

Leg. Finance - House & Senate Finance Comte Files (1973-74) 240

HB 470 cont., 470, 471, 472

1 equipping, maintaining and operating the improvements, the purpose of
2 paying the cost of renewals, replacements and normal and extraordinary
3 repairs to the improvements, the purpose of redeeming before their fixed
4 maturities any and all revenue bonds of the university issued for the
5 improvements, the purpose of providing funds to acquire, construct and
6 equip necessary additions and improvements to the improvements and modifica-
7 tions and extensions of the improvements, and the purpose of providing
8 funds to pay any and all other normal and necessary costs relating to the
9 ownership, use and operation of the improvements, all to the extent fixed
10 and determined by the board in one or more bond resolutions, trust inden-
11 tures, or trust agreements securing or providing for the issuance of the
12 bonds adopted or entered into in accordance with this Act.

13 (c) The board may provide for the investment of money in the revenue
14 fund in the manner it may fix and determine by resolution. The interest
15 earned upon or any proceeds derived from the sale of these investments
16 shall be deposited in and become a part of the revenue fund.

17 * Sec. 2. The university may acquire, construct and equip or provide
18 for the acquisition, construction and equipping of the improvements in the
19 manner as determined by the board.

20 * Sec. 3. (a) For the purpose of providing part or all of the money
21 necessary to pay the costs of acquiring, constructing and equipping the
22 improvements, the issuance and sale of revenue bonds of the university in
23 the total principal sum of not to exceed \$6,000,000 is authorized. The
24 principal of and interest on these bonds shall be paid out of and secured
25 by the money required in sec. 1 of this Act to be paid into the revenue
26 fund and out of any other revenues or money received by the university
27 which the legislature may authorize to be pledged to such payment, and
28 which revenues shall likewise be paid into the revenue fund.

29 (b) The board shall create a special bond redemption fund of the

1 university which shall be a trust fund for paying and securing the payment
2 of the principal of and interest and redemption premium, if any, on the
3 bonds, and which fund shall be at all times completely segregated and set
4 apart from all other funds of the university. The board, on behalf of the
5 university, may obligate and bind the university to set aside and pay into
6 the bond redemption fund any part or parts of, or all of, or a fixed
7 proportion of, or a fixed amount of the money in the revenue fund, suffi-
8 cient to pay the principal of and interest on the bonds as they become due
9 and, if it determines necessary, to set aside and maintain reserves
10 therefor. The bond redemption fund shall be drawn upon solely for the
11 purpose of paying the principal of and interest and redemption premium, if
12 any, on the bonds, and the bonds do not constitute a general obligation of
13 the state or the university.

14 * Sec. 4. (a) The bonds may be sold in the amounts or series and at the
15 time or times as determined by the board. The bonds or each series of bonds
16 shall be sold at a price so that the effective interest rate over the life
17 of the bonds sold does not exceed eight per cent a year. Interest shall be
18 paid annually or semi-annually, and no interest coupon shall evidence
19 interest at a rate greater than eight per cent. The bonds shall mature at
20 such time or times as fixed by the board; shall be sold at public or private
21 sale; may be subject to redemption before their fixed maturity or maturities
22 as determined by the board and with premium or premiums as fixed by the
23 board; may be in denominations determined by the board; may be issued in
24 coupon form and made payable to bearer, or may be registerable as to
25 principal or principal and interest, or may be made payable to the
26 purchaser or purchasers thereof, all under regulations and conditions as
27 the board shall provide; shall be payable as to principal and interest
28 at the place or places determined by the board; shall be signed on behalf
29 of the university by the president of the board and shall be attested by the

1 secretary of the board, both of whose signatures may be facsimile signa-
2 tures; shall have the seal of the university impressed, printed or
3 lithographed on them, and each of the interest coupons attached to them
4 shall be signed by the facsimile signatures of the president and secretary;
5 and shall be issued under and subject to such terms, conditions and
6 covenants providing for the payment of the principal of them and interest
7 on them and such other terms, conditions, covenants and protective features
8 safeguarding the payment and relating to the maintenance, operation and
9 improvement of the improvements as found necessary by the board, which
10 covenants may include but are not limited to provisions providing for the
11 charging, collecting and depositing of student fees, provisions requiring
12 the setting aside and maintaining of certain reserves to secure the payment
13 of the principal and interest and provisions requiring the setting aside
14 and maintenance of certain reserves to maintain, equip, repair, renew,
15 renovate and replace the improvements and all facilities and equipment used
16 in connection with the improvements. The board may provide that any addi-
17 tional bonds hereafter authorized by the legislature to be payable out of
18 the same source or sources as the bonds authorized by this Act may later be
19 issued on a parity with the bonds authorized by this Act upon compliance
20 with any conditions which the board may prescribe, or may provide that no
21 additional bonds may be so issued payable out of the same said source or
22 sources on a parity with the bonds authorized by this Act.

23 (b) If found reasonably necessary the board may select a trustee or
24 trustees for the owners and holders of the bonds or any series of them for
25 the safeguarding and disbursement of the proceeds of sale of the bonds or
26 for such duties with respect to the authentication, delivery and registra-
27 tion of the bonds, or otherwise with respect to the bonds, the funds
28 established under this Act and the moneys pledged to those funds as the
29 board may determine, and shall fix the rights, duties, powers and

1 obligations of the trustee or trustees.

2 (c) In its determination of all of the matters and questions relating
3 to the issuance and sale of the bonds and the fixing of the maturities,
4 terms, conditions and covenants of them, the decisions of the board shall
5 be those found to be reasonably necessary for the best interests of the
6 university and its students and those which will accomplish the most advan-
7 tageous sale of the bonds, with due regard, however, to necessary or normal
8 costs of maintenance and operation, renewals and replacements of and
9 repairs to the improvements and to other improvements and facilities owned,
10 used, operated or leased by the university, the future growth and expansion
11 of the university and all of its improvements and facilities, and the possi-
12 bility of additional revenue bond financing for university purposes. Any
13 such decisions of the board, as expressed in any resolution authorizing
14 the issuance of any bonds, shall be final and conclusive when any bonds
15 have been issued pursuant to the bond resolution.

16 (d) A resolution authorizing the issuance of bonds may provide that
17 the bonds issued shall contain a recital that they are issued under this
18 Act, and bonds containing this recital shall be conclusively considered to
19 be valid and to have been issued in conformity with this Act.

20 (e) The validity of the authorization and issuance of bonds is not
21 affected by any proceedings for the acquisition or construction of the
22 improvements for which the bonds have been issued or by contracts in con-
23 nection with acquisition or construction.

24 * Sec. 5. (a) The board shall adopt the resolution or resolutions and
25 prepare all other documents and proceedings necessary for the issuance, sale
26 and delivery of the bonds or a part or series of the bonds. The resolution
27 or resolutions shall fix the principal amount, denomination, date, maturi-
28 ties, place or places of payment, rights of redemption, if any, terms,
29 form, conditions and covenants of the bonds or each series of them and

1 their date and manner of sale.

2 (b) The owner and holder of a bond or the trustee for the owners and
3 holders of the bonds or any series of them may by appropriate proceedings
4 in a court of record of the state, require and compel the transfer, setting
5 aside and payment of money and the enforcement of all of the terms, condi-
6 tions and covenants as provided in this Act and in the resolution or
7 resolutions authorizing the issuance of the bonds or any series of them.

8 * Sec. 6. The bonds and the coupons attached to them are fully negoti-
9 able instruments under the laws of the state.

10 * Sec. 7. (a) The bonds or any part of them may be refunded at or
11 before their maturity by the issuance of refunding revenue bonds of the
12 university if in the opinion of the board refunding is advantageous to and
13 in the best interests of the university and its students.

14 (b) The issuance of refunding bonds need not be authorized by an Act
15 of the legislature, and the board is authorized and directed to adopt the
16 resolution or resolutions and prepare all other documents and proceedings
17 necessary for the issuance, exchange or sale, and delivery of such bonds.
18 All provisions of this Act applicable to revenue bonds are applicable to the
19 refunding bonds and to the issuance, sale or exchange of them, except as
20 otherwise provided in this section.

21 (c) Refunding bonds may be issued in a principal amount sufficient
22 to provide funds for the payment of all bonds to be refunded by them, and
23 in addition, for the payment of all expenses incident to the calling,
24 retiring or paying of the outstanding bonds, and the issuance of the
25 refunding bonds. These expenses include the difference in amount between
26 the par value of the refunding bonds and any amount less than par for
27 which the refunding bonds are sold, the amount necessary to be made avail-
28 able for the payment of interest upon the refunding bonds from the date of
29 sale of them to the date of payment of the bonds to be refunded or to the

1 date upon which the bonds to be refunded will be paid pursuant to the call
2 of them or agreement with the holders of them, and the premium, if any,
3 necessary to be paid in order to call or retire the outstanding bonds and
4 the interest accruing on them to the date of the call or retirement.

5 * Sec. 8. The bonds are legal investments for all banks, trust com-
6 panies, savings banks, savings and loan associations and other persons
7 carrying on a banking business, all insurance companies and other persons
8 carrying on an insurance business, and all executors, administrators,
9 trustees and other fiduciaries. The bonds may be accepted as security for
10 deposits of all funds of the state and its political subdivisions.

11 * Sec. 9. All bonds are hereby declared to be issued for an essential
12 public purpose, and the bonds, and the interest on them and the income
13 from them shall at all times be exempt from taxation by or under authority
14 of the state or its political subdivisions.

15 * Sec. 10. The state pledges to and covenants and agrees with the
16 holders of bonds that the state will not limit or alter the rights vested
17 in the university or the board by this Act to fulfill the terms of agree-
18 ments made with the holders of the bonds and will not in any way impair
19 the rights or remedies of the holders, and will not modify in any way the
20 exemptions from taxation provided for in this Act, until the bonds,
21 together with interest on them and all costs and expenses in connection
22 with any action or proceeding by or on behalf of such holders, are fully
23 met and discharged.

24 * Sec. 11. A pledge made in respect of the bonds under this Act shall
25 be valid and binding from the time the pledge is made. The money or pro-
26 perty so pledged and thereafter received by the authority shall immediately
27 be subject to the lien of the pledge without any physical delivery or
28 further act and the lien of the pledge is valid and binding as against
29 all parties having claims of any kind in tort, contract or otherwise

1 against the university irrespective of whether such parties have notice of
2 the claim. No resolution, trust indenture, trust agreement or any other
3 instrument by which a pledge is created need be recorded, or filed under
4 the uniform commercial code.

5 * Sec. 12. In this Act, unless the context otherwise requires

6 (1) "board" means the Board of Regents of the university;

7 (2) "bonds" means the university revenue bonds authorized by
8 sec. 3 of this Act;

9 (3) "costs" means the costs of acquiring, constructing and
10 equipping the improvements, including, without limitation, interest on the
11 bonds before and during such construction and during such period of time
12 after construction as the board determines, and such reserves to secure
13 the bonds as the board determines;

14 (4) "improvements" means the campus student center at Anchorage,
15 constituting one or more buildings or other facilities for campus activi-
16 ties, including real property or interest in real property necessary in
17 connection with the improvements, as may be determined by the board, and
18 acquired, constructed and equipped out of the proceeds of the sale of the
19 bonds as authorized by sec. 2 of this Act;

20 (5) "revenue fund" means the "Anchorage Campus Student Center
21 Revenue Fund" created by sec. 1 of this Act;

22 (6) "student fees" means all fees charged students by the
23 university at Anchorage, Alaska, not including tuition charged out-of-state
24 students or dormitory rentals and also not including any revenues, fees,
25 charges and rentals derived by the university from the ownership, lease,
26 use or operation of the housing system, as the term is defined in ch. 56,
27 SLA 1961, as amended and supplemented, which, in the opinion of the board,
28 are not pledged or may hereafter be pledged to the holders of revenue bonds
29 of the university now or hereafter issued pursuant to ch. 56, SLA 1961, as

1 amended and supplemented, under existing contracts or agreements with the
2 holders or purchasers of such revenue bonds;

3 (7) "university" means the University of Alaska.

4 * Sec. 13. This Act shall be liberally construed in order to carry out
5 the purposes for which it was adopted, and all existing laws in conflict
6 with any of the provisions of this Act are superseded insofar as necessary
7 to accomplish the purposes of and carry out the provisions of this Act.

8 * Sec. 14. This Act takes effect on the day after its passage and
9 approval or on the day it becomes law without approval.

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James O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act relating to the acquisition, construction and equipping of a campus student center at the U of A; relating to the issuance and sale of not to exceed \$6,000,000 of negotiable revenue bonds of the university to pay part or all of the cost of the center; creating a campus student center revenue fund of the university; relating to the payment and refunding of the bonds and the **COMMITTEE REPORT** enforcement of the covenants of the bonds; effective date."

HOUSE

3/28/74

Mr. Speaker:

Date 4/13/74

The Committee on FINANCE has had HB 470

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>WATZICK</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>Markins</u>	<u>_____</u>	<u>_____</u>

Members NOT concurring in the Majority report:

_____ recommends: _____

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman



LAWS OF ALASKA

1974

Source

HB 470

Chapter No.

93

AN ACT

Relating to the acquisition, construction and equipping of a campus student center at the University of Alaska; relating to the issuance and sale of not to exceed \$6,000,000 of negotiable revenue bonds of the university to pay part or all of the cost of the center; creating a campus student center revenue fund of the university; relating to the payment and refunding of the bonds and the enforcement of the covenants of the bonds; and providing for an effective date.

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

* Section 1. (a) There is a special fund of the university to be known as the "Anchorage Campus Student Center Revenue Fund" which shall be completely segregated and set apart from all other funds of the university, which is a trust fund for the uses and purposes provided in this Act, and into which shall be paid 25 per cent of all student fees, or a lesser per cent of all student fees determined by the board, and special fee assessments as determined by the board.

(b) The money in the revenue fund shall be used only for the purpose of paying or securing the payment of the principal of the interest and redemption premium, if any, on the bonds, for the purpose of paying or securing the payment of the principal of and interest on any other revenue bonds of the university issued by authorization of the legislature to provide funds to acquire, construct and equip additions or improvements to the improvements, the purpose of paying the normal and necessary costs of equipping, maintaining and operating the improvements, the purpose of paying the cost of renewals, replacements and normal and extraordinary repairs to the improvements, the purpose of redeeming before their fixed maturities any and all revenue bonds of the university issued for the improvements, the purpose of providing funds to acquire, construct and equip necessary additions and improvements to the improvements and modifications and extensions of the improvements, and the purpose of providing funds to pay any and all other normal and necessary costs relating to the ownership, use and operation of the improvements, all to the extent fixed and determined by the board in one or more bond resolutions, trust indentures, or trust agreements securing or providing for the issuance of the bonds adopted or entered into in accordance with this Act.

(c) The board may provide for the investment of money in the revenue fund in the manner it may fix and determine by resolution. The interest earned upon or any proceeds derived from the sale of these investments shall be deposited in and become a part of the revenue fund.

* Sec. 2. The university may acquire, construct and equip or provide for the acquisition, construction and equipping of the improvements in the manner as determined by the board.

* Sec. 3. (a) For the purpose of providing part or all of the money necessary to pay the costs of acquiring, constructing and equipping the improvements, the issuance and sale of revenue bonds of the university in the total principal sum of not to exceed \$6,000,000 is authorized. The principal of and interest on these bonds shall be paid out of and secured by the money required in sec. 1 of this Act to be paid into the revenue fund and out of any other revenues or money received by the university which the legislature may authorize to be pledged to such payment, and which revenues shall likewise be paid into the revenue fund.

(b) The board shall create a special bond redemption fund of the university which shall be a trust fund for paying and securing the payment of the principal of and interest and redemption premium, if any, on the bonds, and which fund shall be at all times completely segregated and set apart from all other funds of the university. The board, on behalf of the university, may obligate and bind the university to set aside and pay into the bond redemption fund any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the revenue fund, sufficient to pay the principal of and interest on the bonds as they become due and, if it determines necessary, to set aside and maintain reserves therefor. The bond redemption fund shall be drawn upon solely for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state or the university.

* Sec. 4. (a) The bonds may be sold in the amounts or series and at the time or times as determined by the board. The bonds or each series of bonds shall be sold at a price so that the effective interest rate over the life of the bonds sold does not exceed eight per cent a year. Interest shall be paid annually or semiannually, and no interest coupon shall evidence interest at a rate greater than eight per cent. The bonds shall mature at such time or times as fixed by the board; shall be sold at public or private sale; may be subject to redemption before their fixed maturity or maturities as determined by the board and with premium or premiums as fixed by the board; may be in denominations determined by the board; may be issued in coupon form and made payable to bearer, or may be registerable as to principal or principal and interest, or may be made payable to the purchaser or purchasers thereof, all under regulations and conditions as the board shall provide; shall be payable as to principal and interest at the place or places determined by the board; shall be signed on behalf of the university by the president of the board and shall be attested by the secretary of the board, both of whose signatures may be facsimile signatures; shall have the seal of the university impressed, printed or lithographed on them, and each of the interest coupons attached to them shall be signed by the facsimile signatures of the president and secretary; and shall be issued under and subject to such terms, conditions, and

covenants providing for the payment of the principal of them and interest on them and such other terms, conditions, covenants and protective features safeguarding the payment and relating to the maintenance, operation and improvement of the improvements as found necessary by the board, which covenants may include but are not limited to provisions providing for the charging, collecting and depositing of student fees, provisions requiring the setting aside and maintaining of certain reserves to secure the payment of the principal and interest and provisions requiring the setting aside and maintenance of certain reserves to maintain, equip, repair, renew, renovate and replace the improvements and all facilities and equipment used in connection with the improvements. The board may provide that any additional bonds hereafter authorized by the legislature to be payable out of the same source or sources as the bonds authorized by this Act may later be issued on a parity with the bonds authorized by this Act upon compliance with any conditions which the board may prescribe, or may provide that no additional bonds may be so issued payable out of the same said source or sources on a parity with the bonds authorized by this Act.

(b) If found reasonably necessary the board may select a trustee or trustees for the owners and holders of the bonds or any series of them for the safeguarding and disbursement of the proceeds of sale of the bonds or for such duties with respect to the authentication, delivery and registration of the bonds, or otherwise with respect to the bonds, the funds established under this Act and the moneys pledged to those funds as the board may determine, and shall fix the rights, duties, powers and obligations of the trustee or trustees.

(c) In its determination of all of the matters and questions relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions and covenants of them, the decisions of the board shall be those found to be reasonably necessary for the best interests of the university and its students and those which will accomplish the most advantageous sale of the bonds, with due regard, however, to necessary or normal costs of maintenance and operation, renewals and replacements of and repairs to the improvements and to other improvements and facilities owned, used, operated or leased by the university, the future growth and expansion of the university and all of its improvements and facilities, and the possibility of additional revenue bond financing for university purposes. Any such decisions of the board, as expressed in any resolution authorizing the issuance of any bonds, shall be final and conclusive when any bonds have been issued pursuant to the bond resolution.

(d) A resolution authorizing the issuance of bonds may provide that the bonds issued shall contain a recital that they are issued under this Act, and bonds containing this recital shall be conclusively considered to be valid and to have been issued in conformity with this Act.

(e) The validity of the authorization and issuance of bonds is not affected by any proceedings for the acquisition or construction of the improvements for which the bonds have been issued or by contracts in connection with acquisition or construction.

* Sec. 5. (a) The board shall adopt the resolution or

resolutions and prepare all other documents and proceedings necessary for the issuance, sale and delivery of the bonds or a part or series of the bonds. The resolution or resolutions shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of the bonds or each series of them and their date and manner of sale.

(b) The owner and holder of a bond or the trustee for the owners and holders of the bonds or any series of them may by appropriate proceedings in a court of record of the state, require and compel the transfer, setting aside and payment of money and the enforcement of all of the terms, conditions and covenants as provided in this Act and in the resolution or resolutions authorizing the issuance of the bonds or any series of them.

* Sec. 6. The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state.

‡ Sec. 7. (a) The bonds or any part of them may be refunded at or before their maturity by the issuance of refunding revenue bonds of the university if in the opinion of the board refunding is advantageous to and in the best interests of the university and its students.

(b) The issuance of refunding bonds need not be authorized by an Act of the legislature, and the board is authorized and directed to adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of such bonds. All provisions of this Act applicable to revenue bonds are applicable to the refunding bonds and to the issuance, sale or exchange of them, except as otherwise provided in this section.

(c) Refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds to be refunded by them, and in addition, for the payment of all expenses incident to the calling, retiring or paying of the outstanding bonds, and the issuance of the refunding bonds. These expenses include the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold, the amount necessary to be made available for the payment of interest upon the refunding bonds from the date of sale of them to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to the call of them or agreement with the holders of them, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing on them to the date of the call or retirement.

* Sec. 8. The bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees and other fiduciaries. The bonds may be accepted as security for deposits of all funds of the state and its political subdivisions.

* Sec. 9. All bonds are hereby declared to be issued for an essential public purpose, and the bonds, and the interest on them and the income from them shall at all times be exempt from

taxation by or under authority of the state or its political subdivisions.

* Sec. 10. The state pledges to and covenants and agrees with the holders of bonds that the state will not limit or alter the rights vested in the university or the board by this Act to fulfill the terms of agreements made with the holders of the bonds and will not in any way impair the rights or remedies of the holders, and will not modify in any way the exemptions from taxation provided for in this Act, until the bonds, together with interest on them and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

* Sec. 11. A pledge made in respect of the bonds under this Act shall be valid and binding from the time the pledge is made. The money or property so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without any physical delivery or further act and the lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university irrespective of whether such parties have notice of the claim. No resolution, trust indenture, trust agreement or any other instrument by which a pledge is created need be recorded, or filed under the uniform commercial code.

* Sec. 12. In this Act, unless the context otherwise requires

- (1) "board" means the Board of Regents of the university;
- (2) "bonds" means the university revenue bonds authorized by sec. 3 of this Act;
- (3) "costs" means the costs of acquiring, constructing and equipping the improvements, including, without limitation, interest on the bonds before and during such construction and during such period of time after construction as the board determines, and such reserves to secure the bonds as the board determines;
- (4) "improvements" means the campus student center at Anchorage, constituting one or more buildings or other facilities for campus activities, including real property or interest in real property neces ary in connection with the improvements, as may be determined by the board, and acquired, constructed and equipped out of the proceeds of the sale of the bonds as authorized by sec. 2 of this Act;
- (5) "revenue fund" means the "Anchorage Campus Student Center Revenue Fund" created by sec. 1 of this Act;
- (6) "student fees" means all fees charged students by the university at Anchorage, Alaska, not including tuition charged outofstate students or dormitory rentals and also not including any revenues, fees, charges and rentals derived by the university from the ownership, lease, use or operation of the housing system, as the term is defined in ch. 56, SLA 1961, as amended and supplemented, which, in the opinion of the board, are not pledged or may hereafter be pledged to the holders of revenue bonds of the university now or hereafter issued pursuant to ch. 56, SLA 1961, as amended and supplemented, under existing con-

tracts or agreements with the holders or purchasers of such revenue bonds;

(7) "university" means the University of Alaska.

* Sec. 13. This Act shall be liberally construed in order to carry out the purposes for which it was adopted, and all existing laws in conflict with any of the provisions of this Act are superseded insofar as necessary to accomplish the purposes of and carry out the provisions of this Act.

* Sec. 14. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Introduced: 1/28/74
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 470

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the acquisition, construction and
7 equipping of a campus student center at the University
8 of Alaska; relating to the issuance and sale of not
9 to exceed \$6,000,000 of negotiable revenue bonds of
10 the university to pay part or all of the cost of the
11 center; creating a campus student center revenue fund
12 of the university; relating to the payment and refund-
13 ing of the bonds and the enforcement of the covenants
14 of the bonds; and providing for an effective date."

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

16 * Section 1. (a) There is a special fund of the university to be known
17 as the "Anchorage Campus Student Center Revenue Fund" which shall be
18 completely segregated and set apart from all other funds of the university,
19 which is a trust fund for the uses and purposes provided in this Act, and
20 into which shall be paid 25 per cent of all student fees, or a lesser per
21 cent of all student fees determined by the board, and special fee assess-
22 ments as determined by the board.

23 (b) The money in the revenue fund shall be used only for the purpose
24 of paying or securing the payment of the principal of and interest and
25 redemption premium, if any, on the bonds, for the purpose of paying or
26 securing the payment of the principal of and interest on any other revenue
27 bonds of the university issued by authorization of the legislature to
28 provide funds to acquire, construct and equip additions or improvements to
29 the improvements, the purpose of paying the normal and necessary costs of

1 equipping, maintaining and operating the improvements, the purpose of
2 paying the cost of renewals, replacements and normal and extraordinary
3 repairs to the improvements, the purpose of redeeming before their fixed
4 maturities any and all revenue bonds of the university issued for the
5 improvements, the purpose of providing funds to acquire, construct and
6 equip necessary additions and improvements to the improvements and modifica-
7 tions and extensions of the improvements, and the purpose of providing
8 funds to pay any and all other normal and necessary costs relating to the
9 ownership, use and operation of the improvements, all to the extent fixed
10 and determined by the board in one or more bond resolutions, trust inden-
11 tures, or trust agreements securing or providing for the issuance of the
12 bonds adopted or entered into in accordance with this Act.

13 (c) The board may provide for the investment of money in the revenue
14 fund in the manner it may fix and determine by resolution. The interest
15 earned upon or any proceeds derived from the sale of these investments
16 shall be deposited in and become a part of the revenue fund.

17 * Sec. 2. The university may acquire, construct and equip or provide
18 for the acquisition, construction and equipping of the improvements in the
19 manner as determined by the board.

20 * Sec. 3. (a) For the purpose of providing part or all of the money
21 necessary to pay the costs of acquiring, constructing and equipping the
22 improvements, the issuance and sale of revenue bonds of the university in
23 the total principal sum of not to exceed \$6,000,000 is authorized. The
24 principal of and interest on these bonds shall be paid out of and secured
25 by the money required in sec. 1 of this Act to be paid into the revenue
26 fund and out of any other revenues or money received by the university
27 which the legislature may authorize to be pledged to such payment, and
28 which revenues shall likewise be paid into the revenue fund.

29 (b) The board shall create a special bond redemption fund of the

1 university which shall be a trust fund for paying and securing the payment
2 of the principal of and interest and redemption premium, if any, on the
3 bonds, and which fund shall be at all times completely segregated and set
4 apart from all other funds of the university. The board, on behalf of the
5 university, may obligate and bind the university to set aside and pay into
6 the bond redemption fund any part or parts of, or all of, or a fixed
7 proportion of, or a fixed amount of the money in the revenue fund, suffi-
8 cient to pay the principal of and interest on the bonds as they become due
9 and, if it determines necessary, to set aside and maintain reserves
10 therefor. The bond redemption fund shall be drawn upon solely for the
11 purpose of paying the principal of and interest and redemption premium, if
12 any, on the bonds, and the bonds do not constitute a general obligation of
13 the state or the university.

14 * Sec. 4. (a) The bonds may be sold in the amounts or series and at the
15 time or times as determined by the board. The bonds or each series of bonds
16 shall be sold at a price so that the effective interest rate over the life
17 of the bonds sold does not exceed eight per cent a year. Interest shall be
18 paid annually or semi-annually, and no interest coupon shall evidence
19 interest at a rate greater than eight per cent. The bonds shall mature at
20 such time or times as fixed by the board; shall be sold at public or private
21 sale; may be subject to redemption before their fixed maturity or maturities
22 as determined by the board and with premium or premiums as fixed by the
23 board; may be in denominations determined by the board; may be issued in
24 coupon form and made payable to bearer, or may be registerable as to
25 principal or principal and interest, or may be made payable to the
26 purchaser or purchasers thereof, all under regulations and conditions as
27 the board shall provide; shall be payable as to principal and interest
28 at the place or places determined by the board; shall be signed on behalf
29 of the university by the president of the board and shall be attested by the

1 secretary of the board, both of whose signatures may be facsimile signa-
2 tures; shall have the seal of the university impressed, printed or
3 lithographed on them, and each of the interest coupons attached to them
4 shall be signed by the facsimile signatures of the president and secretary;
5 and shall be issued under and subject to such terms, conditions and
6 covenants providing for the payment of the principal of them and interest
7 on them and such other terms, conditions, covenants and protective features
8 safeguarding the payment and relating to the maintenance, operation and
9 improvement of the improvements as found necessary by the board, which
10 covenants may include but are not limited to provisions providing for the
11 charging, collecting; and depositing of student fees, provisions requiring
12 the setting aside and maintaining of certain reserves to secure the payment
13 of the principal and interest and provisions requiring the setting aside
14 and maintenance of certain reserves to maintain, equip, repair, renew,
15 renovate and replace the improvements and all facilities and equipment used
16 in connection with the improvements. The board may provide that any addi-
17 tional bonds hereafter authorized by the legislature to be payable out of
18 the same source or sources as the bonds authorized by this Act may later be
19 issued on a parity with the bonds authorized by this Act upon compliance
20 with any conditions which the board may prescribe, or may provide that no
21 additional bonds may be so issued payable out of the same said source or
22 sources on a parity with the bonds authorized by this Act.

23 (b) If found reasonably necessary the board may select a trustee or
24 trustees for the owners and holders of the bonds or any series of them for
25 the safeguarding and disbursement of the proceeds of sale of the bonds or
26 for such duties with respect to the authentication, delivery and registra-
27 tion of the bonds, or otherwise with respect to the bonds, the funds
28 established under this Act and the moneys pledged to those funds as the
29 board may determine, and shall fix the rights, duties, powers and

1 obligations of the trustee or trustees.

2 (c) In its determination of all of the matters and questions relating
3 to the issuance and sale of the bonds and the fixing of the maturities,
4 terms, conditions and covenants of them, the decisions of the board shall
5 be those found to be reasonably necessary for the best interests of the
6 university and its students and those which will accomplish the most advan-
7 tageous sale of the bonds, with due regard, however, to necessary or normal
8 costs of maintenance and operation, renewals and replacements of and
9 repairs to the improvements and to other improvements and facilities owned,
10 used, operated or leased by the university, the future growth and expansion
11 of the university and all of its improvements and facilities, and the possi-
12 bility of additional revenue bond financing for university purposes. Any
13 such decisions of the board, as expressed in any resolution authorizing
14 the issuance of any bonds, shall be final and conclusive when any bonds
15 have been issued pursuant to the bond resolution.

16 (d) A resolution authorizing the issuance of bonds may provide that
17 the bonds issued shall contain a recital that they are issued under this
18 Act, and bonds containing this recital shall be conclusively considered to
19 be valid and to have been issued in conformity with this Act.

20 (e) The validity of the authorization and issuance of bonds is not
21 affected by any proceedings for the acquisition or construction of the
22 improvements for which the bonds have been issued or by contracts in con-
23 nection with acquisition or construction.

24 * Sec. 5. (a) The board shall adopt the resolution or resolutions and
25 prepare all other documents and proceedings necessary for the issuance, sale
26 and delivery of the bonds or a part or series of the bonds. The resolution
27 or resolutions shall fix the principal amount, denomination, date, maturi-
28 ties, place or places of payment, rights of redemption, if any, terms,
29 form, conditions and covenants of the bonds or each series of them and

1 their date and manner of sale.

2 (b) The owner and holder of a bond or the trustee for the owners and
3 holders of the bonds or any series of them may by appropriate proceedings
4 in a court of record of the state, require and compel the transfer, setting
5 aside and payment of money and the enforcement of all of the terms, condi-
6 tions and covenants as provided in this Act and in the resolution or
7 resolutions authorizing the issuance of the bonds or any series of them.

8 * Sec. 6. The bonds and the coupons attached to them are fully negoti-
9 able instruments under the laws of the state.

10 * Sec. 7. (a) The bonds or any part of them may be refunded at or
11 before their maturity by the issuance of refunding revenue bonds of the
12 university if in the opinion of the board refunding is advantageous to and
13 in the best interests of the university and its students.

14 (b) The issuance of refunding bonds need not be authorized by an Act
15 of the legislature, and the board is authorized and directed to adopt the
16 resolution or resolutions and prepare all other documents and proceedings
17 necessary for the issuance, exchange or sale, and delivery of such bonds.
18 All provisions of this Act applicable to revenue bonds are applicable to the
19 refunding bonds and to the issuance, sale or exchange of them, except as
20 otherwise provided in this section.

21 (c) Refunding bonds may be issued in a principal amount sufficient
22 to provide funds for the payment of all bonds to be refunded by them, and
23 in addition, for the payment of all expenses incident to the calling,
24 retiring or paying of the outstanding bonds, and the issuance of the
25 refunding bonds. These expenses include the difference in amount between
26 the par value of the refunding bonds and any amount less than par for
27 which the refunding bonds are sold, the amount necessary to be made avail-
28 able for the payment of interest upon the refunding bonds from the date of
29 sale of them to the date of payment of the bonds to be refunded or to the

1 date upon which the bonds to be refunded will be paid pursuant to the call
2 of them or agreement with the holders of them, and the premium, if any,
3 necessary to be paid in order to call or retire the outstanding bonds and
4 the interest accruing on them to the date of the call or retirement.

5 * Sec. 8. The bonds are legal investments for all banks, trust com-
6 panies, savings banks, savings and loan associations and other persons
7 carrying on a banking business, all insurance companies and other persons
8 carrying on an insurance business, and all executors, administrators,
9 trustees and other fiduciaries. The bonds may be accepted as security for
10 deposits of all funds of the state and its political subdivisions.

11 * Sec. 9. All bonds are hereby declared to be issued for an essential
12 public purpose, and the bonds, and the interest on them and the income
13 from them shall at all times be exempt from taxation by or under authority
14 of the state or its political subdivisions.

15 * Sec. 10. The state pledges to and covenants and agrees with the
16 holders of bonds that the state will not limit or alter the rights vested
17 in the university or the board by this Act to fulfill the terms of agree-
18 ments made with the holders of the bonds and will not in any way impair
19 the rights or remedies of the holders, and will not modify in any way the
20 exemptions from taxation provided for in this Act, until the bonds,
21 together with interest on them and all costs and expenses in connection
22 with any action or proceeding by or on behalf of such holders, are fully
23 met and discharged.

24 * Sec. 11. A pledge made in respect of the bonds under this Act shall
25 be valid and binding from the time the pledge is made. The money or pro-
26 perty so pledged and thereafter received by the authority shall immediately
27 be subject to the lien of the pledge without any physical delivery or
28 further act and the lien of the pledge is valid and binding as against
29 all parties having claims of any kind in tort, contract or otherwise

1 against the university irrespective of whether such parties have notice of
2 the claim. No resolution, trust indenture, trust agreement or any other
3 instrument by which a pledge is created need be recorded, or filed under
4 the uniform commercial code.

5 * Sec. 12. In this Act, unless the context otherwise requires

6 (1) "board" means the Board of Regents of the university;

7 (2) "bonds" means the university revenue bonds authorized by
8 sec. 3 of this Act;

9 (3) "costs" means the costs of acquiring, constructing and
10 equipping the improvements, including, without limitation, interest on the
11 bonds before and during such construction and during such period of time
12 after construction as the board determines, and such reserves to secure
13 the bonds as the board determines;

14 (4) "improvements" means the campus student center at Anchorage,
15 constituting one or more buildings or other facilities for campus activi-
16 ties, including real property or interest in real property necessary in
17 connection with the improvements, as may be determined by the board, and
18 acquired, constructed and equipped out of the proceeds of the sale of the
19 bonds as authorized by sec. 2 of this Act;

20 (5) "revenue fund" means the "Anchorage Campus Student Center
21 Revenue Fund" created by sec. 1 of this Act;

22 (6) "student fees" means all fees charged students by the
23 university at Anchorage, Alaska, not including tuition charged out-of-state
24 students or dormitory rentals and also not including any revenues, fees,
25 charges and rentals derived by the university from the ownership, lease,
26 use or operation of the housing system, as the term is defined in ch. 56,
27 SLA 1961, as amended and supplemented, which, in the opinion of the board,
28 are not pledged or may hereafter be pledged to the holders of revenue bonds
29 of the university now or hereafter issued pursuant to ch. 56, SLA 1961, as

1 amended and supplemented, under existing contracts or agreements with the
2 holders or purchasers of such revenue bonds;

3 (7) "university" means the University of Alaska.

4 * Sec. 13. This Act shall be liberally construed in order to carry out
5 the purposes for which it was adopted, and all existing laws in conflict
6 with any of the provisions of this Act are superseded insofar as necessary
7 to accomplish the purposes of and carry out the provisions of this Act.

8 * Sec. 14. This Act takes effect on the day after its passage and
9 approval or on the day it becomes law without approval.

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STUDENT UNION BUDGET

ASSUMES BUILDING CAN BE BUILT FOR

8/8/74 CONSTRUCTION ESTIMATE

HB 470
CH 93, SLA 74

8/8/74 Estimate of Construction Costs	\$ 5,129,010.00
(9/20/74 Q. S. Estimate was \$5,580,500.00)	
Estimate of all Other Project Costs	<u>870,990.00</u>
Total Bonds Authorized	\$ 6,000,000.00

Costs and Receipts Not Included Above:

(a) Interest During Construction	\$ 760,000.00
(b) Reserve Fund Deposit	480,000.00
(c) Earnings From Investment of Bond Monies	<u>(464,000.00)</u>

Additional Funds Required \$ 776,000.00

- (a) Date Bonds 12/1/74 and Pay Cupons 7/1/75 (for 7 months) and 1/1/76 - 7/1/76
TOTAL 19 Months Interest at 8% of \$6,000,000 = \$760,000
- (b) Reserve equal to one year's interest. - Legal documents to provide that before first bond maturity (F.Y. 79/80) reserve fund should be increased by about \$83,000 to equal one year average principal and interest thereafter (approximate \$563,000)
- (c) Computations are attached and are based on 9% interest on balances to be available after estimated drawdowns.

Possible Alternates

1. Cut 8/8/74 budget as summarized above.
2. Absorb "spine costs" or some other student union cost from university's G. O. Bond authorization if bonds are voted.
3. Delay interior furnishings and provide later from surplus accruals from 1/4 Anchorage student fees pledged to this building.
4. Utilize 1/4 Anchorage student fees where available:
 - a) Not available F.Y. 74/75 as are included in current operating budget
 - b) May be available for F.Y. 75/76 (estimated to be \$624,000)
 - c) Partially available for F.Y. 76/77 (estimated to be \$713,000 less \$480,000 for bond interest due January 1 and July 1, 1977). Possible \$233,000 balance to be available at end of F.Y. 76/77.

Solely a single package

AUGUST 8-74 STUDENT UNION BUDGET

BONDS	30,000
PLANNING & CONST.	248,684
ADVERTISING	6,000
PLANNING CONTINGENCY	17,406
PRINTING	6,000
TEL	6,000
	<hr/>
	314,090

SPECIAL COUNSEL	62,000
PLANNING	27,000
PROGRAM	11,000
LEGAL OPINION	36,000
SOIL REPORT	6,000
ARCHITECT	370,000
CONSTRUCT. CONTINGENCY	49,900
	<hr/>
	556,900

{	CONSTRUCTION	4,873,000
	CONSTRUC. CONTINGENCY	256,010
		<hr/>
		5,129,010

5,129,010 ↔ 5,580,500

TOTAL 6,000,000

→ Includes 30%
Recallation 1974 to 1975

FROM - 9/20/74
CONFERENCE WITH
ARCHITECTS &
UNIT COST PROJECTORS
(QUANTITY SURVEYORS)

	<u>ESTIMATED</u> <u>DRAWDOWN</u>	<u>CUMULATIVE</u> <u>DRAWDOWN</u>	<u>OUT AT</u> <u>INVESTMENT</u>	<u>RE-INVESTMENT</u> <u>EST. AT 9%</u> <u>(MONTHLY)</u>	<u>CUMULATIVE</u> <u>EARNINGS</u>
DEC-1974	100,000	100,000	1,400,000	10,500-	10,500-
JAN-1975	100,000	200,000	1,300,000	9,750-	20,250-
FEB	100,000	300,000	1,200,000	9,000-	29,250-
MAR	200,000	500,000	1,000,000	7,500-	36,750-
APRIL	50,000	550,000	950,000	7,125-	43,875-
MAY	0	550,000	950,000	7,125-	51,000-
JUNE	50,000	600,000	900,000	6,750-	57,750-
JULY	50,000	650,000	850,000	6,375-	64,125-
AUG	50,000	700,000	800,000	6,000-	70,125-
SEPT	50,000	750,000	750,000	5,625-	75,750-
OCT	50,000	800,000	700,000	5,250-	81,000-
NOV	50,000	850,000	650,000	4,875-	85,875-
DEC	50,000	900,000	600,000	4,500-	90,375-
JAN-1976	300,000	1,200,000	300,000	2,250-	92,625-
FEB	50,000	1,250,000	250,000	1,875-	94,500-
MAR	25,000	1,275,000	225,000	1,687-	96,187-
APRIL	25,000	1,300,000	200,000	1,500-	97,687-
MAY	100,000	1,400,000	100,000	750-	98,437-
JUNE	100,000	1,500,000	0	0	

\$1,500,000 ENERGY SYSTEM ISSUE

\$1,500,000 ENERGY SYSTEM ISSUE

	<u>ESTIMATED</u> <u>DRAWDOWN</u>	<u>CUMULATIVE</u> <u>DRAWDOWN</u>	<u>OUT AT</u> <u>INVESTMENT</u>	<u>RE INVESTMENT</u> <u>EST. AT 9%</u> <u>(MONTHLY)</u>	<u>CUMULATIVE</u> <u>EARNINGS</u>
DEC-1974	400,000	400,000	5,600,000	42,000-	42,000-
JAN-1975	NONE	400,000	5,600,000	42,000-	84,000-
FEB	200,000	600,000	5,400,000	40,500-	124,500-
MAR	120,000	720,000	5,280,000	39,600-	164,100-
APRIL	220,000	940,000	5,060,000	37,950-	202,050-
MAY	330,000	1,270,000	4,730,000	35,475-	237,525-
JUNE	350,000	1,620,000	4,380,000	32,850-	270,375-
JULY	350,000	1,970,000	4,030,000	30,225-	300,600-
AUG	450,000	2,420,000	3,580,000	26,850-	327,450-
SEPT	450,000	2,870,000	3,130,000	23,475-	350,925-
OCT	450,000	3,320,000	2,680,000	20,100-	371,025-
NOV	250,000	3,570,000	2,430,000	18,225-	389,250-
DEC	250,000	3,820,000	2,180,000	16,350-	405,600-
JAN-1976	200,000	4,020,000	1,980,000	14,850-	420,450-
FEB	200,000	4,220,000	1,780,000	13,350-	433,800-
MAR	300,000	4,520,000	1,480,000	11,100-	444,900-
APRIL	300,000	4,820,000	1,180,000	8,850-	453,750-
MAY	500,000	5,320,000	680,000	5,100-	458,850-
JUNE	220,000	5,540,000	460,000	3,450-	462,300-
JULY	230,000	5,770,000	230,000	1,725-	464,025-
AUG	230,000	6,000,000	0	0	

\$6,000,000 STUDENT UNION ISSUE

\$6,000,000 STUDENT UNION ISSUE

TENTATIVE DEBT RETIREMENT SCHEDULE ⁽⁵⁾

\$ 1,500,000 ENERGY SYSTEM BONDS

YEAR	<u>PAR VALUE</u> <u>OUTSTANDING</u>	<u>INTEREST</u> <u>AT 7½%</u>	<u>PRINCIPAL</u> <u>RETIRED</u>	<u>COMBINED</u> <u>PRIN. & INT.</u>
1 (74/75)	1,500,000	112,500	0	112,500
2	1,500,000	112,500	0	112,500
3	1,500,000	112,500	35,000	147,500
4	1,465,000	109,875	35,000	144,875
5 (78/79)	1,430,000	107,250	40,000	147,250
6	1,390,000	104,250	40,000	144,250
7	1,350,000	101,250	45,000	146,250
8	1,305,000	97,875	50,000	147,875
9	1,255,000	94,125	55,000	149,125
10 (83/84)	1,200,000	90,000	55,000	145,000
11	1,145,000	85,875	60,000	145,875
12	1,085,000	81,375	65,000	146,375
13	1,020,000	76,500	70,000	146,500
14	950,000	71,250	75,000	146,250
15 (88/89)	875,000	65,625	85,000	150,625
16	790,000	58,750	95,000	153,250
17	695,000	52,125	95,000	147,125
18	600,000	45,000	105,000	150,000
19	495,000	37,125	110,000	147,125
20 (93/94)	385,000	28,875	120,000	148,875
21	265,000	19,875	130,000	149,875
22	135,000	10,125	135,000	145,125

TELEUTATIVE DEBT RETIREMENT SCHEDULE

\$ 6,000,000 STUDENT UNION BONDS

YEAR	PAR VALUE OUTSTANDING	INTEREST AT 8%	PRINCIPAL RETIRED	COMBINED PRINCIPAL & INTEREST	WITH 1.3 COVERAGE FACTOR	1/4 OF EST. STUDENT FEES
1 (74/75)	6,000,000	480,000	0	480,000	624,000	584,815
2	6,000,000	480,000	0	480,000	624,000	624,059
3	6,000,000	480,000	0	480,000	624,000	713,422
4	6,000,000	480,000	0	480,000	624,000	796,345
5 (77/78)	6,000,000	480,000	0	480,000	624,000	883,960
6	6,000,000	480,000	80,000	560,000	728,000	976,140
7	5,920,000	473,600	85,000	558,600	726,180	1,072,445
8	5,835,000	466,800	95,000	561,800	730,340	1,169,218
9	5,740,000	459,200	100,000	559,200	726,960	1,273,550
10 (82/83)	5,640,000	451,200	110,000	561,200	729,560	1,381,325
11	5,530,000	442,400	120,000	562,400	731,120	1,514,783
12	5,410,000	432,800	130,000	562,800	731,640	1,666,280
13	5,280,000	422,400	140,000	562,400	731,120	1,828,640
14	5,140,000	411,200	150,000	561,200	729,560	2,016,107
15 (88-89)	4,990,000	399,200	165,000	564,200	733,460	2,122,312
16	4,825,000	386,000	175,000	561,000	729,300	↑ ↓
17	4,650,000	372,000	190,000	562,000	730,600	
18	4,460,000	356,800	205,000	561,800	730,340	
19	4,255,000	340,400	225,000	565,400	735,020	
20 (93/94)	4,030,000	322,400	240,000	562,400	731,120	
21	3,790,000	303,200	260,000	563,200	732,160	
22	3,530,000	282,400	280,000	562,400	731,120	
23	3,250,000	260,000	305,000	565,000	734,500	
24	2,945,000	235,600	330,000	565,600	735,280	
25 (98/99)	2,615,000	209,200	355,000	564,200	733,460	
26	2,260,000	180,800	385,000	565,800	735,580	
27	1,875,000	150,000	415,000	565,000	734,500	
28	1,460,000	116,800	450,000	566,800	736,840	
29	1,010,000	80,800	485,000	565,800	735,580	
30 (03/04)	525,000	42,000	525,000	527,000	737,100	

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 470
 Title: Revenue Bonds for U of A Anchorage Campus (Student) Center
 Requested by: J. H. Hogan Date: 4-3-1974
 Return Date Requested: _____
 Agency: University of Alaska Program: Anchorage

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U of A Anchorage

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES			100.0	200.0	210.0	220.0
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES				200.0	210.0	225.0
500 EQUIPMENT						
600 LAND & STRUCTURES	0	3,000.0	3,000.0			
700 GRANTS, CLAIMS, ETC.						
Building Maint. & Oprns.	0	0	100.0	200.0	200.0	225.0
TOTAL		3,000.0	3,200.0	600.0	620.0	670.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND for Oprns.			200.0	600.0	620.0	670.0
FEDERAL FUNDS						
OTHER Revenue Bonds for Construction		3,000.0	3,000.0			

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	6 for 6 mo	6 /	6 /	6 /
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above amounts include construction costs from Revenue Bonds, bonds to be retired from Student Fees, plus Building Maintenance and Operation Costs and Program Costs from the State General Fund.

IV. ATTACHMENTS

V. DATE: 4-3-1974

PREPARED BY: Donall C. Moyer / snc

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

An Act providing for the issuance of general obligation bonds in the amount of \$37,300,000 for the purpose of paying the cost of highway, ferry and local service road and trail construction; and providing for an effective date."

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date 4/18/74

The Committee on FINANCE has had HB 471

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Freeman</u>	<u>Boyd</u>	<u>Trout</u>
<u>Ward</u>	<u>Spencer</u>	
<u>Boyd</u>	<u>Boyd</u>	
<u>Boyd</u>	<u>Boyd</u>	

Members NOT concurring in the Majority report:

<u>NO REC</u>	recommends: <u>NO REC</u>
<u>MEEKINS</u>	recommends: <u>NO REC</u>
_____	recommends:
_____	recommends:
_____	recommends:

Bob Freeman Chairman



LAWS OF ALASKA

1974

Source

HB 471

Chapter No.

122

AN ACT

Providing for the issuance of general obligation bonds in ~~the~~ amount of \$37,300,000 for the purpose of paying the cost of highway, ferry and local service road and trail construction and providing for an effective date.

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

* Section 1. For the purpose of paying the cost of highway and ferry construction, and the cost of local service road and trail construction as provided in AS 19.30.111 - 19.30.251, general obligation bonds of the state in the principal amount of not more than \$37,300,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1974 Highway, Ferry and Local Road and Trail Construction Fund" shall be established, to which shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for the accrued interest and premiums. There is appropriated from the "1974 Highway, Ferry and Local Road and Trail Construction Fund" to the Department of Highways the amount of \$36,600,000 and to the Department of Public Works the amount of \$700,000. The specific uses of the proceeds of these bonds shall be determined by the governor in accordance with the following statement of the scope of the major projects as required by AS 24.30.037:

projects	(1) federal-state highway system	\$26,700,000 ⁰⁰
	(2) ferry construction, matching	1,900,000 ⁰⁰
	(3) various ferry system improvements	700,000 ⁰⁰

(4) local roads and trails 8,000,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of \$130,550 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next state general election and shall read substantially as follows:

Proposition

State General Obligation Highway,
Ferry and Local Service Road and
Trail Construction Bonds \$37,300,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$37,300,000 for the purpose of paying the cost of highway, ferry and local service road and trail construction?

Bonds	Yes	[]
Bonds	No	[]

* Sec. 5. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Introduced: 1/28/74
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 471

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$37,300,000 for the
8 purpose of paying the cost of highway, ferry and
9 local service road and trail construction; and
10 providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of highway and ferry
13 construction, and the cost of local service road and trail construction as
14 provided in AS 19.30.111 - 19.30.251, general obligation bonds of the
15 state in the principal amount of not more than \$37,300,000 shall be issued
16 and sold. The full faith, credit and resources of the state are pledged
17 to the payment of the principal of and interest and redemption premium,
18 if any, on these bonds. These bonds shall be issued under the provisions
19 of AS 37.15 as those provisions read at the time of issuance.

20 * Sec. 2. If the issuance of these bonds is authorized by the qualified
21 voters of the state, a special fund of the state to be known as the "1974
22 Highway, Ferry and Local Road and Trail Construction Fund" shall be
23 established, to which shall be credited the proceeds of the sale of the
24 bonds described in sec. 1 of this Act except for the accrued interest and
25 premiums. There is appropriated from the "1974 Highway, Ferry and Local
26 Road and Trail Construction Fund" to the Department of Highways the
27 amount of \$36,600,000 and to the Department of Public Works the amount of
28 \$700,000. The specific uses of the proceeds of these bonds shall be
29 determined by the governor in accord with the following statement of

1 the scope of the major projects as required by AS 24.30.037:

- | | | |
|---|---|--------------|
| 2 | (1) federal-state highway system projects | \$26,700,000 |
| 3 | (2) ferry construction matching | 1,900,000 |
| 4 | (3) various ferry system improvements | 700,000 |
| 5 | (4) local roads and trails | 8,000,000 |

6 * Sec. 3. If the issuance of these bonds is authorized by the qualified
7 voters of the state, the amount of \$130,550 or as much of that amount as
8 is found necessary is appropriated from the general fund of the state to
9 the state bond committee to carry out the provisions of this Act and to
10 pay expenses incident to the sale and issuance of the bonds authorized in
11 this Act. The amounts expended from the appropriation authorized by this
12 section shall be reimbursed to the general fund from the proceeds of the
13 sale of the bonds authorized by this Act.

14 * Sec. 4. The question whether the bonds authorized in this Act are
15 to be issued shall be submitted to the qualified voters of the state at
16 the next state general election and shall read substantially as follows:

17 Proposition

18 State General Obligation Highway, Ferry and Local

19 Service Roads and Trail Construction Bonds \$37,300,000

20 Shall the State of Alaska issue its general obligation bonds
21 in the principal amount of not more than \$37,300,000 for the
22 purpose of paying the cost of highway, ferry and local
23 service road and trail construction?

24 Bonds Yes []

25 Bonds No []

26 * Sec. 5. This Act takes effect on the day after its passage and
27 approval or on the day it becomes law without approval.
28
29

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: All G.O. Bond Authorization Bills
Title: _____
Requested by: Jay Logan Date: 2-20-74
Return Date Requested: ASAP
Agency: Administration Program: Debt Service

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Debt Service
A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Debt Service				15.0	45.0	60.0
TOTAL	—	—	—	15.0	45.0	60.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND				15.0	45.0	60.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Dollars above are per \$1 million. If, for instance, a \$30 million bond issue is being considered, the above amounts should be multiplied by 30.

IV. ATTACHMENTS

Assumptions and schedule for additional years

V. DATE: 2-26-74 PREPARED BY: M. R. Charney

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: M. R. Charney, Director
Division of Budget and Management
Department of Administration

DATE: February 22, 1974

FILE NO:

TELEPHONE NO:

FROM: Murray D. Snyder, Capital Planner
Division of Budget and Management
Department of Administration

SUBJECT: Future Year Cost Per 1.0
Million New G.O. Bond
Authorization

The effect of approval in FY 75 per each 1.0 million in new General Obligation Bond authorization on the debt amortization cost is approximately as follows:¹

	Amount of Interest and Principal Due Per 1M (in thousands)
FY 75	00.0
FY 76 (Interest only assuming 25% authorization issued)	15.0
FY 77 (Interest only assuming 75% auth. had been issued)	45.0
FY 78 (Interest only assuming 100% auth. had been issued)	60.0
FY 79 (Interest and principal payment)	64.7 ²
FY 80 (Interest and principal payment)	73.8
FY 81 (Interest and principal payment)	77.6
FY 82 (Interest and principal payment)	79.5
FY 83 (Interest and principal payment)	84.2
FY 84 (Interest and principal payment)	85.4
FY 85 (Interest and principal payment)	83.4
FY 86 (Interest and principal payment)	80.4
FY 87 - 95 (not computed)	

1. Assumed interest rate of 6%
2. Principal repayment amounts based on recent experience



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 1/28/74
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 471

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$37,300,000 for the
8 purpose of paying the cost of highway, ferry and
9 local service road and trail construction; and
10 providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of highway and ferry
13 construction, and the cost of local service road and trail construction as
14 provided in AS 19.30.111 - 19.30.251, general obligation bonds of the
15 state in the principal amount of not more than \$37,300,000 shall be issued
16 and sold. The full faith, credit and resources of the state are pledged
17 to the payment of the principal of and interest and redemption premium,
18 if any, on these bonds. These bonds shall be issued under the provisions
19 of AS 37.15 as those provisions read at the time of issuance.

20 * Sec. 2. If the issuance of these bonds is authorized by the qualified
21 voters of the state, a special fund of the state to be known as the "1974
22 Highway, Ferry and Local Road and Trail Construction Fund" shall be
23 established, to which shall be credited the proceeds of the sale of the
24 bonds described in sec. 1 of this Act except for the accrued interest and
25 premiums. There is appropriated from the "1974 Highway, Ferry and Local
26 Road and Trail Construction Fund" to the Department of Highways the
27 amount of \$36,600,000 and to the Department of Public Works the amount of
28 \$700,000. The specific uses of the proceeds of these bonds shall be
29 determined by the governor in accord with the following statement of

1 the scope of the major projects as required by AS 24.30.037:

- | | | |
|---|---|--------------|
| 2 | (1) federal-state highway system projects | \$26,700,000 |
| 3 | (2) ferry construction matching | 1,900,000 |
| 4 | (3) various ferry system improvements | 700,000 |
| 5 | (4) local roads and trails | 8,000,000 |

6 * Sec. 3. If the issuance of these bonds is authorized by the qualified
7 voters of the state, the amount of \$130,550 or as much of that amount as
8 is found necessary is appropriated from the general fund of the state to
9 the state bond committee to carry out the provisions of this Act and to
10 pay expenses incident to the sale and issuance of the bonds authorized in
11 this Act. The amounts expended from the appropriation authorized by this
12 section shall be reimbursed to the general fund from the proceeds of the
13 sale of the bonds authorized by this Act.

14 * Sec. 4. The question whether the bonds authorized in this Act are
15 to be issued shall be submitted to the qualified voters of the state at
16 the next state general election and shall read substantially as follows:

17 Proposition

18 State General Obligation Highway, Ferry and Local

19 Service Roads and Trail Construction Bonds \$37,300,000

20 Shall the State of Alaska issue its general obligation bonds
21 in the principal amount of not more than \$37,300,000 for the
22 purpose of paying the cost of highway, ferry and local
23 service road and trail construction?

24 Bonds Yes []

25 Bonds No []

26 * Sec. 5. This Act takes effect on the day after its passage and
27 approval or on the day it becomes law without approval.

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: All G.O. Bond Authorization Bills
 Title: _____
 Requested by: Jay Bryan Date: 2-20-74
 Return Date Requested: ASAP
 Agency: Administration Program: Debt Service

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Debt Service
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Debt Service				15.0	45.0	60.0
TOTAL	--	--	--	15.0	45.0	60.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND				15.0	45.0	60.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	0 / 0	0 / 0	0 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Dollars above are per \$1 million. If, for instance, a \$30 million bond issue is being considered, the above amounts should be multiplied by 30.

IV. ATTACHMENTS

Assumptions and schedule for additional years

V. DATE: 2-26-74 PREPARED BY: M. R. Charney

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

State of Alaska

TO: M. R. Charney, Director
Division of Budget and Management
Department of Administration

DATE: February 22, 1974

FILE NO:

TELEPHONE NO:

FROM: Murray D. Snyder, Capital Planner
Division of Budget and Management
Department of Administration

SUBJECT: Future Year Cost Per 1.0
Million New G.O. Bond
Authorization

The effect of approval in FY 75 per each 1.0 million in new General Obligation Bond authorization on the debt amortization cost is approximately as follows:¹

	Amount of Interest and Principal Due Per LM (in thousands)
FY 75	00.0
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FY 78 (Interest only assuming 100% auth. had been issued)	60.0
FY 79 (Interest and principal payment)	64.7 ²
FY 80 (Interest and principal payment)	73.8
FY 81 (Interest and principal payment)	77.6
FY 82 (Interest and principal payment)	79.5
FY 83 (Interest and principal payment)	84.2
FY 84 (Interest and principal payment)	85.4
FY 85 (Interest and principal payment)	83.4
FY 86 (Interest and principal payment)	80.4
FY 87 - 95 (not computed)	

1. Assumed interest rate of 6%
2. Principal repayment amounts based on recent experience



RECORDS



GERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

The Finance Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 472 (Finance) (G.O. bonds for rural school construction) under consideration, and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 472 with the following amendment:

CS
HB
472
(Fin)

CS
HB
472
(Fin)

AMENDMENT: Page 1 Line 7
Delete: "\$38,337,000"
Insert: "\$40,337,000"

Page 1 Line 13
Delete: "\$38,337,000"
Insert: "\$40,337,000"

Page 1 Line 24
Delete: "\$5,000,000"
Insert: "\$7,000,000"

Page 2 Between lines 5 and 6
Insert: "(5) Ch. 195, SLA 1972 - estimated overrun on school construction \$2,600,000" and re-number accordingly.

Page 4 Line 17
Delete entire line

Page 4 Line 18
Delete entire line

Page 4 Line 19
Delete: "\$600,000"
Insert: "\$660,000"

Page 4 Line 29
After "fund", Delete "or other appropriate fund;"

Page 5 Line 8
Delete: "\$134,180"
Insert: "\$141,180"

Page 5 Line 20
Delete: "\$38,337,000"
Insert: "\$40,337,000"

Page 5 Line 22
Delete: "\$38,337,000"
Insert: "\$40,337,000"

The Senate committee substitute as amended was reported back as follows: Senator Groh, Chairman, signed "do pass but unreasonable priorities"; Senators Poland, Sackett and Palmer signed "do pass"; Senator Butrovich signed "do pass but disagree violently with priorities in this bill"; and Senators Ray and Lewis signed "no recommendation."

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 472 (Finance) was referred to the Rules Committee.

The Chair stated that the Letter of Intent on this bill would be spread in the Journal, and it appears as follows:

SENATE FINANCE COMMITTEE REPORT

ON

Senate Finance CS for CSHB 472

The analysis of Senate Finance CS for CSHB 472 is as follows:

CSHB
472
(Fin)

1. Projects and funding are generally the same as those in the Governor's replacement bill for ASOSS rural school construction - HB 838.

2. The Senate Finance CS for CSHB 472 differs from CSHB 472 in the fact that all funds are appropriated as part of the bond bill. The House version appropriated funds only for indebtedness forgiveness (Kake, Dillingham) and cost overruns on prior G.O. bond issues (Ch. 170 and Ch. 250, SLA 1970).

3. An Advance Planning Revolving Fund of \$400,000 is to be established in ASOSS. Funds are to be appropriated in the Annual Appropriation Act (HB 465). These funds are to be used for developing a capital projects system, preparing schematic drawings, soils analyses, site selection and other preliminary planning for capital projects. ASOSS shall utilize no more than \$30,000 from the Advance Planning Revolving Fund to develop recommendations to implement a capital projects system that provides for the following:

- (a) Administrative procedures shall delineate the responsibilities of all agencies;
- (b) Methods of programming shall delineate procedures and methodology for space use programming;
- (c) Methods of design shall delineate the procedures and responsibilities of all agencies and parties;
- (d) Methods of construction shall delineate the processes and methods for construction contracts;
- (e) Budget controls shall delineate the administrative procedures for predicting and maintaining project budgets including overhead allowances for each type of project and defining the responsibilities of other agencies who are involved in the budget process.

A copy of the proposed capital projects system shall be delivered to the Governor and the Legislative Finance Division by July 1, 1974.

4. * Sec. 4 of CSHB 472 provides for timely completion of projects by establishing a definitive project life. Automatic disposition of excess project funds upon completion of a project is defined. Legislative approval for transfer of funds between projects is also provided.

5. Individual water and sewer projects are deleted from this bill and transferred to HB 479, "G.O. bonds for Water and Sewer Projects". However, all new construction projects do include funds for water and sewer. ASOSS and the Department of Environmental Conservation are directed to implement an agreement that provides for cooperation and coordination regarding construction and operation of rural sewer and water facilities.

A copy of the agreement shall be made available to the Division of Legislative Finance no later than July 1, 1974.

6. Teacher housing for the new school facilities was requested by the Governor as ASHA projects in HCR 10. The Finance Committee recommends that all teacher housing be deleted from HCR 10 (\$6,000,000) and that ASOSS enter into lease/purchase contracts (10-15 years) with private corporations, contractors or organizations for construction and operation of teacher housing units. In addition, ASOSS shall develop and include with the FY 76 budget a three-year plan for phasing out all state owned or operated teacher housing.


Clifford J. Gsch, Chairman
Senate Finance Committee

COMMITTEE REPORT

1/20/74

SENATE

Mr. President:

Date 4/24/74

The Committee on FINANCE has had CSHB 472 (Finance)
no. bonds for rural school ~~sex~~ construction
under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- () recommends it BE REPLACED WITH CS FOR CS HB 472 AND THAT

CS FOR CS HB 472 DO PASS

() "and" recommends it BE REFERRED TO THE Committee on Education
COMMITTEE

- () reports it back WITHOUT RECOMMENDATION
- () "other"

Members signing the Majority report:

<u>Bill Eich</u>	<u>James</u>	<u>but with reasonable promotion</u>
<u>Bill Ray</u>	<u>No. 100</u>	
<u>K. Poland</u>	<u>Do pass</u>	
<u>W. J. ...</u>	<u>No. 100</u>	
<u>...</u>	<u>...</u>	

Members NOT concurring in the Majority report:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

_____ Chairman

Original sponsor: Rules Committee by
request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 472
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$38,337,000 for the
8 purpose of paying the cost of rural school construc-
9 tion; and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of rural school construc-
12 tion, general obligation bonds of the state in the principal amount of not
13 more than \$38,337,000 shall be issued and sold. The full faith, credit and
14 resources of the state are pledged to the payment of the principal of and
15 interest and redemption premium, if any, on these bonds. These bonds shall
16 be issued under the provisions of AS 37.15 as those provisions read at the
17 time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1974
20 Rural School Construction Fund" shall be established, to which shall be
21 credited the proceeds of the sale of the bonds described in sec. 1 of this
22 Act except for the accrued interest and premiums.

23 * Sec. 3. There is appropriated from the "1974 Rural School Construction
24 Fund" to the Department of Education the amount of \$5,000,000 for the
25 following projects:

26 Project	27 Appropriation
28 (1) Kake - forgive indebtedness for 29 past school construction	\$ 347,000
(2) Dillingham - forgive indebtedness for past sch	

1	for past school construction	\$135,000
2	(3) Ch. 170, SLA 1970 - estimated overrun	
3	on school construction	\$461,000
4	(4) Ch. 250, SLA 1970 - estimated overrun	
5	on school construction	\$387,000
6	(5) ^{Aug 1975} Galena - elementary and secondary school ^{SLA 1972 - overrun} _{2,000,000}	
7	construction	\$3,250,000
8	(6) Hydaburg - school addition	\$420,000

9 * Sec. 4. There is appropriated from the "1974 Rural School Construction
10 Fund" to the Alaska State Operated School System the amount of \$33,337,000
11 for the following projects:

2	Project	Appropriation
3	(1) Kaltag - bulk oil storage	\$ 62,500
4	(2) Red Devil - bulk oil storage	75,000
5	(3) Aniak - bulk oil storage	62,500
6	(4) Bethel - roof replacement	200,000
7	(5) Kaltag - roof replacement	62,500
8	(6) Metlakatla - remodeling	94,000
9	(7) Koyukuk - oil storage	56,000
0	(8) Igiugig - oil storage	50,000
1	(9) Cantwell - roof, remodeling	32,500
2	(10) Russian Mission - roof repair	27,500
3	(11) Manley Hot Springs - plumbing	25,000
4	(12) Atmautluak - storage	25,000
5	(13) Kenny Lake - secondary school	2,000,000
6	(14) Kivalina - elementary/secondary school	2,300,000
7	(15) Upper Kobuk Valley - elementary/secondary	
8	school	2,800,000
9	✓ (16) Savoonga - school construction	1,000,000

1	✓(17)	Telida - school construction	500,000
2	✓(18)	Dot Lake - school construction	500,000
3	(19)	Playgrounds - 100 locations	675,000
4	(20)	Kongiganak - elementary school	
5		construction	2,200,000
6	(21)	Whittier - elementary school construction	400,000
7	(22)	Line Village elementary school	
8		construction	560,000
9	(23)	Pilot Point - elementary school	
10		addition	160,000
11	(24)	Sleetmute - elementary school construction	400,000
12	(25)	Ruby - elementary school construction	260,000
13	(26)	Whale Pass - elementary school addition	80,000
14	(27)	Perryville - elementary school remodeling	35,000
15	(28)	Minto - elementary school addition	200,000
16	(29)	Koyukuk - elementary school addition	400,000
17	(30)	Mentasta Lake - elementary school addition	270,000
18	(31)	Levelock, - elementary school addition	270,000
19	(32)	McGrath - high school shop	450,000
20	(33)	Fort Yukon - elementary school remodeling	400,000
21	(34)	Tok - elementary school addition	120,000
22	(35)	Red Devil - elementary school addition	160,000
23	(36)	Cantwell - elementary school construction	550,000
24	(37)	Angoon - school addition	720,000
25	(38)	Glenallen - school addition	1,248,000
26	(39)	Fort Yukon - vocational education	
27		facilities	450,000
28	(40)	Tanana - vocational education facilities	450,000
29	(41)	Glenallen - vocational education	

1	facilities	450,000
2	(42) Holy Cross - school addition	440,000
3	(43) Shishmaref - school construction	2,492,000
4	(44) Nikolai - school addition	120,000
5	(45) Tri-Valley - school addition	1,440,000
6	(46) Delta - school addition	1,300,000
7	(47) Kaltag - school construction	2,212,000
8	(48) dry storage facilities - various	
9	locations	250,000
10	(49) Northway - school construction	1,500,000
11	(50) Noatak - 9th grade classroom construction	400,000
12	(51) Manokotak - 9th grade classroom	
13	construction	400,000
14	(52) New Stuyahok - 9th grade classroom	
15	construction	200,000
16	(53) Sand Point - area high school	1,000,000
17	(54) Tok - shop equipment	35,000
18	(55) Nealy - gym bleachers and score clock	25,000
19	(56) Akiak - elementary school construction	600,000
20	(57) Contingency reserve	142,500

* Sec. 5. (a) Notwithstanding the provisions of AS 37.25.020, an appropriation made from the "1974 Rural School Construction Fund" shall have a project life as follows:

Legislative Appropriation	Project Life
Up to \$250,000	two years
\$250,001 to \$1,000,000	three years
Over \$1,000,000	four years

(b) At the end of the project life, any appropriation balance shall
 (1) lapse into the state general fund or other appropriate fund;

1 (2) be added to the corresponding bond redemption fund; or
2 (3) be reappropriated by the legislature for completion of the
3 project.

4 (c) Transfer of appropriations between capital projects funded from
5 the "1974 Rural School Construction Fund" requires the approval of the
6 governor and the Legislative Budget and Audit Committee.

7 * Sec. 6. If the issuance of these bonds is authorized by the qualified
8 voters of the state, the amount of \$134,180 or as much of that amount as is
9 found necessary is appropriated from the general fund of the state to the
10 state bond committee to carry out the provisions of this Act and to pay
11 expenses incident to the sale and issuance of the bonds authorized in this
12 Act. The amounts expended from the appropriation authorized by this section
13 shall be reimbursed to the general fund from the proceeds of the sale of
14 the bonds authorized by this Act.

15 * Sec. 7. The question whether the bonds authorized in this Act are to
16 be issued shall be submitted to the qualified voters of the state at the
17 next state general election and shall read substantially as follows:

18 Proposition

19 State General Obligation Rural School

20 Construction Bonds \$38,337,000

21 Shall the State of Alaska issue its general obligation bonds
22 in the principal amount of not more than \$38,337,000 for the
23 purpose of paying the cost of rural school construction?

24 Bonds Yes []

25 Bonds No []

26 * Sec. 8. This Act takes effect on the day after its passage and approval
27 or on the day it becomes law without approval.
28
29

DRAFT

SENATE FINANCE COMMITTEE REPORT

ON

Senate Finance CS for CSHB 472

The analysis of Senate Finance CS for CSHB 472 is as follows:

1. Projects and funding are generally the same as those in the Governor's replacement bill for ASOSS rural school construction - HB 838.

2. The Senate Finance CS for CSHB 472 differs from CSHB 472 in the fact that all funds are appropriated as part of the bond bill. The House version appropriated funds only for indebtedness forgiveness (Kake, Dillingham) and cost overruns on prior G.O. bond issues (Ch. 170 and Ch. 250, SLA 1970).

3. An Advance Planning Revolving Fund of \$400,000 is to be established in ASOSS. Funds are to be appropriated in the Annual Appropriation Act (HB 465). These funds are to be used for developing a capital projects system, preparing schematic drawings, soils analyses, site selection and other preliminary planning for capital projects. ASOSS shall utilize no more than \$30,000 from the Advance Planning Revolving Fund to develop recommendations to implement a capital projects system that provides for the following:

- (a) Administrative procedures shall delineate the responsibilities of all agencies;
- (b) Methods of programming shall delineate procedures and methodology for space use programming;
- (c) Methods of design shall delineate the procedures and responsibilities of all agencies and parties;
- (d) Methods of construction shall delineate the processes and methods for construction contracts;
- (e) Budget controls shall delineate the administrative procedures for predicting and maintaining project budgets including overhead allowances for each type of project and defining the responsibilities of other agencies who are involved in the budget process.

A copy of the proposed capital projects system shall be delivered to the Governor and the Legislative Finance Division by July 1, 1974.

4. * Sec. 4 of CSHB 472 provides for timely completion of projects by establishing a definitive project life. Automatic disposition of excess project funds upon completion of a project is defined. Legislative approval for transfer of funds between projects is also provided.

5. Individual water and sewer projects are deleted from this bill and transferred to HB 479, "G.O. bonds for Water and Sewer Projects". However, all new construction projects do include funds for water and sewer. ASOSS and the Department of Environmental Conservation are directed to implement an agreement that provides for cooperation and coordination regarding construction and operation of rural sewer and water facilities.

DRAFT

A copy of the agreement shall be made available to the Division of Legislative Finance no later than July 1, 1974.

6. Teacher housing for the new school facilities was requested by the Governor as ASHA projects in HCR 10. The Finance Committee recommends that all teacher housing be deleted from HCR 10 (\$6,000,000) and that ASOSS enter into lease/purchase contracts (10-15 years) with private corporations, contractors or organizations for construction and operation of teacher housing units. In addition, ASOSS shall develop and include with the FY 76 budget a three-year plan for phasing out all state owned or operated teacher housing.

Clifford J. Groh, Chairman
Senate Finance Committee

DRAFT

M E M O R A N D U M

TO:

DATE: April 23, 1974

FROM:

SUBJ: *Response to*
CSHB 472/Attorney
General Objections

Michael R. Peterson, Deputy Attorney General, in a memorandum dated April 22, 1974, outlines certain policy and legal objections to CSHB 472. Specific responses to these objections are as follows:

1. OBJECTION: "First, the bill is an exercise in futility in that the \$38 million bond issue cannot be utilized until another Legislature appropriates such money. This means the loss of a complete construction season in that bids should be awarded for the SOS facilities by at least January 1975. The necessity for additional action by the Legislature means that bids would not be awarded by January 1975 and the 1975 construction season would thus be lost."

RESPONSE: A complete construction season will not be lost under CSHB 472.

Rather, four additional months of planning prior to the sale of the bonds is authorized if the ~~House~~ ^{CSHB 472} approach is adopted. An Advance Planning Revolving Fund is to be established ^{the Alaska} in ~~State-Operated Schools~~ ^{System (ASOSS)}. These funds will be available July 1, 1974, and planning on the bond projects can begin at that time. Under the Governor's approach (HB 472), planning could not begin until after the sale of the bonds. In addition, funds will be available for preplanning of future capital projects.

2. OBJECTION: "The second objection to the bill is section 4 which provides for certain project lives. It is well known that unforeseeable delays often occur with regard to construction in Alaska. If an unforeseeable delay were to occur and violate the project life provision, the funds would lapse and a needed facility would not be built."

RESPONSE: Section 4 of CSHB 472 provides for reappropriation of funds if a project is not completed within the project life. If delays were unavoidable, the legislature would simply extend the project life by reappropriating the funds. The purpose of this section is to encourage the ~~Executive Branch~~ ^{ASOSS} to complete projects on a timely basis. A secondary benefit ^{of this section} is that ASOSS will be encouraged to have preplanning completed ~~on future~~ ^{ASOSS} capital project requests in order to meet any project life requirements.

3. OBJECTION: "Further, the project life provision violates the one subject rule of the Alaska Constitution. The project life provision does not relate to the same general subject of the bond bill."

RESPONSE: Section 4 does not violate the one subject rule of the Alaska Constitution. AS 24.30.030 states that appropriation bills "shall include the amount involved and the purpose, method, manner, and other related conditions of payment." Section 4 clearly falls within these guidelines.

4. OBJECTION: "The third objection to Committee Substitute for House Bill 472 is that it deletes the water and sewer funds from such bill. There is now the possibility of the creation of school facilities without any water and sewer for the facilities."

RESPONSE: Funds are provided for water and sewer facilities in all new schools or facilities to be constructed.

5. OBJECTION: "Housing for teachers is needed in September of 1974, and it is unrealistic to think that private enterprise could provide such facilities under the system which the Finance Committee wishes the State to implement."

RESPONSE: The Department of Public Safety has contracted with private enterprise for housing facilities in rural Alaska. ^{ASOSS} ~~State-Operated Schools~~ is currently attempting to implement a similar system, and the Finance Committee supports their efforts.

6. OBJECTION: "Also, five to seven years is too short a time for amortizing a \$6 million capital investment period. Such a short period of amortization creates an unnecessary drain on the general fund."

RESPONSE: The Senate Finance Committee has extended the lease/purchase time to a period of ten to fifteen years.

7. OBJECTION: "Lastly, the statement of the bond proposition (section 6) violates AS 24.30.037 which requires that a bond ballot contain a description of the scope of each major project which the bonds will be utilized for. Such description is not present in Committee Substitute for House Bill 472, and thus would make the bonds extremely difficult to market."

RESPONSE: The statement of the bond proposition is identical to the format in the Governor's original bill, HB 472.

MEMORANDUM

State of Alaska

TO: Robert Ditman
Legislative Assistant
Office of the Governor

DATE: April 22, 1974

FILE NO:

TELEPHONE NO:

FROM: Michael R. Peterson *MRP*
Deputy Attorney General

SUBJECT: Committee Substitute
for House Bill 472

①
This Department has reviewed Committee Substitute for House Bill 472 and concludes that there are numerous policy and legal objections to such bill. First, the bill is an exercise in futility in that the \$38 million bond issue cannot be utilized until another Legislature appropriates such money. This means the loss of a complete construction season in that bids should be awarded for the SOS facilities by at least January 1975. The necessity for additional action by the Legislature means that bids would not be awarded by January 1975 and the 1975 construction season would thus be lost. The facilities covered by the bond issue are needed immediately. Also, the people voting for the bond issue do not know what they are voting on. They have no idea of what the true project breakdown will be until some future Legislature has made appropriations.

②
The second objection to the bill is section 4 which provides for certain project lives. It is well known that unforeseeable delays often occur with regard to construction in Alaska. If an unforeseeable delay were to occur and violate the project life provision, the funds would lapse and a needed facility would not be built. The project life provision is a clumsy and needless device to try to insure that the Executive executes projects on a timely basis. A reporting system would solve the problem at which the project life provision is aimed. Further, the project life provision violates the one subject rule of the Alaska Constitution. The project life provision does not relate to the same general subject of the bond bill. Also, the project life provision attempts to amend the permanent law through the use of a special law. Section 4(c) of the project life provision is also objectionable in that it denies needed flexibility by requiring Legislative Budget and Audit Committee approval of the transfer of funds. It is critical that maximum flexibility be permitted to all the transfer of funds. Section 4(c) is also inartful in that it speaks of all projects rather than certain SOS projects.

✓
The third objection to Committee Substitute for House Bill 472 is that it deletes the water and sewer funds from such bill. There is now the possibility of the creation of school facilities without any water and sewer for the facilities.

Robert Ditman
Office of the Governor

April 22, 1974

- 2 -

✓
The fourth objection to the Committee Substitute for House Bill 472 is that the Finance Committee in its letter of intent expresses the desire that housing projects be financed on a long term lease or purchase contract rather than by a bond issue. Housing for teachers is needed in September of 1974, and it is unrealistic to think that private enterprise could provide such facilities under the system which the Finance Committee wishes the State to implement. Further, any lease arrangement should be handled by the Department of Administration which currently does leasing for SOS. Also, five to seven years is too short a time for amortizing a \$6 million capital investment period. Such a short period of amortization creates an unnecessary drain on the general fund.

Lastly, the statement of the bond proposition (section 6) violates AS 24.30.037 which requires that a bond ballot contain a description of the scope of each major project which the bonds will be utilized for. Such description is not present in Committee Substitute for House Bill 472, and thus would make the bonds extremely difficult to market.

MRP:jt

FINANCE COMMITTEE REPORT
ON
COMMITTEE SUBSTITUTE FOR HOUSE BILL 472

The Finance Committee Substitute for House Bill 472 contains the following revisions:

1. Projects and funding are generally the same as those in the Governor's replacement bill for ASOSS rural school construction - HB 838.
2. Funds are appropriated only to the Department of Education for indebtedness forgiveness and cost overruns on prior G.O. bond issues (*Sec. 3 of CSHB 472). Funds are not appropriated to any other projects due to lack of preliminary plans or definitive cost estimates upon which to base appropriations.
3. An Advance Planning Revolving Fund of \$400,000 is established in ASOSS. Funds are to be appropriated in the Annual Appropriation Act (HB 465). These funds are to be used for developing a capital projects system, preparing schematic drawings, soils analyses, site selection and other preliminary planning for capital projects. ASOSS shall utilize no more than \$30,000 from the Advance Planning Revolving Fund to develop recommendations to implement a capital projects system that provides for the following:
 - (a) Administrative procedures shall delineate the responsibilities of all agencies;
 - (b) Methods of programming shall delineate procedures and methodology for space use programming;
 - (c) Methods of design shall delineate the procedures and methodology for facilities design including the responsibilities of all agencies and parties;
 - (d) Methods of construction shall delineate the processes and methods for construction contracts;
 - (e) Budget controls shall delineate the administrative procedures for predicting and maintaining project budgets including overhead allowances for each type of project and defining the responsibilities of other agencies who are involved in the budget process.

A copy of the proposed capital projects system shall be delivered to the Governor and the Legislative Finance Division by July 1, 1974.

4. All projects not included in the appropriation section (*Sec.3) of CSHB 472 are authorized for preliminary planning. Funds from the Advance Planning Revolving Fund are to be used for schematic drawings, soils analyses, site selection, and other preliminary planning for these projects. Upon completion of preliminary planning and upon approval by the governor and legislature, appropriations may be requested by the governor and established by the legislature. Projects that have been authorized for preliminary planning are listed in priority order as follows:

<u>PROJECTS</u>	<u>ESTIMATED COST</u>
State-Operated Schools	
(1) Kaltag-bulk oil storage	\$ 62,500
(2) Red Devil-bulk oil storage	75,000
(3) Aniak-bulk oil storage	62,500
(4) Bethel-roof replacement	200,000
(5) Kaltag-roof replacement	62,500
(6) Metlakatla-remodeling	94,000
(7) Koyukuk-oil storage	56,000

(8) Igiugig-oil storage	50,000
(9) Cantwell-roof, remodeling	32,500
(10) Russian Mission-roof repair	27,500
(11) Manley Hot Springs-plumbing	25,000
(12) Atmautluak-storage	25,000
(13) Kenny Lake-secondary school	2,500,000
(14) Kivalina-elementary/secondary school	2,800,000
(15) Upper Kobuk Valley-elementary/secondary school	2,800,000
(16) Playgrounds-100 locations	675,000
(17) Kongiganak-elementary school construction	2,700,000
(18) Whittier-elementary school construction	400,000
(19) Lime Village-elementary school construction	560,000
(20) Pilot Point-elementary school addition	160,000
(21) Sleetmute-elementary school construction	400,000
(22) Ruby-elementary school construction	260,000
(23) Whale Pass-elementary school addition	80,000
(24) Perryville-elementary school remodeling	35,000
(25) Minto-elementary school addition	200,000
(26) Koyukuk-elementary school addition	400,000
(27) Mentasta Lake-elementary school addition	270,000
(28) Levelock-elementary school addition	270,000
(29) McGrath-high school shop	450,000
(30) Fort Yukon-elementary school remodeling	400,000
(31) Tok-elementary school addition	120,000
(32) Red Devil-elementary school addition	160,000
(33) Cantwell-elementary school construction	550,000
(34) Angoon-school addition	720,000
(35) Glenallen-school addition	1,248,000
(36) Fort Yukon-vocational education facilities	450,000
(37) Tanana-vocational education facilities	450,000
(38) Glenallen-vocational education facilities	450,000
(39) Holy Cross-school addition	440,000
(40) Shishmaref-school construction	2,492,000
(41) Nikolai-school addition	120,000
(42) Tri-Valley-school addition	1,440,000
(43) Delta-school addition	1,300,000
(44) Kaltag-school construction	2,712,000
(45) dry storage facilities-various locations	250,000
(46) Northway school-9th grade classroom construction	500,000
(47) Noatak-9th grade classroom construction	400,000
(48) Manokotak-9th grade classroom construction	400,000
(49) New Stuyahok-9th grade classroom construction	200,000
(50) Sand Point-area high school	1,000,000
(51) Tok-shop equipment	35,000
(52) Healy-gym bleachers and score clock	25,000
(53) Akiak-elementary school construction	600,000
(54) Contingency reserve	1,142,500

Department of Education

(1) Galena-elementary and secondary school construction	3,250,000
(2) Hydaburg-school addition	420,000

5. * Sec. 4 of CSHB 472 provides for timely completion of projects by establishing a definitive project life. Automatic disposition of excess project funds upon completion of a project is defined. Legislative approval for transfer of funds between projects is also provided.
6. Water and sewer projects are deleted from this bill and transferred to HB 479, "G.O. bonds for Water and Sewer Projects". ASOSS and the Department of Environmental Conservation are directed to implement an agreement that provides for cooperation and coordination regarding construction and operation of rural sewer and water facilities. A copy of the agreement shall be made available to the Division of Legislative Finance no later than July 1, 1974.

7. Teacher housing for the new school facilities was requested by the Governor as ASHA projects in HCR 10. The Finance Committee recommends that all teacher housing be deleted from HCR 10 (\$6,000,000) and that ASOSS enter into intermediate term lease/purchase contracts (5 - 7 years) with private corporations, contractors, or organizations for construction and operation of teacher housing units. In addition, ASOSS shall develop and include with the FY 76 budget a three-year plan for phasing out all state owned or operated teacher housing.

Oral Freeman
Chairman
House Finance Committee

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/19/74
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 472

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$38,337,000 for the
8 purpose of paying the cost of rural school construc-
9 tion; and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of rural school construc-
12 tion, general obligation bonds of the state in the principal amount of not
13 more than \$38,337,000 shall be issued and sold. The full faith, credit and
14 resources of the state are pledged to the payment of the principal of and
15 interest and redemption premium, if any, on these bonds. These bonds shall
16 be issued under the provisions of AS 37.15 as those provisions read at the
17 time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1974
20 Rural School Construction Fund" shall be established, to which shall be
21 credited the proceeds of the sale of the bonds described in sec. 1 of this
22 Act except for the accrued interest and premiums.

23 * Sec. 3. There is appropriated from the "1974 Rural School Construction
24 Fund" to the Department of Education the amount of \$1,330,000 for the
25 following projects:

26 Project	Appropriation
27 (1) Kake - forgive indebtedness for 28 past school construction	\$ 347,000
29 (2) Dillingham - forgive indebtedness	

1 for past school construction \$135,000
 2 (3) Ch. 170, SLA 1970 - estimated overrun
 3 on school construction \$461,000
 4 (4) Ch. 250, SLA 1970 - estimated overrun
 5 on school construction \$387,000

6 * Sec. 4. (a) Notwithstanding the provisions of AS 37.25.020, an
 7 appropriation made from the "1974 Rural School Construction Fund" shall have
 8 a project life as follows:

9 Legislative Appropriation	Project Life
10 Up to \$250,000	two years
11 \$250,001 to \$1,000,000	three years
12 Over \$1,000,000	four years

13 (b) At the end of the project life, any appropriation balance shall
 14 (1) lapse into the state general fund or other appropriate fund;
 15 (2) be added to the corresponding bond redemption fund; or
 16 (3) be reappropriated by the legislature for completion of the
 17 project.

18 (c) Transfer of appropriations between capital projects requires the
 19 approval of the governor and the Legislative Budget and Audit Committee.

20 * Sec. 5. If the issuance of these bonds is authorized by the qualified
 21 voters of the state, the amount of \$134,180 or as much of that amount as is
 22 found necessary is appropriated from the general fund of the state to the
 23 state bond committee to carry out the provisions of this Act and to pay
 24 expenses incident to the sale and issuance of the bonds authorized in this
 25 Act. The amounts expended from the appropriation authorized by this section
 26 shall be reimbursed to the general fund from the proceeds of the sale of
 27 the bonds authorized by this Act.

28 * Sec. 6. The question whether the bonds authorized in this Act are to
 29 be issued shall be submitted to the qualified voters of the state at the

1 next state general election and shall read substantially as follows:

2 Proposition

3 State General Obligation Rural School

4 Construction Bonds \$38,337,000

5 Shall the State of Alaska issue its general obligation bonds
6 in the principal amount of not more than \$38,337,000 for the
7 purpose of paying the cost of rural school construction?

8 Bonds Yes []

9 Bonds No []

10 * Sec. 7. This Act takes effect on the day after its passage and approval
11 or on the day it becomes law without approval.

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Original Sponsor: Rules Committee
by request of the Governor

Offered: 4/5/74
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 472

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$16,300,000 for the purpose
8 of paying the cost of state-operated school construction;
9 and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of state-operated
12 school construction, general obligation bonds of the state in the principal
13 amount of not more than \$16,300,000 shall be issued and sold. The full
14 faith, credit and resources of the state are pledged to the payment of the
15 principal of and interest and redemption premium, if any, on these bonds.

16 These bonds shall be issued under the provisions of AS 37.15 as those
17 provisions read at the time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1974
20 State-Operated School Construction Fund" shall be established, to which
21 shall be credited the proceeds of the sale of the bonds described in sec. 1
22 of this Act except for the accrued interest and premiums. There is appropriated
23 from the "1974 State-Operated School Construction Fund" to the State-
24 Operated School System the amount of \$16,300,000. The specific uses of the
25 proceeds of these bonds shall be determined by the governor in accord with
26 the following statement of the scope of the major projects as required by
27 AS 24.03.037:

28 (1) Kaltag - bulk oil storage

29 (2) Red Devil - bulk oil storage

- 1 (3) Aniak - bulk oil storage
- 2 (4) Anivik - sewer, water systems
- 3 (5) Tanana - sewer lift station
- 4 (6) Fort Yukon - sewer lift station
- 5 (7) Circle - well, sewer improvements
- 6 (8) Chalkyitsik - sewer, water improvements
- 7 (9) Igiugig - sewer, water improvements
- 8 (10) Buckland - sewer, water improvements
- 9 (11) Deering - sewer, water, heating
- 10 (12) Bethel - roof replacement
- 11 (13) Kaltag - roof replacement
- 12 (14) Metlakatla - remodeling
- 13 (15) water, sewer improvements - various
- 14 (16) Koyukuk - oil storage
- 15 (17) Igiugig - oil storage
- 16 (18) Pilot Point - well
- 17 (19) Kivalina - water storage
- 18 (20) Shishmaref - heat, sewer, and water
- 19 (21) Cantwell - roof, remodeling
- 20 (22) Russian Mission - roof, remodeling
- 21 (23) Manley Hot Springs - plumbing
- 22 (24) Atmautluak - storage
- 23 (25) Koyuk - well
- 24 (26) Allakaket - water, sewer repair
- 25 (27) environmental deficiencies - various
- 26 (28) advance planning revolving fund

27 * Sec. 3. If the issuance of these bonds is authorized by the qualified
28 voters of the state, the amount of \$57,050 or as much of that amount as is
29 found necessary is appropriated from the general fund of the state to the

1 state bond committee to carry out the provisions of this Act and to pay
2 expenses incident to the sale and issuance of the bonds authorized in this
3 Act. The amounts expended from the appropriation authorized by this section
4 shall be reimbursed to the general fund from the proceeds of the sale of
5 the bonds authorized by this Act.

6 * Sec. 4. The question whether the bonds authorized in this Act are to
7 be issued shall be submitted to the qualified voters of the state at the
8 next state general election and shall read substantially as follows:

9 Proposition

10 State General Obligation State-Operated School

11 Construction Bonds \$16,300,000

12 Shall the State of Alaska issue its general obligation bonds
13 in the principal amount of not more than \$16,300,000 for the
14 purpose of paying the cost of state-operated school construction?

15 Bonds Yes []

16 Bonds No []

17 * Sec. 5. This Act takes effect on the day after its passage and approval
18 or on the day it becomes law without approval.
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Introduced: 1/28/74
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 472

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$16,300,000 for the
8 purpose of paying the cost of state-operated school
9 construction; and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of state-operated school
12 construction, general obligation bonds of the state in the principal amount
13 of not more than \$16,300,000 shall be issued and sold. The full faith,
14 credit and resources of the state are pledged to the payment of the
15 principal of and interest and redemption premium, if any, on these bonds.
16 These bonds shall be issued under the provisions of AS 37.15 as those pro-
17 visions read at the time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1974
20 State-Operated School Construction Fund" shall be established, to which
21 shall be credited the proceeds of the sale of the bonds described in sec. 1
22 of this Act except for the accrued interest and premiums. There is appro-
23 priated from the "1974 State-Operated School Construction Fund" to the
24 State-Operated School System the amount of \$16,300,000. The specific uses
25 of the proceeds of these bonds shall be determined by the governor in
26 accord with the following statement of the scope of the major projects
27 as required by AS 24.03.037:

- 28 (1) Kongiganak elementary school - construction
29 (2) Lime Village elementary school - construction

- 1 (3) Pilot Point elementary school - addition
- 2 (4) Sleetmute elementary school - construction
- 3 (5) Ruby elementary school - construction
- 4 (6) Whale Pass elementary school - addition
- 5 (7) Perryville elementary school - remodeling
- 6 (8) White Mountain elementary school - construction
- 7 (9) Minto elementary school - addition
- 8 (10) Koyukuk elementary school - addition
- 9 (11) Chignik Lake elementary school - addition
- 10 (12) Shungnak elementary school - construction
- 11 (13) Mentasta Lake elementary school - addition
- 12 (14) Levelock elementary school - addition
- 13 (15) McGrath elementary school - shop
- 14 (16) Fort Yukon elementary school - remodeling
- 15 (17) Tok elementary school - addition
- 16 (18) Fortuna Ledge elementary school - sewer and water
- 17 (19) Red Devil elementary school - addition
- 18 (20) Cantwell elementary school - construction
- 19 (21) Angoon school - addition
- 20 (22) Glenallen school - addition
- 21 (23) vocational education facilities - three locations
- 22 (24) Holy Cross school - addition
- 23 (25) Shishmaref school - construction
- 24 (26) Nikolai school - addition
- 25 (27) Tri-Valley school - addition
- 26 (28) Delta school - addition
- 27 (29) playgrounds - 100 locations
- 28 (30) Kaltag school - construction
- 29 (31) dry storage facilities - various locations

- 1 (32) inflation allowance - all projects
- 2 (33) Northway school - ninth grade classroom construction
- 3 (34) Noatak school - ninth grade classroom construction
- 4 (35) Manokotak school - ninth grade classroom construction
- 5 (36) New Stuyahok - ninth grade classroom construction
- 6 (37) Sand Point high school - area high school
- 7 (38) Kaltag - bulk oil storage
- 8 (39) Red Devil - bulk oil storage
- 9 (40) Aniak - bulk oil storage
- 10 (41) Anvik - sewer, water systems
- 11 (42) Tanana - sewer lift station
- 12 (43) Fort Yukon - sewer lift station
- 13 (44) Circle - well, sewer improvements
- 14 (45) Chalkyitsik - sewer, water improvements
- 15 (46) Igiugig - sewer, water improvements
- 16 (47) Buckland - sewer, water improvements
- 17 (48) Deering - sewer, water, heating
- 18 (49) Bethel - roof replacement
- 19 (50) Kaltag - roof replacement
- 20 (51) Metlakatla - remodeling
- 21 (52) water, sewer improvements - various
- 22 (53) Koyukuk - oil storage
- 23 (54) Igiugig - oil storage
- 24 (55) Pilot Point - well
- 25 (56) Kivalina - water storage
- 26 (57) Shishmaref - heat, sewer, and water
- 27 (58) Cantwell - roof, remodeling
- 28 (59) Russian Mission - roof repair
- 29 (60) Manley Hot Springs - plumbing

- 1 (61) Atmautluak - storage
2 (62) Koyuk - well
3 (63) Allakaket - water, sewer repair
4 (64) environmental deficiencies - various
5 (65) advance planning revolving fund

6 * Sec. 3. If the issuance of these bonds is authorized by the qualified
7 voters of the state, the amount of \$57,050 or as much of that amount
8 as is found necessary is appropriated from the general fund of the state
9 to the state bond committee to carry out the provisions of this Act and
10 to pay expenses incident to the sale and issuance of the bonds authorized
11 in this Act. The amounts expended from the appropriation authorized by
12 this section shall be reimbursed to the general fund from the proceeds
13 of the sale of the bonds authorized by this Act.

14 * Sec. 4. The question whether the bonds authorized in this Act are
15 to be issued shall be submitted to the qualified voters of the state at
16 the next state general election and shall read substantially as follows:

17 Proposition

18 State General Obligation State-Operated School

19 Construction Bonds \$16,300,000

20 Shall the State of Alaska issue its general obligation bonds
21 in the principal amount of not more than \$16,300,000 for the
22 purpose of paying the cost of state-operated school construction?

23 Bonds Yes []

24 Bonds No []

25 * Sec. 5. This Act takes effect on the day after its passage and
26 approval or on the day it becomes law without approval.

DRAFT

Senate Finance Committee Report
on CSHB 472

The Senate Finance Committee concurs with all items of the House Finance Committee Report for CSHB 472 except Item 4 which lists authorized projects. The House projects are accepted as amended as follows:

(13)	Kenny Lake - secondary school	<u>\$2,000,000</u>	[2,500,000]
(14)	Kivalina - elementary/secondary school	<u>2,300,000</u>	[2,800,000]
(16)	<u>Savoonga - school construction</u>	<u>1,000,000</u>	
(17)	<u>Telida - school construction</u>	<u>500,000</u>	
(18)	<u>Dot Lake - school construction</u>	<u>500,000</u>	
	(Re-number all other projects accordingly)		
(20)	Kongiganak - elementary school construction	<u>2,200,000</u>	[2,700,000]
47	Kaltag - school construction	<u>2,212,000</u>	[2,712,000]
49	Northway - school [9th GRADE CLASSROOM] construction	<u>1,500,000</u>	[500,000]
56	Contingency reserve	<u>142,500</u>	[1,142,500]

The effect of the amendments is to add three new projects (Savoonga, Telida, Dot Lake) and expand the Northway project by reallocating funds from other projects and reducing the contingency reserve.

Committee may request
this bill for comparison
with 472-

Introduced: 4/8/74
Referred: Health, Education &
Social Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 838

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$37,800,000 for the
8 purpose of paying the cost of rural school construc-
9 tion; and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of rural school
12 construction, general obligation bonds of the state in the principal amount
13 of not more than \$37,800,000 shall be issued and sold. The full faith,
14 credit and resources of the state are pledged to the payment of the
15 principal of and interest and redemption premium, if any, on these bonds.
16 These bonds shall be issued under the provisions of AS 37.15 as those pro-
17 visions read at the time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1974
20 Rural School Construction Fund" shall be established, to which
21 shall be credited the proceeds of the sale of the bonds described in sec. 1
22 of this Act except for the accrued interest and premiums. There is appro-
23 priated from the "1974 Rural School Construction Fund" to the State-
24 Operated School System the amount of \$32,800,000. There is appropriated
25 from the "1974 Rural School Construction Fund the amount of \$5,000,000. The
26 specific uses of the proceeds of these bonds shall be determined by the
27 governor in accord with the following statement of the scope of the major
28 projects as required by AS 24.03.037:

29 State Operated Schools

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- (1) Kongiganak elementary school - construction
- (2) Lime Village elementary school - construction
- (3) Pilot Point elementary school - addition
- (4) Sleetmute elementary school - construction
- (5) Ruby elementary school - construction
- (6) Whale Pass elementary school - addition
- (7) Perryville elementary school - remoueling
- (8) Minto elementary school - addition
- (9) Koyukuk elementary school - addition
- (10) Shungnak elementary school - construction
- (11) Mentasta Lake elementary school - addition
- (12) Levelock elementary school - addition
- (13) McGrath elementary school - shop
- (14) Fort Yukon elementary school - remodeling
- (15) Tok elementary school - addition
- (16) Fortuna Ledge elementary school - sewer and water
- (17) Red Devil elementary school - addition
- (18) Cantwell elementary school - construction
- (19) Angoon school - addition
- (20) Glenallen school - addition
- (21) vocational education facilities - three locations
- (22) Holy Cross school - addition
- (23) Shishmaref school - construction
- (24) Nikolai school - addition
- (25) Tri-Valley school - addition
- (26) Delta school - addition
- (27) playgrounds - 100 locations
- (28) Kaltag school - construction
- (29) dry storage facilities - various locations

- 1 (30) inflation and contingency allowance - all projects
- 2 (31) Northway school - ninth grade classroom construction
- 3 (32) Noatak school - ninth grade classroom construction
- 4 (33) Anokotak school - ninth grade classroom construction
- 5 (34) New Stuyahok - ninth grade classroom construction
- 6 (35) Sand Point high school - area high school
- 7 (36) Kaltag - bulk oil storage
- 8 (37) Red Devil - bulk oil storage
- 9 (38) Aniak - bulk oil storage
- 10 (39) Anvik - sewer, water systems
- 11 (40) Tanana - sewer lift station
- 12 (41) Fort Yukon - sewer lift station
- 13 (42) Circle - well, sewer improvements
- 14 (43) Chalkyitsik - sewer, water improvements
- 15 (44) Igiugig - sewer, water improvements
- 16 (45) Buckland - sewer, water improvements
- 17 (46) Deering - construction
- 18 (47) Bethel - roof replacement
- 19 (48) Kaltag - roof replacement
- 20 (49) Metlakatla - remodeling
- 21 (50) water, sewer improvements - various
- 22 (51) Koyukuk - oil storage
- 23 (52) Igiugig - oil storage
- 24 (53) Pilot Point - well
- 25 (54) Kivalina - water storage
- 26 (55) Shishmaref - heat, sewer, and water
- 27 (56) Cantwell - roof, remodeling
- 28 (57) Russian Mission - roof repair
- 29 (58) Manley Hot Springs - plumbing

- 1 (59) Atmautluak - storage
- 2 (60) Koyuk - well
- 3 (61) Allakaket - water, sewer repair
- 4 (62) Akiak elementary school - construction
- 5 (63) environmental deficiencies - various
- 6 (64) Tok - various
- 7 (65) Healy - gym completion

8 Department of Education

- 9 (1) Galena - elementary and secondary school construction
- 10 (2) Hydaburg - addition
- 11 (3) forgive indebtedness for past construction
- 12 (4) Dillingham - forgive indebtedness for past construction
- 13 (5) estimated overrun - school construction costs, ch. 170,

14 SLA 1970

15 (6) estimated overrun - school construction costs, sec. 10,
16 ch. 250, SLA 1970

17 * Sec. 3. If the issuance of these bonds is authorized by the qualified
18 voters of the state, the amount of \$132,300 or as much of that amount
19 as is found necessary is appropriated from the general fund of the state
20 to the state bond committee to carry out the provisions of this Act and
21 to pay expenses incident to the sale and issuance of the bonds authorized
22 in this Act. The amounts expended from the appropriation authorized by
23 this section shall be reimbursed to the general fund from the proceeds
24 of the sale of the bonds authorized by this Act.

25 * Sec. 4. The question whether the bonds authorized in this Act are
26 to be issued shall be submitted to the qualified voters of the state at
27 the next state general election and shall read substantially as follows:

28 Proposition

29 State General Obligation Rural School Construc-

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tion Bonds \$37,800,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$37,800,000 for the purpose of paying the cost of rural school construction?

Bonds Yes []

Bonds No []

* Sec. 5. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.