitchell
 Prepared on: 04/19/2000 7:48 9:50j Rpt 14
 Record ID: ALASKA-2001-A :MUNIDB

In correct final
Exchanged

CS FOR SENATE BILL NO. 310(FIN)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for and relating to the issuance of general obligation bonds
2 for the purpose of paying the state cost of school and University of Alaska #5
3 capital projects; and providing for an effective date."

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
6 section to read:

7 **GENERAL OBLIGATION BONDS.** For the purpose of paying the state cost of school
8 and University of Alaska capital projects, general obligation bonds of the state in the principal #5
9 amount of not more than \$237,573,000, if authorized by the qualified voters of the state, shall
10 be issued and sold. The full faith, credit, and resources of the state are pledged to the
11 payment of the principal of and interest and redemption premium, if any, on the bonds. The
12 bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time
13 of issuance.

14 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 SCHOOL PROJECTS FUND. If the issuance of the bonds is authorized by the
 3 qualified voters of the state, a special fund of the state to be known as the "school projects
 4 fund" shall be established, to which shall be credited the proceeds of the sale of the bonds
 5 described in sec. 1 of this Act except for the accrued interest and premiums.

6 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section
 7 to read:

8 DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT AND
 9 UNIVERSITY. The amount of \$237,573,000 is appropriated from the "school projects fund"
 10 to the Department of Education and Early Development and the University of Alaska to be #7
 11 allocated among the following projects in the amounts listed subject to reallocation between
 12 projects in accordance with AS 37.07.080(e):

			PROJECT COST
	ED	PROJECT NAME	STATE SHARE
13		<u>SCHOOLS</u>	
14			
15			
16	2	Petersburg - Fascia/Soffit Repair/Replace	\$ 112,000
17	3 - 4	Juneau Schools	
18		Auke Bay Elementary Roof Replacement	653,000
19		Marie Drake Roof Replacement	599,000
20		Harborview Elementary Gym Replacement	106,000
21		High School Heating/Ventilation	65,000
22		High School Auxiliary Gym Floor Replacement	109,000
23		Floyd Dryden School Gym Floor	108,000
24		Gastineau Elementary Heating Coil Replacement	133,000
25		Floyd Dryden Middle School	3,629,000
26	5	Kake City - Kake Elementary School Addition	2,237,000
27	6	Kodiak Island Schools	
28		Peterson Elementary Addition	756,000
29		Kodiak High School	1,106,000
30	7 - 9	Kenai/Soldotna Schools	
31		McNeil Elementary Wastewater Plant	125,000

1		Kenai Central High School Reinsulate	367,000
2		Exterior Walls	
3		Soldotna High School Roofing Replacement	644,000
4	10 - 25	Anchorage Schools	
5		Bartlett High School, Phase I	3,500,000
6		Eagle River/Chugiak High School	14,563,000
7		East High School, Phase I	7,295,000
8		Service High School, Phase I	4,998,000
9		Wendler Middle School, Phase I	4,231,000
10		Denali Elementary, Replacement	8,211,000
11		District Wide Projects/Major Maintenance	11,730,000
12	26 - 28	Matanuska-Susitna Schools	
13		Matanuska-Susitna - Fire Alarm System -	620,000
14		Five Schools	
15		Matanuska-Susitna - Colony High School	159,000
16		Septic System	
17		Matanuska-Susitna - Fuel Tank Replacement	126,000
18		Matanuska-Susitna Fire Sprinklers and Piping (3)	1,381,000
19		Matanuska-Susitna Boiler/Heater Replacement	221,000
20		(four schools)	
21		Matanuska-Susitna Schools - <u>Floor Replacement</u>	423,000
22	36	Lower Yukon - Pilot Station School	17,654,000
23		Replacement	
24	37	Northwest Arctic Schools	
25		Ambler K-12 Improvements	924,000
26		Kiana K-12 Improvements	1,395,000
27	38	Kashunamiut - Chevak School Replacement	28,272,000
28		Lower Yukon - Kotlik School Replacement	17,910,000
29		Bering Straits - Elim School, Phase III	12,146,000
30		Southwest Region Schools	
31	39	Manokotak School Replacement	14,689,000

#8

STB

"Flooring"

#9

1	40	Pribilof Island - St. George School Remodel	<u>4,385,000</u>
2			\$165,582,000
3		<u>UNIVERSITY</u>	
4	4	University of Alaska - Southeast	
5		Deferred Maintenance	\$ 1,687,000
6	7 - 9	AVTEC - Seward	
7		Student Housing	4,200,000
8	10 - 25	University of Alaska - Anchorage	
9		Consortium Library	36,000,000
10		Deferred Maintenance	4,220,000
11	26 - 28	Matanuska-Susitna Ortner Building Replacement	685,000
12	29 - 34	University of Alaska - Fairbanks	
13		Deferred Maintenance	<u>25,199,000</u>
14			\$71,991,000
15		GRAND TOTAL	\$237,573,000

#5 +
#10

16 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section
17 to read:

18 STATE BOND COMMITTEE. If the issuance of the bonds is authorized by the
19 qualified voters of the state, an amount equal to one percent of the principal amount of the
20 bonds, or as much of that amount as is found necessary is appropriated from the general fund
21 of the state to the state bond committee to carry out the provisions of this Act and to pay
22 expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts
23 expended from the appropriation authorized by this section shall be reimbursed to the general
24 fund from the proceeds of the sale of the bonds authorized by this Act.

#6

25 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section
26 to read:

27 ADVANCE PLANNING. The amount withdrawn from the public facility planning
28 fund (AS 35.10.135) for the purpose of advance planning for the capital improvements
29 financed under this Act shall be reimbursed to the fund from the proceeds of the sale of bonds
30 authorized by this Act.

31 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated
3 balance of the appropriation made in sec. 3 of this Act lapses under AS 37.25.020 and is
4 appropriated to the state bond committee to redeem bonds sold under this Act. The amounts
5 expended from the general fund to pay the principal, interest, and redemption premium on
6 bonds issued under this Act shall be reimbursed to the general fund from the appropriation
7 made under this section to the extent that the money is not needed to redeem the bonds.

8 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 BALLOT QUESTION. The question whether the bonds authorized in this Act are to
11 be issued shall be submitted to the qualified voters of the state at the next general election and
12 shall read substantially as follows:

13 PROPOSITION

14 State General Obligation School Bonds \$237,573,000

15 Shall the State of Alaska issue its general obligation bonds in the
16 principal amount of not more than \$237,573,000 for the purpose of
17 paying the cost of school and University of Alaska capital projects? #5

18 Bonds Yes []

19 Bonds No []

* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment			
Motion	made from Cmte as amended		
<u>Motion by</u>			
<u>Objection by</u>			
Removed			
Second Objection by			
<u>Committee Member</u>	Y	Vote	N
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green	✓		
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent			
<u>MOTION</u>	Pass		

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

PLEASE REPLY TO:

☐ 1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 269-5100
FAX: (907) 276-3697

☐ KEY BANK BUILDING
100 CUSHMAN ST., SUITE 400
FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 451-2811
FAX: (907) 451-2846

■ P.O. BOX 110300-DIMOND COURT HOUSE
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-6735

April 15, 2000

Honorable John Torgerson
Co-chairman
Senate Finance Committee
State Capitol
Juneau, Alaska 99801

Re: Meaning of Capital Improvement for
the purpose of G.O. Bond debt (Alaska
Const. Art. IX, Sec. 8) (SB310)

You have requested our advice whether certain items contained in SB 310 would qualify as capital improvements for the purpose of issuing general obligation bond debt. Our review of the bill discloses that several of the school projects listed in the bill are expressly for maintenance or repair of existing facilities.

The Alaska Constitution requires state debts to be for "capital improvements" and for "public use." Art. IX, §§ 6 and 8. The Alaska Supreme Court has read those provisions to include works which would leave the bonding authority with a "tangible asset in place of the indebtedness" which is "associated with value represented by real or personal property in some form and with relative permanency." Wright v. City of Palmer, 468 P.2d 326, 329-30 (Alaska 1970); City of Juneau v. Hixson, 373 P.2d 743, 744 (Alaska 1962).

Although the Alaska Supreme Court has not specifically defined what is meant by a capital improvement, it has given examples:

We believe 'capital' was used in the sense in which it is associated with assets in the form of real or personal property and that it was intended to connote a degree of permanency. We believe that it includes the public works of a permanent character such as streets, bridges, wharves, and harbor facilities, sewers and sewerage disposal plants, municipal buildings, schools, libraries, gymnasiums and athletic fields, fire houses, and public utilities as mentioned in the original Act of Congress.

City of Juneau v. Hixson, 373 P.2d at 747. It is probable that the court, like a voter, would think of capital improvements as relatively permanent structures and fixtures necessary for the operation of those structures. In Wright v. City of Palmer, 468 P.2d 326, 329 (Alaska 1970), the Alaska Supreme Court stated the term "capital improvement" was broader than traditional public works as applied to an industrial development project sponsored by the City of Palmer. The

court was dealing with a building and paved lot, items which are clearly improvements of a relatively permanent nature. It may be inferred that the farther a project strays from the type of project described as a capital improvement in Hixson, the more it is subject to attack as an improper expenditure.

It is possible, at least in theory, for repair and maintenance to be included as an integral part of an overall capital improvement such as baggage carts on a ferry. As long as the project definitely qualifies as a capital improvement, it should not matter that some of its smaller, integral parts are not wholly capital in nature.

Other states with similar constitutional or statutory provisions have held, for example, that the power to issue bonds for construction of buildings did not authorize issuance of bonds for repair of the building. School District No. 6 v. Robb, 93 P 2d 905, cited in 15 E. McQuillin, Municipal Corporations § 43.22, at 611 (3d rev ed. 1985) (hereafter McQuillin). But it has also been held that repairs are authorized if they are necessary to preserve the property. McQuillin, § 43.22 at 612. We note, however, that authority to "repair" existing structures must be express. For example, authority to issue bonds for the "construction and maintenance of waterworks" is authority to repair, since repairing is maintenance. Id. In contrast, article IX, section 9, of the Alaska Constitution does not expressly authorize issuance of bonds for repairs or maintenance, we find no discussion in the minutes of the constitution that is enlightening as to this issue.

Based upon the analysis of the Alaska Supreme Court in Hixson, especially the court's citation and apparent acceptance of the reasoning of the New Hampshire court that "(t)he term "capital improvement" must be taken in its ordinary sense of a permanent improvement or betterment as distinguished from ordinary repair or current maintenance," the Alaska Supreme Court would find the issuance of general obligation bonds for the purpose of ordinary repair of existing facilities or ordinary road maintenance be in violation of article IX, section 9, of the Alaska Constitution. The question of whether "extraordinary" repairs or maintenance constitutes a "capital improvement" has not been answered by the Alaska Supreme Court and may be a possible basis for using general obligation bond proceeds for this purpose.

Because we are not familiar with the facts of each of the projects set out in SB 310 we are unable to apply our analysis to them and give specific advice as to each of them. However, to the extent that a project involves the purchase of property that will become fixtures in the legal sense or are of such an extraordinary nature that they are necessary to preserve the permanence of a facility we believe that they would constitute a capital improvement. It will be important to establish on the record the nature of any doubtful project so that it can be defended against a challenge brought when the bonds are to be sold.

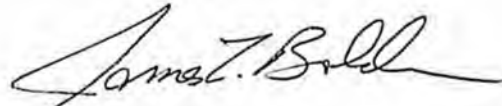
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We hope that this memorandum will assist the committee in its deliberations on this bill.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By:



James L. Baldwin
Assistance Attorney General

JLB:mi

cc: Annalee McConnel, OMB
Crystal Smith, Legislative Contact
Deborah Behr, Assistant Attorney General, Dept. of Law

SENATE FINANCE
COMMITTEE #1
Amendment Number: #1
Bill Number: SB 310
Sponsor: Adams Date: 4/15/00
Logged In By: Mindy

AMENDMENT

OFFERED IN SENATE FINANCE

BY: Sen. Adams

TO: SB 310

Page 4, after line 6, insert a new item:

University of Alaska – Southeast
Egan Building Classroom Addition

Project Cost State Share
\$7,642,600

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	ff		
<u>Objection by</u>	T		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea	1		
Nay	5		
Absent	3		
<u>MOTION</u>	FAIL		

AMENDMENT

SENATE FINANCE
COMMITTEE #2
Amendment Number: #2
Bill Number: SB 310
Sponsor: Adams Date: 4/15/00
Logged In By: Mindy
BY: Sen. Adams

OFFERED IN SENATE FINANCE

TO: SB 310

Page 5, line 10, insert new bill sections to read:

Sec. 4. AS 14.11.100(a) is amended by adding a new paragraph to read:
(10) subject to (h), (i), (j), and (p) of this section and after projects financed by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1997, to pay the costs that exceed \$200,000 of school construction projects and major maintenance projects that are approved under AS 14.07.020(a)(11).

Sec. 5. AS 14.11.100 is amended by adding a new subsection to read:
(p) The total amount of public school construction projects approved for reimbursement by the department under (a)(10) of this section may not exceed \$150,000,000.

Renumber the following sections accordingly.

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	#2		
Motion	# adopt		
<u>Motion by</u>	A		
<u>Objection by</u>	T/G		
Removed	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Loren Leman			✓
Senator Al Adams	✓		
Senator Gary Wilken			✓
Senator Pete Kelly		—	
Senator Lyda Green	✓		
Senator Randy Phillips		—	
Senator Dave Donley			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	2		
Nay	5		
Absent	2		
<u>MOTION FAIL</u>			

Amend #3
Bill Number SB310
Sponsor Adams Date 4/15/00
Logged in By: Mindy

Amendment

TO: SB 310

Sponsor: Sen. Adams

On page 1 , line 9 change the number to reflect the additional schools
On page 2 , line 10 change the number to reflect the additional schools
On page 4, line 3 change the number to reflect the additional schools
On page 5, line 9 change the number to reflect the additional schools

On page 3, after line 27 add the following project:
Noorvik K-12 Improvements 17,528,378

On page 3 line 30 add the following: Bering Strait before the word Elim

On page 3, after line 30 add:
Bering Strait-Golovin School Phase III 9,609,516
Bering Strait-Koyuk K-12 School 14,059,664

On page 4 after line 1 add the following project:
Togiak School Replacement 25,027,049
Yupiit Schools (ED 39)
Akiachak Elementary Replacement & Secondary Renovation 14,370,287

Donley COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	#3		
Motion	at adopt		
<u>Motion by</u>	A		
<u>Objection by</u>	T / D		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Dave Donley		✓	
Senator Loren Leman		✓	
Senator Al Adams	✓		
Senator Gary Wilken		✓	
Senator Pete Kelly		✓	
Senator Lyda Green		✓	
Senator Randy Phillips		✓	
Co-Chair Sean Parnell		✓	
Co-Chair John Torgerson		✓	
<u>Tally</u>			
Yea	1		
Nay	8		
Absent	-		
<u>MOTION</u>	FAIL		

SENATE FINANCE
COMMITTEE

Amendment Number: #4
Bill Number: SB 310
Sponsor: Adams Date: 4/15/00
Logged In By: Mindy

Amendment

TO: SB 310

Sponsor: Sen. Adams

On page 1 , line 9 change the number to reflect the additional schools
On page 2 , line 10 change the number to reflect the additional schools
On page 4, line 3 change the number to reflect the additional schools
On page 5, line 9 change the number to reflect the additional schools

On page 4 after line 1 add the following project:

Yupiit Schools (ED 39)

Akiachak Elementary Replacement & Secondary Renovation 14,370,287

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	#4		
Motion	adpt		
<u>Motion by</u>	A		
<u>Objection by</u>	T		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Randy Phillips			✓
Senator Dave Donley			✓
Senator Loren Lemar			✓
Senator Al Adams	✓		
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	1		
Nay	8		
Absent			
<u>MOTION</u> FAIL			

Senate Finance Committee
Amendment to

Offered by Senator John Torgerson
April 15, 2000

SB 310 (FIN)

SENATE FINANCE
COMMITTEE
Amendment Number: 45
Bill Number: SB 310
Sponsor: Torgerson Date: 4/15/00
Logged In By: Jamie

Delete all references to Ports and Harbors:

Page 1, Lines 2 & 3 AND on line 8, AND
Page 6, Line 11
Insert the word "and" after the word "school," and
delete the words ", and port and harbor"

Page 2, Line 2
Delete the word "AND HARBOR"
Page 2, Lines 4 AND 10 delete the words "and harbor"

Page 4
Delete all listed ports and harbors projects:
Lines 16 - 31 and Page 5, Lines 1 - 9

Page 4, after Line 15
"Grand Total \$237,589,689"

Make all other necessary technical changes to delete references to ports
and harbor projects.

Explanation:

This amendment remove all references to issuing bonds for Port and Harbor
projects in SB 310 because they are now incorporated in SB 311.

Adams COMMITTEE
2000 COMMITTEE ACTION

Bill Number <i>SB 310</i>		
Amendment <i>#5</i>		
Motion		
<u>Motion by</u> <i>JD</i>		
<u>Objection by</u> <i>No Obj.</i>		
<u>Removed</u>		
<u>Second Objection by</u>		
<u>Committee Member</u>	Y	<u>Vote</u> N
Senator Al Adams		
Senator Gary Wilken		
Senator Pete Kelly		
Senator Lyda Green		
Senator Randy Phillips		
Senator Dave Donley		
Senator Loren Leman		
Co-Chair Sean Parnell		
Co-Chair John Torgerson		
<u>Tally</u>		
Yea		
Nay		
Absent		
<u>MOTION</u> <i>Adopted</i>		

SENATE FINANCE
COMMITTEE

Amendment Number: 46
Bill Number: SB 310
Sponsor: Torgerson Date: 4/15/00
Logged In By: Jamie

1-LS1618A.1

Cook
4/15/00

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: SB 310

- 1 Page 5, lines 13 - 14:
- 2 Delete "the amount of \$943,565 or as much of that amount as is found necessary"
- 3 Insert "an amount equal to one percent of the principal amount of the bonds, or as
- 4 much of that amount as is found necessary,"

Wilken COMMITTEE
2000 COMMITTEE ACTION

Bill Number <i>SB 310</i>		
Amendment <i>#6</i>		
Motion		
<u>Motion by</u> <i>SD</i>		
<u>Objection by</u> <i>No obj.</i>		
Removed		
<u>Second Objection by</u>		
<u>Committee Member</u>	Y	<u>Vote</u> N
Senator Gary Wilken		
Senator Pete Kelly		
Senator Lyda Green		
Senator Randy Phillips		
Senator Dave Donley		
Senator Loren Leman		
Senator Al Adams		
Co-Chair Sean Parnell		
Co-Chair John Torgerson		
<u>Tally</u>		
Yea		
Nay		
Absent		
<u>MOTION</u> <i>Moved</i>		

SENATE FINANCE
COMMITTEE

Amendment Number: #7
Bill Number: SB 310
Sponsor: ~~Loxon~~ John Ferguson Date: 4/18/00
Losses in 2000 Mindy

Senate Finance Committee
Amendment to

Offered by Senator
April 18, 2000

SB 310 (FIN)

Page 2, Lines 10-11

Delete

"to the Department of Transportation and Public Facilities"

Insert

"to the Department of Education and Early Development and the University
of Alaska"

Explanation:

This amendment provides appropriations from the bond proceeds to the departments that will manage the capital improvements identified in the bond legislation.

Kelly COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	# 7		
Motion	adopt		
<u>Motion by</u>	K		
<u>Objection by</u>	FH		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Pete Kelly	✓		
Senator Lyda Green	✓		
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent			
<u>MOTION</u>			
Pass			

SENATE FINANCE
COMMITTEE

Amendment Number: #8

Bill Number: SB 310

Sponsor: Torvaldson Date: 4/18/00

Logged in by: John Ferguson Mindu

Senate Finance Committee
Amendment to

Offered by Senator
April 18, 2000

SB 310 (FIN)

Page 3, Line 21-22

Delete

"Matanuska-Susitna Carpet Replacement (six schools)"

Insert

"Matanuska - Susitna Schools - ~~Floor~~ Replacement"

Flooring

Green COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	#8		
Motion	adopt		
<u>Motion by</u>	P		
<u>Objection by</u>	Ph		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Lyda Green	✓		
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent			
<u>MOTION</u>	Pass		

1		Kenai Central High School Reinsulate	367,648
2		Exterior Walls	
3		Soldotna High School Roofing Replacement	644,014
4	10 - 25	Anchorage Schools	
5		Bartlett High School, Phase I	3,500,000
6		Eagle River/Chugiak High School	14,563,500
7		East High School, Phase I	7,295,400
8		Service High School, Phase I	4,998,000
9		Wendler Middle School, Phase I	4,231,500
10		Denali Elementary, Replacement	8,211,000
11		District Wide Projects/Major Maintenance	11,730,600
12	26 - 28	Matanuska-Susitna Schools	
13		Matanuska-Susitna - Fire Alarm System -	620,648
14		Five Schools	
15		Matanuska-Susitna - Colony High School	159,416
16		Septic System	
17		Matanuska-Susitna - Fuel Tank Replacement	126,261
18		Matanuska-Susitna Fire Sprinklers and Piping (3)	1,381,770
19		Matanuska-Susitna Boiler/Heater Replacement	221,051
20		(four schools)	
21		Matanuska-Susitna Carpet Replacement	423,507
22		(six schools)	
23	36	Lower Yukon - Pilot Station School	17,654,003
24		Replacement	
25	37	Northwest Arctic Schools	
26		Ambler K-12 Improvements	924,586
27		Kiana K-12 Improvements	1,395,000
28	38	Kashunamiut - Chevak School Replacement	28,272,551
29		Lower Yukon - Kotlik School Replacement	17,910,901
30	<i>Baring Streets</i> -	Elim School, Phase III	12,146,788
31		Southwest Region Schools	

1	39	Manokotak School Replacement	14,689,464
2	40	Pribilof Island - St. George School Remodel	<u>4,385,970</u>
3			\$165,597,781
4		<u>UNIVERSITY</u>	
5	4	University of Alaska - Southeast	
6		Deferred Maintenance	\$ 1,687,854
7	7 - 9	AVTEC - Seward	
8		Student Housing	4,200,000
9	10 - 25	University of Alaska - Anchorage	
10		Consortium Library	36,000,000
11		Deferred Maintenance	4,220,000
12	26 - 28	Matanuska-Susitna Ortner Building Replacement	685,000
13	29 - 34	University of Alaska - Fairbanks	
14		Deferred Maintenance	<u>25,199,054</u>
15			\$71,991,908
16		<u>PORTS AND HARBORS</u>	
17		HARBORS TRANSFER PLAN	
18	1	Ketchikan	\$ 7,000,000
19	2	Petersburg	3,300,000
20	3 - 4	Juneau Area Harbors	
21		Auke Bay Harbor	492,325
22		Douglas Dock/Harbor	1,241,421
23		Taku Harbor	38,566
24	5	Klawock	860,000
25	7 - 9	Seldovia	2,500,000
26	35	Whittier	1,835,600
27		Valdez	3,013,500
28		Cordova	4,337,800
29	38	Nome	1,000,000
30		CORPS OF ENGINEERS MATCH	
31		Program Formulation	100,000

Adams COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 310		
Amendment	# 10		
Motion	adopt		
<u>Motion by</u>	L		
<u>Objection by</u>	none		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Lemam			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

delete all of last 3
 numbers & replace with 000
 (round down) & adjust
 total accordingly



Alaska State Senate

Senate Finance Committee

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 4/19/00 TIME: 12:45 am

TO: Legal

NUMBER OF PAGES, INCLUDING COVER SHEET: 7

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: SB 310 1-LS1618/A
plus 6 amendments
need final 9:00 am Wed

Thx, Mindy

ALASKA STATE SENATE
Senate Finance Committee

From: The Office of Senator John Torgerson
Co-Chair, Senate Finance Committee

Telephone: (907) 465-3710
Fax: (907) 465-4779

TO: Tam Cook, Leg Legal	Fax: 2029
-------------------------	-----------

Re: SB 310 & SB 311

Tam,

When you revise the numbers on the bonds down per Leman's Amendment (#6, I think?), we'll need to have new fiscal notes done for the floor session.

Soon after you recalculate the total bonds for each bill, would you please fax the amounts to Deven Mitchell w/ Revenue?

You can just fill in the blanks below and fax this sheet to Deven.

Thanks.

Llewellyn (3710)

To: Deven Mitchell
Department of Revenue, Treasury Division
Fax: 465-2902

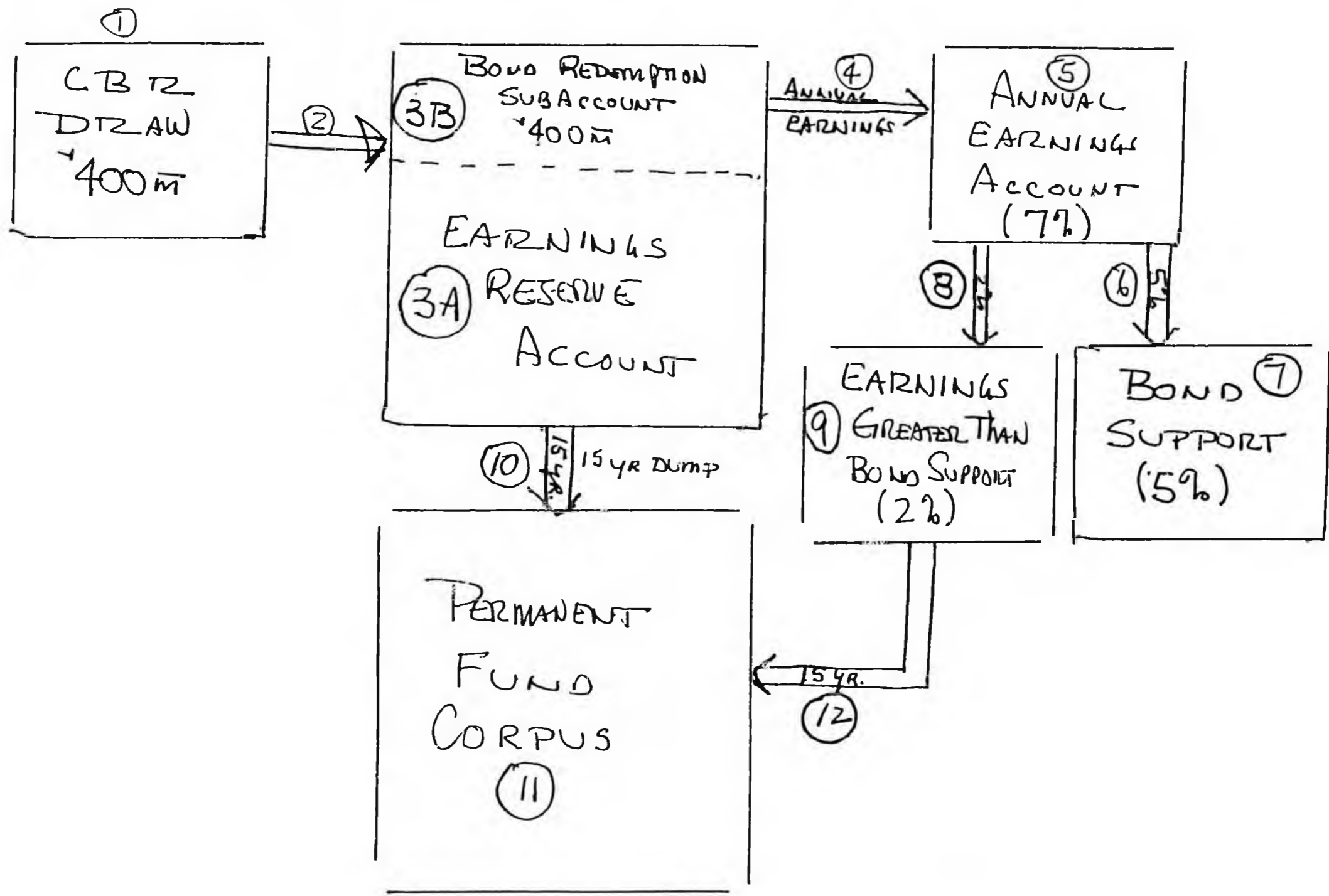
Deven, please prepare fiscal notes with attached amortization schedules for each of the following bills:

SB 310 Total bonds: _____

SB 311 Total bonds: _____

These bills are scheduled for Senate Floor debate at 11 a.m. Wednesday morning. Please forward the fiscal notes to Senator Torgerson's office as soon as possible.

SENT on 4/19 1am by Llewellyn (phone 465-3710)
Page 1 of 1



FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 310

Revision Date/Time (Note if correction) _____	Dept. Affected <u>Revenue</u>	
Title <u>Bonds: UA, Schools, Ports, Harbors</u>	BRU <u>Revenue Operations</u>	
	Component <u>Treasury Division</u>	
Sponsor <u>Senate Finance Committee</u>		
Requester <u>Senate Finance Committee</u>	Component Serial No. <u>121</u>	

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)	15.0	15.0				
Contractual (issuance cost/paying agent)	500.0	500.0	10.0	10.0	10.0	10.0
Supplies	1.0	1.0				
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		11,713.9	23,423.7	23,427.5	23,424.1	23,427.4
TOTAL OPERATING	516.0	12,229.9	23,433.7	23,437.5	23,434.1	23,437.4

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts					0.0	0.0
1003 GF Match					0.0	0.0
1004 GF	516.0	12,229.9	23,433.7	23,437.5	23,434.1	23,437.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	516.0	12,229.9	23,433.7	23,437.5	23,434.1	23,437.4

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes \$269.6 million in general obligation bonds to fund capital projects.

This fiscal note assumes there would be two series of bonds sold, one in the spring of 2001 and the second in the spring of 2002. However, final issuance amounts and timing will be determined by the State Bond Committee based on construction schedules and the need for capital.

Assuming a true interest cost of 5.93% (approximately 0.50% above current rates), and a 20-year term, annual debt service is approximately \$23.4 million beginning in fiscal year 2003, with \$11.7 million in debt service in FY 2002. The projected \$516,000 in expenses during fiscal years 2001 and 2002 from the general fund would be reimbursed by bond proceeds.

Prepared by <u>Deven Mitchell, Debt Manager</u>	Phone <u>465-3750</u>
Division <u>Treasury Division</u>	Date/Time <u>April 15, 2000</u>
Approved by <u>Wilson L. Condon</u>	Date <u>April 15, 2000</u>
Commissioner <u>Wilson L. Condon</u>	
Agency <u>Department of Revenue</u>	

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

For further distribution information, call the Governor's Legislative Office

Dated: 03/15/2001
 Delivered: 04/01/2001

Sizing Debt Service Schedule
General Obligation
General Obligation

Fiscal Yr	Coupon Date	Zer Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvcRsv Int&Prin	CntgncyFnd Int&Prin	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
1	4/01/2001									
2	3/01/2001			8,521,686.64	8,521,686.64				8,521,686.64	
2	4/01/2002	N 4.780	7,080,000.00	7,826,038.75	14,906,038.75				14,906,038.75	23,427,725.39
3	3/01/2002			7,656,826.75	7,656,826.75				7,656,826.75	
3	4/01/2003	N 5.070	8,110,000.00	7,656,826.75	15,766,826.75				15,766,826.75	23,423,653.50
4	3/01/2003			7,451,238.25	7,451,238.25				7,451,238.25	
4	4/01/2004	N 5.260	8,525,000.00	7,451,238.25	15,976,238.25				15,976,238.25	23,427,476.50
5	3/01/2004			7,227,030.75	7,227,030.75				7,227,030.75	
5	4/01/2005	N 5.370	8,970,000.00	7,227,030.75	16,197,030.75				16,197,030.75	23,424,061.50
6	3/01/2005			6,986,186.25	6,986,186.25				6,986,186.25	
6	4/01/2006	N 5.460	9,455,000.00	6,986,186.25	16,441,186.25				16,441,186.25	23,427,372.50
7	3/01/2006			6,728,064.75	6,728,064.75				6,728,064.75	
7	4/01/2007	N 5.500	9,970,000.00	6,728,064.75	16,698,064.75				16,698,064.75	23,426,129.50
8	3/01/2007			6,453,889.75	6,453,889.75				6,453,889.75	
8	4/01/2008	N 5.540	10,520,000.00	6,453,889.75	16,973,889.75				16,973,889.75	23,427,779.50
9	3/01/2008			6,162,485.75	6,162,485.75				6,162,485.75	
9	4/01/2009	N 5.600	11,100,000.00	6,162,485.75	17,262,485.75				17,262,485.75	23,424,971.50
10	3/01/2009			5,851,685.75	5,851,685.75				5,851,685.75	
10	4/01/2010	N 5.630	11,725,000.00	5,851,685.75	17,576,685.75				17,576,685.75	23,428,371.50
11	3/01/2010			5,521,627.00	5,521,627.00				5,521,627.00	
11	4/01/2011	N 5.680	12,385,000.00	5,521,627.00	17,906,627.00				17,906,627.00	23,428,254.00
12	3/01/2011			5,169,893.00	5,169,893.00				5,169,893.00	
12	4/01/2012	N 5.740	13,085,000.00	5,169,893.00	18,254,893.00				18,254,893.00	23,424,786.00
13	3/01/2012			4,794,353.50	4,794,353.50				4,794,353.50	
13	4/01/2013	N 5.800	13,835,000.00	4,794,353.50	18,629,353.50				18,629,353.50	23,423,707.00
14	3/01/2013			4,393,138.50	4,393,138.50				4,393,138.50	
14	4/01/2014	N 5.880	14,640,000.00	4,393,138.50	19,033,138.50				19,033,138.50	23,426,277.00
15	3/01/2014			3,962,722.50	3,962,722.50				3,962,722.50	
15	4/01/2015	N 5.920	15,500,000.00	3,962,722.50	19,462,722.50				19,462,722.50	23,425,445.00
16	3/01/2015			3,503,922.50	3,503,922.50				3,503,922.50	
16	4/01/2016	N 5.980	16,420,000.00	3,503,922.50	19,923,922.50				19,923,922.50	23,427,845.00
17	3/01/2016			3,012,964.50	3,012,964.50				3,012,964.50	
17	4/01/2017	N 6.050	17,400,000.00	3,012,964.50	20,412,964.50				20,412,964.50	23,425,929.00
18	3/01/2017			2,486,614.50	2,486,614.50				2,486,614.50	
18	4/01/2018	N 6.110	18,455,000.00	2,486,614.50	20,941,614.50				20,941,614.50	23,428,229.00
19	3/01/2018			1,922,814.25	1,922,814.25				1,922,814.25	
19	4/01/2019	N 6.150	19,580,000.00	1,922,814.25	21,502,814.25				21,502,814.25	23,425,628.50
20	3/01/2019			1,320,729.25	1,320,729.25				1,320,729.25	
20	4/01/2020	N 6.160	20,780,000.00	1,320,729.25	22,100,729.25				22,100,729.25	23,421,458.50
21	3/01/2020			680,705.25	680,705.25				680,705.25	
21	4/01/2021	N 6.170	22,065,000.00	680,705.25	22,745,705.25				22,745,705.25	23,426,410.50
			269,600,000.00	198,921,510.85	468,521,510.85				468,521,510.65	468,521,510.85

True Interest Cost (TIC)..... 5.9275073
 Net Interest Cost (NIC)..... 5.9558815

Arbitrage Yield Limit (AYL)..... 5.9275073
 Arbitrage Net Interest Cost (ANIC)..... 5.9564223

Prepared by: Deren Mitchell
 Prepared on: 04/15/2000 12:41 2:50J Rpt 14
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