

SB

353

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 2/25/04

REPORTED OUT
MAR 08 2004
SENATE FINANCE COMMITTEE
SENATE BILL NO. 353

FURTHER:

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 8 March 2004

Finance Committee considered

SB 353 NO CHILD CARE IN FAIRBANKS COURTHOUSE

"An Act relating to repealing a requirement for a day-care facility in the Fairbanks courthouse; and providing for an effective date."

and recommends:

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

Senate Bill:
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
House Bill:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#
Revenue	3/1/04	3500			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

SENATE BILL NO. 353

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

BY THE SENATE FINANCE COMMITTEE

**Introduced: 2/25/04
Referred: Finance**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to repealing a requirement for a day-care facility in the Fairbanks
2 courthouse; and providing for an effective date."

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

4 * **Section 1.** The uncodified law of the State of Alaska enacted in sec. 2, ch. 92, SLA 1986,
5 is amended to read:

6 Sec. 2. The supreme court may enter into a lease-purchase agreement not to
7 exceed a cost of \$29,900,000 for construction and all other related costs of a court
8 facility in Fairbanks, if

9 [(1) A PRIVATE LICENSED DAY-CARE FACILITY FOR THE
10 USE OF EMPLOYEES, JURORS, WITNESSES AND THE PUBLIC IS INCLUDED
11 IN THE PROJECT, AND THE SPACE IS RENTED TO THE PRIVATE LICENSED
12 DAY-CARE PROVIDER AT A MARKET RATE; AND

13 (2)] 15 percent of parking spaces for the court facility are reserved for
14 the public.

1 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

REPORTED OUT

MAR 08 2004

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 353
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title No Child Care in Fairbanks RDU Revenue Programs and Services
Courthouse Component Treasury Management
Sponsor Senate Finance
Requester Senate Finance Component No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Retirement Fund (benefits)	350.0					
TOTAL OPERATING	350.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Bond Proceeds already held (pays)	350.0					
TOTAL	350.0	0.0	0.0	0.0		0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
Removes the requirement to construct a day care facility funded in the \$29,900,000 issuance of Certificates of Participation on November 12, 1997. This reduction in scope results in a \$350,000 savings. Upon the project being declared complete the \$350,000 can be transferred from the construction account to the bond redemption account held by the State's Trustee. These funds will then be available to offset \$350,000 in general fund spending from the Debt Retirement Fund of the State of Alaska.

Prepared by: Deven Mitchell Phone 465-3750
Division Treasury Date/Time 3/1/04 2:11 PM
Approved by: Tom Boutin Date 3/1/2004
Agency Department of Revenue



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

SPONSOR STATEMENT

SB 353 – Repeal Daycare Requirements for Fairbanks Court

In 1986, the legislature enacted Ch. 92, SLA 1986, which gave the supreme court the authority to lease-purchase a new court facility in Fairbanks. The amount authorized was \$29,900,000. It was understood at the time that construction of a new Fairbanks courthouse would not begin immediately, but would instead follow construction of a courthouse in Anchorage.

In 1997, the legislature reauthorized this project by appropriating planning and design funds. Construction began in 1999, and the Rabinowitz Courthouse opened to the public in August, 2001.

Included in the original lease-purchase authorization was the following language:

Sec. 2. The supreme court may enter into a lease-purchase agreement not to exceed a cost of \$29,900,000 for construction and all other related costs of a court facility in Fairbanks, if

(1) a private licensed day-care facility for the use of employees, jurors, witnesses and the public is included in the project, and the space is rented to the private licensed day-care provider at a market rate;

* * * *

During the planning process for the Rabinowitz Courthouse, several approaches to providing a day-care facility were studied, taking into account the need to ensure the reliable, safe operation of such a facility and state ownership of the building. It was decided to set aside \$350,000 of the bond proceeds for a stand-alone day-care facility in the immediate vicinity of the courthouse. A request for proposals would be issued in which respondents could offer a property within two blocks of the courthouse for the court system to purchase and renovate. This facility would then be leased to the respondent for the operation of day-care services. Standards for that operation would be set out in the RFP.

Since provision of daycare services is not a normal procurement activity for the court system, research was done with other government agencies and a consultant was hired to develop an RFP to solicit proposals. The consultant performed extensive research to determine whether properties and providers were available for response, and to determine what criteria should be used to evaluate proposals. A meeting was held with potential providers in mid-2003 to discuss the process and solicit interest. Using input gathered at that meeting, the RFP was finalized and issued.

While several suitable properties were available within two blocks of the courthouse, only one proposal was received. This proposal was non-responsive, in that it offered to provide day-care services in a facility five blocks away. This outcome was undoubtedly influenced by the fact that there is a private day-care facility already located within two blocks of the courthouse.

The courthouse construction project will be completed by July 1. At that time, the \$350,000 set aside for day-care will be all that remains of the bond proceeds. There are two possible methods of dealing with these funds. First, the trust account containing the bond proceeds could be kept open and the court system could periodically reissue an RFP, in an effort to find a suitable property and a day-care provider. However, as long as a private day-care facility is already located in the immediate vicinity of the courthouse, it is unlikely that the RFP will receive a responsive bid. Moreover, there is no guarantee that a successful bidder would remain in the state facility once it was purchased. If it did not, heating and maintenance money for the empty structure would become the responsibility of the state.

Alternatively, as proposed by SB 353, the legislature could repeal the requirement that a day-care facility be included in the project. This option would allow \$350,000 from the bond proceeds to be transferred from the construction account to the bond redemption account held by the state's trustee. These funds would then be available to offset \$350,000 in general fund spending from the state's Debt Retirement Fund. Because the private sector is already providing day-care in the immediate vicinity of the courthouse, this option would not disadvantage the public.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

CHAPTER 92

AN ACT RELATING TO A COURT FACILITY IN FAIRBANKS; AND PROVIDING FOR AN EFFECTIVE DATE.

(HCS CSSB 355 (Jud) am H)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The legislature finds that a need exists for a new court facility in Fairbanks and that the needed facility must be acquired in as economical manner as possible. In acquiring the necessary court facility the supreme court should

(1) investigate the feasibility of using state land in the Fairbanks area as a site for a court facility;

(2) investigate the feasibility of contracting with the Alaska State Building Authority or with a local government utilizing municipal revenue bonds to provide the space necessary for a Fairbanks court facility; and

(3) coordinate space acquisition in Fairbanks with other state agencies.

Sec. 2. The supreme court may enter into a lease-purchase agreement not to exceed a cost of \$29,900,000 for construction and all other related costs of a court facility in Fairbanks, if

(1) a private licensed day-care facility for the use of employees, jurors, witnesses and the public is included in the project, and the space is rented to the private licensed day-care provider at a market rate; and

(2) 15 percent of parking spaces for the court facility are reserved for the public.

Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved: June 6, 1986
Effective: June 7, 1986

SENATE FINANCE COMMITTEE

SIGN-IN

SB 353-REPEAL DAYCARE REQ FOR FBX COURTHOUSE

NAME: CHRIS CHRISTENSEN Subject/Bill No: SB 353
Co./Dept./Title: DEPUTY ADMINISTRATIVE DIRECTOR Phone: 463-4736
ALASKA COURT SYSTEM
Address: DIMOND COURT HOUSE JUNEAU AK Zip: 99811

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions