

LEG. FINANCE - BILLS 1985 - 1986 2411

HB 484 - HB 486 2411

HOUSE
COMMITTEE REPORT

2/24

Date referred: 1/17/86

FURTHER REFERRALS: FINANCE

DATE: 2/21/86

The STATE AFFAIRS Committee has considered HB 484

"An Act making a special appropriation to the principal of the Alaska Permanent fund; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
- replace with _____ new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note - Sup 90
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Katie Hurley
W. M. Miller
John Collins
M. Naraine

Bette Cato No Rec

Katie Hurley
 Chairman

Introduced: 1/17/86
Referred: State Affairs and
Finance

Cook

Funding Information
General Fund ✓ 43,000,000
Other Funds - 0 -
 \$243,000,000

BY SUND, COTTEN, DAVIS, CLOCKSIN,
BOUCHER, NAVARRE, HURLEY,
M.M. MILLER, THOMPSON, PHILLIPS,
SZYMANSKI, PIGNALBERI, LARSON
AND MARTIN

1 IN THE HOUSE

2 HOUSE BILL NO. 484

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the princi-
7 pal of the Alaska permanent fund; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$243,000,000 is appropriated from the general
11 fund to the principal of the Alaska permanent fund.

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

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CC
sup 90
2/24

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 484
 Title : An Act Making a Special
Appropriation to the Principal of the
Alaska Permanent Fund
 Sponsor : Sund et. al.
 Requestor : State Affairs and Finance
 Date of Request : 2/17/86

FISCAL DETAIL

Agency Affected : _____
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING : (Millions of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
GENERAL FUND	(243.0)	see below				
FEDERAL FUNDS						
OTHER PF PRIN	(243.0)	see below				
TOTAL						

POSITIONS :

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
GF-DIV Acct	0	0	2.39	4.96	7.59	10.39
PF-PRIN INFL PROOF	0	9.63	11.63	13.24	13.90	14.60
PF-UIA	0	11.86	9.15	5.45	3.71	1.67

Prepared by : Mary Ellen Frank *MEF*
 Division : Revenue/Commissioner's Office/Research

Phone : 2174
 Date : 2/21/86

Approved by Commissioner : *Mary H. Sturdick*
 Agency : _____

Date : 2/21/86

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

ALASKA STATE LEGISLATURE

14th... Legislature **SECOND**... Session

HOUSE BILL..... NO. 484...

By SUND, COTTEN, DAVIS, GLOCK, SIN, BOUCHER, NAVARRE, HURLEY, M.M. MILLER, THOMPSON, PHILLIPS, SZYMANSKI, PIGNALBERI, LARSON, MARTIN

"An Act making a special appropriation to the principal of the Alaska permanent fund; and providing for an effective date."

Permanent fund

Introduced in the House ..1/17...., 19.86

HISTORY IN THE HOUSE

1986

Jan 17

Read first time and referred to Committee on

STATE AFFAIRS AND FINANCE

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Introduced: 1/17/86
Referred: State Affairs and
Finance

Funding Information

General Fund \$243,000,000
Other Funds - 0 -
\$243,000,000

BY SUND, COTTEN, DAVIS, CLOCKSIN,
BOUCHER, NAVARRE, HURLEY,
M.M. MILLER, THOMPSON, PHILLIPS,
SZYMANSKI, PIGNALBERI, LARSON
AND MARTIN

1 IN THE HOUSE

2 HOUSE BILL NO. 484

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the princi-
7 pal of the Alaska permanent fund; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$243,000,000 is appropriated from the general
11 fund to the principal of the Alaska permanent fund.

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

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HOUSE
COMMITTEE REPORT

(11)

Date referred: 4/17/86

FURTHER REFERRALS:

DATE: 5-1-86

The FINANCE Committee has considered HB 402

"An Act relating to military and overseas voters."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 402 (JUD) same title
- new title

and recommends Individual Recommendations

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note 4-28-86
- New

SIGNING DO PASS:

Pat Fouchet

Rich Uelsh

Ronald J. Turner (with Reservations)

Mark

SIGNING OTHER RECOMMENDATIONS:

Albert Adams - NO REC.

John Condit - NO REC

Mike Summerville - DO NOT PASS - 15

Jim Duncan - DO NOT PASS

Alvin Rigg - No Recommendation

John Risher - NO REC.

Jim Coste - DO NOT PASS

Albert Adams
Chairman

Offered: 4/17/86
Referred: Finance

Original sponsors: Martin and M.W.Miller

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 402 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to absentee voting."

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

8 * Section 1. AS 15.20.081(b) is amended to read:

9 (b) An application for an absentee ballot by mail must be post-
10 marked not [MORE THAN SIX MONTHS NOR] less than 14 [SEVEN] days before
11 the election for which the absentee ballot is sought. The application
12 for an absentee ballot shall permit the person to register to vote
13 under AS 15.07.070 and to request an absentee ballot for each state
14 election held that year in which the voter is eligible to vote.

15 * Sec. 2. AS 15.20 is amended by adding a new section to read:

16 Sec. 15.20.082. ABSENTEE VOTING BY MAIL FROM OUTSIDE THE UNITED
17 STATES. (a) The director shall prepare special absentee ballots
18 under this section for use in a state primary election, a state
19 general election, and a state special election when the voter notifies
20 the director in writing that the voter expects to be living, working,
21 or traveling outside the United States at the time of the election.
22 The director shall prepare the ballot so that it may be sent to the
23 absentee voter 60 days before the date of the election. The director
24 shall list on the ballot the different races to be voted on at the
25 particular election on a statewide basis and, if the director prepares
26 the ballot without the names of candidates printed on the ballot, the
27 director shall provide the voter with information described in (c) of
28 this section.

29 (b) A special state absentee ballot prepared for use under (a)

1 of this section shall contain each judicial retention election and
2 ballot proposition or question scheduled to appear on the particular
3 ballot.

4 (c) A special state absentee ballot prepared for the state
5 general election or for a state special election shall, if the names
6 of candidates are not yet certified, permit a voter to cast a ballot
7 for all the candidates of a particular political party that expects to
8 have candidates appear on the ballot; for this purpose, the director
9 shall prepare the ballot with party boxes and a blank line for each
10 office to be voted on in that election. The voter may vote for a
11 candidate for that office by writing in the name of a person and
12 marking the box to the right of that name or the voter may mark one of
13 the party boxes. If the voter puts a mark in a party box for that
14 office, the director shall count the mark as a vote cast for the
15 candidate for that office nominated by that party. If the voter
16 writes in a name for an office, the vote shall be counted as a write-
17 in vote for that office. The director shall count the ballots under
18 AS 15.15.360. The director shall provide the voter with the names of
19 each candidate appearing on the primary election ballot and the names
20 of any candidates who have qualified by petition to appear on the
21 general election ballot.

22 (d) The director shall prepare the regular absentee ballots as
23 soon as is reasonably possible and shall send the regular absentee
24 ballot to each person receiving a special absentee ballot under this
25 section. The director shall, if the regular absentee ballot is re-
26 ceived within the time required by law, count the regular absentee
27 ballot in preference to the special absentee ballot.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 402 (JUD)
 Title : Absentee Voting

 Sponsor : Representative Martin
 Requestor : House Finance Committee
 Date of Request : 4/28/86

FISCAL DETAIL

Agency Affected : Governor's Office
 BRU : Division of Elections/Lt. Governor

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL		-0-	-0-	-0-	-0-	-0-
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REVENUE		-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Funds needed to print the overseas ballot and mailing costs can be absorbed in the Division's Budget.

APA

Prepared by : Representative Adams - Chairman Phone : 465-3706
 Division : House Finance Committee Date : 4/28/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Amendment to 402 ^{Purchase}

page 1, line 21, after the word
"states" insert the following:

" and provides an overseas, APO,
or FPO address at which they
expect to be "



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

April 24, 1986

MEMORANDUM

TO: Representative Terry Martin
FROM: Carol Hart, Secretary ^{CH}
RE: Submarine Ballot

David Teal asked that I send you the attached legislation on Submarine Ballot Act.

This is contained in Suggested State Legislation, 1986, Volume 45, published by the Council of State Governments.

CH

Attachment

Submarine Ballot Act

Four to five million qualified American voters live in other countries and must often cope with complex obstacles in order to exercise their right to vote. In some cases, such as Navy personnel stationed on nuclear submarines that remain submerged for sixty to ninety days at a time, these obstacles can prevent voting entirely.

Many states are unable or unwilling to alter primary dates in order to print absentee general election ballots soon enough to accommodate overseas voters. An alternative that promotes enfranchisement is the "submarine ballot," a special ballot that can be mailed up to ninety days in advance of the election to voters who apply that early and can certify they expect not to be able to vote in the usual absentee manner. The ballot does not have all the candidates' names, only titles of offices and as many names or measures as can qualify before the printing deadline. The absentee voter marks the ballot by writing in a name or expressing a party preference for each office.

This draft bill combines 1984 Washington and Connecticut legislation and incorporates minor changes suggested by the U.S. Department of Defense's Federal Voting Assistance Program.

(Title, enacting clause, etc.)

1 Section 1. [*Short Title.*] This act may be cited as the Submarine Ballot Act.

1 Section 2. [*Providing Absentee Ballots.*]

2 (a) As provided in this section, the county election officer shall provide
3 special absentee ballots to be used for state primary or state general elec-
4 tions. A special absentee ballot shall only be provided to a voter who com-
5 pletes an application stating that:

6 (1) The voter believes that she or he will be residing or stationed or
7 working outside the continental United States.

8 (2) The voter believes that she or he will be unable to vote and return
9 a regular absentee ballot by normal mail delivery within the period provided
10 for regular absentee ballots.

1 Section 3. [*Application for Absentee Ballot.*]

2 (a) The application for a special absentee ballot may not be filed earlier
3 than [ninety] days prior to the applicable state primary or general election.

4 (b) The application for an overseas ballot shall be the federal application
5 permitted under [cite appropriate act] or in the form of an affidavit sub-
6 scribed and sworn to before an officer authorized to administer oaths, and
7 shall provide substantially as follows:

8 To the Town Clerk of the Town of [town, state] I, the undersigned, swear
9 that the following statements are true:

10 (1) I am a citizen of the United States.

11 (2) I have not at any time forfeited my right to become an elector and my
12 electoral privileges because of conviction of a disfranchising crime or, in the
13 event that I have so forfeited such rights and privileges, all fines in con-
14 junction with such conviction have been paid, I have been discharged from
15 any confinement, parole, or probation, as the case may be, relating to such
16 conviction and I submit written proof thereof.

17 (3) I was born on [date], and on the day of the next federal election,
18 I shall be at least eighteen years of age.

19 (4) I am a former resident of the above town, to which I am making this
20 application, and resided at [street address] therein. I moved from; such town
21 to my present residence on [date]. I now reside in [town] at [street address]
22 therein.

23 (5) I have a valid passport or card of identity and registration issued
24 under the authority of the Secretary of State of the United States or alternate
25 form of identification.

26 (6) I hereby apply for an overseas ballot for the

- 27 Primary
28 General Election
29 Special Election

30 to be held on [date]. I do not maintain a domicile in this state or in any other
31 state or election district of any state or territory or any territory or posses-
32 sion of the United States. I have not voted and will not vote otherwise than by
33 this ballot at such election for which I now apply for an overseas ballot.
34 I am not eligible to vote in any other town in [state] or in any other state
35 or election district of any state or territory or any territory or possession
36 of the United States.

37 (7) The said ballot is to be mailed to me at [mailing address].

38 Dated at _____ this _____ day of _____ 19____.

39 _____ (Signature of applicant)

40 Subscribed and sworn to before me this _____ day of _____,
41 19_____

42 _____ (Signature and title of officer
43 administering oath)

44 (c) The oath to be administered in connection with any such application
45 may be administered by any officer empowered to administer oaths under
46 [cite appropriate act] or any officer empowered to administer oaths under
47 the laws of any state or country or by any commissioned officer in the armed
48 forces, or any consul, vice consul or deputy consul representing the United
49 States in a foreign country, and shall be attested to by such officer over his
50 signature and title or statement of rank. In addition, any such oath may be
51 administered and attested by any two persons, one of whom shall be an
52 American citizen, if taken in a foreign country.

1 Section 4. [*Contents of Ballot.*]

2 (a) The special absentee ballot shall list the titles of all offices contested
3 at such election and measures, if known, scheduled to appear on the state
4 primary or general election ballot. The voter may use the special absentee
5 ballot to write in a party preference, the name of any eligible candidate for
6 each office, and vote on any measure.

7 (b) With any special absentee ballot issued under this section, the county
8 election officer shall include a listing of any candidates who have filed be-
9 fore the time of the application for offices that will appear on the ballot
10 at that primary or election and a list of any issues that have been referred
11 to the ballot before the time of the application.

12 (c) Write-in votes on special absentee ballots shall be counted in the same
13 manner provided by law for the counting of other write-in votes. The county
14 election officer, shall process and canvass the special absentee ballots pro-
15 vided under this section in the same manner as other absentee ballots under
16 [cite appropriate act].

1 Section 5. [*Validity of Ballot.*] A voter who requests a special absentee
2 ballot under this act may also make application for an absentee ballot under
3 [cite appropriate act] or a service absentee ballot under [cite appropriate
4 act]. If the regular absentee or service absentee ballot is properly voted and
5 returned, the special absentee ballot shall be deemed void and the county
6 election officer shall reject it in whole when special absentee ballots are
7 canvassed.

1 Section 6. [*Severability.*] [Insert severability clause.]

1 Section 7. [*Repealer.*] [Insert repealer clause.]

1 Section 8. [*Effective Date.*] [Insert effective date.]

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. SHE 402 (Am)
 Title: An Act relating to Military and Overseas voters

Sponsor: Martin
 Requestor: House State Affairs
 Date of Request: 2/28/86

FISCAL DETAIL

Agency Affected: Office of the Governor
 BRU: Elections

Components: Primary and General

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		5.4		1.1		1.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		5.4	-0-	1.1	-0-	1.2
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND		5.4	-0-	1.2	-0-	1.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary. The costs reflected in this fiscal note cover printing and postage of the special absentee ballot based on the number of voters anticipated to avail themselves of the program. In FY87, the one time additional costs cover modifying the existing computer system to accommodate the special ballot program.

Prepared by: Linda Edgeworth Phone: 465-4611
 Division: Elections Date: 3/6/86

Approved by Commissioner: Harry Valcutt for Sandra Strait Date: 3/10/86
 Agency: Division of Elections

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

REP. TERRY MARTIN

ELECTIVE DISTRICT 13
MOUNTAIN VIEW
RUSSIAN JACK SPRINGS
NUNAKA VALLEY
ELMENDORF A.F.B.
CREEKSIDE
EAST ANCHORAGE



HOME
3960 REKA DRIVE-B6
ANCHORAGE, AK 99508
PHONE 333-6990

DURING SESSION
POUCH V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE 465-3783

Alaska House of Representatives

MEMORANDUM

To: Representative Al Adams, Chairman
House Finance Committee

From: Representative Terry Martin *T.M.*

Date: April 15, 1986

Subject: CS HB 402 Judiciary

"An Act relating to military and overseas voters."

Alaska's overseas and military voters need a simple process and adequate time to apply for and receive absentee ballots. This bill accomplishes both.

First, it backs up in statute procedures already established by the Division of Elections, which a) allow an absentee voter to send in one form to request absentee ballots for all state elections occurring in the following year; and, b) permit the voter to register to vote. All of these actions can be accomplished on one form, in one mailing.

Second, the bill allows a voter to request absentee ballots up to one year in advance of an election. Current law allows ballots to be requested no more than six months in advance, which means that if a voter desires an absentee ballot for both the primary and general elections, then the request can be made no more than three months before the primary, or else it will be more than six months before the general.

Third, the bill sets up a procedure so that absentee ballots can be mailed out to voters earlier, giving military and overseas voters enough time to apply for, receive and return their ballots so that their votes can be counted. As you may know, it is not unusual for overseas mail to require 15 days or more for delivery in one direction. Because of this unique circumstance, we recognize the need to provide overseas and military voters with a mechanism to receive their absentee ballots earlier than other voters.

Under existing law, it would be difficult for Division of Elections to have regular ballots ready for mailing 60 days before an election, especially a general election, since so much time is required to certify the primary election.

Therefore, HB 402 sets up a new system, similar to that used by Washington State and others.



A special absentee ballot will be prepared for each state general election. This ballot will show all ballot propositions or questions. The special ballot will contain party boxes and a blank line with a box, for each race, sort of like this:

<input type="checkbox"/>	Democrat	<input type="checkbox"/>	Republican	<input type="checkbox"/>	Libertarian
_____			<input type="checkbox"/>		

The absentee voter may then vote in one of two ways: 1) by marking one of the boxes, thereby voting for the candidate nominated by the party (the primary winner); or, 2) by writing in a candidate and checking the corresponding box. The Division of Elections will provide an enclosure with the special ballot which lists the names of all the qualified candidates that were in the primary race, as well as any candidates who qualify by petition to appear on the general election ballot.

When the regular ballots are prepared, Division of Elections will send one out to each voter who received a special absentee ballot. As this regular ballot will be complete, containing all the candidates' names, this ballot would be counted in preference to the special ballot if the regular ballot is received back in time to meet statutory deadlines. If the second ballot is not returned in time, the first (special) ballot would be counted.

The Division of Elections has given their support to this bill, and you will note that the fiscal note is minimal.

It is vital that you give careful consideration to this measure, in the interests of all Alaskan voters. I will be happy to provide additional information or to answer any questions.

Offered: 3/26/86
Referred: Judicial; and
Finance

Original sponsors: Martin and M.W.Miller

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 402 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to absentee voting."

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

8 * Section 1. AS 15.20.081(b) is amended to read:

9 (b) An application for an absentee ballot by mail must be post-
10 marked not [MORE THAN SIX MONTHS NOR] less than seven days before the
11 election for which the absentee ballot is sought. The application for
12 an absentee ballot shall permit the person to register to vote under
13 AS 15.07.070 and to request an absentee ballot for each state election
14 held that year in which the voter is eligible to vote.

15 * Sec. 2. AS 15.20 is amended by adding a new section to read:

16 Sec. 15 20.082. ABSENTEE VOTING BY MAIL FROM OUTSIDE THE UNITED
17 STATES. (a) The director shall prepare special absentee ballots
18 under this section for use in a state primary election, a state
19 general election, and a state special election when the voter notifies
20 the director in writing that the voter expects to be living, working,
21 or traveling outside the United States at the time of the election.
22 The director shall prepare the ballot so that it may be sent to the
23 absentee voter 60 days before the date of the election. The director
24 shall list on the ballot the different races to be voted on at the
25 particular election on a statewide basis and, if the director prepares
26 the ballot without the names of candidates printed on the ballot, the
27 director shall provide the voter with information described in (c) of
28 this section.

29 (b) A special state absentee ballot prepared for use under (a)

1 of this section shall contain each judicial retention election and
2 ballot proposition or question scheduled to appear on the particular
3 ballot.

4 (c) A special state absentee ballot prepared for the state
5 general election or for a state special election shall, if the names
6 of candidates are not yet certified, permit a voter to cast a ballot
7 for all the candidates of a particular political party that expects to
8 have candidates appear on the ballot; for this purpose, the director
9 shall prepare the ballot with party boxes and a blank line for each
10 office to be voted on in that election. The voter may vote for a
11 candidate for that office by writing in the name of a person and
12 marking the box to the right of that name or the voter may mark one of
13 the party boxes. If the voter puts a mark in a party box for that
14 office, the director shall count the mark as a vote cast for the
15 candidate for that office nominated by that party. If the voter
16 writes in a name for an office, the vote shall be counted as a write-
17 in vote for that office. The director shall count the ballots under
18 AS 15.15.360. The director shall provide the voter with the names of
19 each candidate appearing on the primary election ballot and the names
20 of any candidates who have qualified by petition to appear on the
21 general election ballot.

22 (d) The director shall prepare the regular absentee ballots as
23 soon as is reasonably possible and shall send the regular absentee
24 ballot to each person receiving a special absentee ballot under this
25 section. The director shall, if the regular absentee ballot is re-
26 ceived within the time required by law, count the regular absentee
27 ballot in preference to the special absentee ballot.

Introduced: 4/25/85
Referred: State Affairs,
Judiciary and Finance

1 IN THE HOUSE

BY MARTIN

2

HOUSE BILL NO. 402

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to military and overseas voters."

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

8 * Section 1. AS 15.07.070 is amended by adding a new subsection to
9 read:

10 (g) In preparing forms necessary to achieve the purposes of this
11 chapter, the director shall ensure that a form used by a voter to
12 apply for an absentee ballot also permits the person to register to
13 vote and the director may accept a single application from a person
14 that requests absentee ballots for each state election to be held that
15 year.

16 * Sec. 2. AS 15.20 is amended by adding a new section to read:

17 Sec. 15.20.082. ABSENTEE VOTING BY MAIL FROM OUTSIDE THE UNITED
18 STATES. (a) The director shall prepare special absentee ballots
19 under this section for use in a state primary election, a state
20 general election, and a state special election when the voter expects
21 to be living, working, or traveling outside the United States at the
22 time of the election and anticipates being unable to return the ballot
23 by air mail within the time otherwise required by this chapter. The
24 director shall prepare the ballot so that it may be sent to the absen-
25 tee voter 60 days before the date of the election.

26 (b) A special state absentee ballot prepared for use under (a)
27 of this section shall contain each ballot proposition or question
28 scheduled to appear on the particular ballot.

29 (c) A special state absentee ballot prepared for the state

1 general election or for a state special election shall, if the names
2 of candidates are not yet certified, permit a voter to cast a ballot
3 for all the candidates of a particular political party that expects to
4 have candidates appear on the ballot; for this purpose, the director
5 shall place the names of the candidates that have been certified in
6 columns by political party and permit the voter to cast a vote for the
7 identified and unidentified candidates of that party by marking a box
8 at the head of the column; if a mark is placed in the box at the head
9 of a column, a vote has been cast for each candidate actually nomin-
10 ated by that party on the ballot prepared for use in the district and
11 a vote cast for an individual candidate in another party may not be
12 counted. The ballot shall indicate that marking the box constitutes a
13 vote for each candidate of that party whose name appears on the offi-
14 cial ballot.

15 (d) Notwithstanding AS 15.25.070, a special absentee ballot
16 prepared for a state primary election that fails to list the name of
17 each candidate seeking nomination at the primary election shall permit
18 the absentee voter to write in the names of individual candidates and
19 the director shall count, in addition to votes cast for a candidate
20 whose name is printed on the special primary election ballot, the
21 names of individual candidates who are written in under this sub-
22 section.

23 (e) The director shall prepare the regular absentee ballots as
24 soon as is reasonably possible and shall send the regular absentee
25 ballot to each person receiving a special absentee ballot under this
26 section. The director shall, if the regular absentee ballot is re-
27 ceived within the time required by law, count the regular absentee
28 ballot in preference to the special absentee ballot.

COMMITTEE REPORT
SENATE

FURTHER:

4/16/86

Date 5/11/86

Mr. President

The Committee on FINANCE considered CSHB 485(JUD)
reltaing to powers and duties of guardians.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation → H&SS
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
[Signature]

[Signature]
Chairman
do pass.
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 2/3/86

REQUEST

Bill/Resolution No. : HB 485
 Title : An Act relating to powers and duties of guardians.
 Sponsor : Sund & Gruenberg
 Requestor : _____
 Date of Request : 2/3/86

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Social Services
Youth Services
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

n/a

Prepared by : Michael L. Price, Director
 Division : Family and Youth Services

Phone : 465-3170
 Date : February 4, 1986

Approved by Commissioner : John R. Pugh, Commissioner
 Agency : Health and Social Services

Date : 2/5/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Offered: 2/26/86
Referred: Rules

Original sponsors: Sund and
Gruenberg

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 485 (Judiciary)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to powers and duties of guardians."

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

8 * Section 1. AS 13.26.150(e) is amended to read:

9

(e) A guardian may not

10

(1) place the ward in a facility or institution for the
11 mentally ill other than through a formal commitment proceeding under
12 AS 47.30 in which the ward has a separate guardian ad litem;

13

(2) consent on behalf of the ward to an abortion, ster-
14 ilization, psychosurgery, or removal of bodily organs except when
15 necessary to preserve the life or prevent serious impairment of the
16 physical health of the ward;

17

(3) consent on behalf of the ward to the withholding of
18 lifesaving [LIFE-SAVING] medical procedures; however, a guardian is
19 not required to oppose the cessation or withholding of lifesaving
20 medical procedures when those procedures will serve only to prolong
21 the dying process and offer no reasonable expectation of effecting a
22 temporary or permanent cure of or relief from the illness or condition
23 being treated unless the ward has clearly stated that lifesaving
24 medical procedures not be withheld; a guardian is not civilly liable
25 for acts or omissions under this paragraph unless the act or omission
26 constitutes gross negligence or reckless or intentional misconduct;

27

(4) consent on behalf of the ward to the performance of an
28 experimental medical procedure or to participation in a medical ex-
29 periment not intended to preserve the life or prevent serious

pl:

1 impairment of the physical health of the ward;

2 (5) consent on behalf of the ward to termination of the
3 ward's parental rights;

4 (6) prohibit the ward from registering to vote or from
5 casting a ballot at public election;

6 (7) prohibit the ward from applying for and obtaining a
7 driver's license;

8 (8) prohibit the marriage or divorce of the ward.

CS for HB485 (Judiciary)- An act relating to powers and duties of guardians

Overview prepared by Rep. John Sund's office

SECTIONAL ANALYSIS

Section 1, subsection (3) is amended to allow guardians to accept a medical decision to withhold medical procedures from their wards, when the procedures would only prolong the imminent death of a ward and provide no hope of relief or cure.

The guardian cannot be held civilly liable for adhering to the provisions of the statute.

BACKGROUND

Current law is interpreted as requiring that guardians insist on the continuation of medical procedures, once begun, regardless of a medical judgment that those procedures will not provide relief or cure for a guardian's ward.

The bill does not require the guardians to advocate for the withdrawal of any procedure nor to accept the medical judgment to discontinue a procedure. Rather, it gives them permission to accept or reject that judgment as they see fit, just as a family member who is not a guardian would be able to.

Guardians are appointed by the court with the "same powers and duties respecting the ward that a parent has respecting an unemancipated minor child". Guardians have a duty to assure the care and comfort of their wards.

The concept of the bill is supported by the Alaska Health Association, the Ketchikan General Hospital administrator, Wrangell General Hospital's administrator, Providence Hospital, PADD (Protection and Advocacy for the Developmentally Disabled), and the Older Alaskans Commission.

POSITION PAPER
Bill No. HB485

The Office of Public Advocacy in the Department of Administration performs the duties of the Public Guardian under A.S. 13.26.360-13.26.410. Guardians provide informed medical consents for incapacitated persons (wards) directly impacting the ward's health and safety according to A.S. 13.26.150(c)(5) except as limited by (e) of this section.

PRESENT STATUTE:

A.S. 13.25.150(e) "A guardian may not...(d) consent on behalf of the ward to the withholding of life-saving medical procedures."

PROPOSED AMENDMENT:

A.S. 13.25.150(e) "A guardian may not...(3) consent on behalf of the ward to the withholding of life-saving medical procedures; however, the guardian is not required to oppose the cessation or withholding of life-saving medical procedures when those procedures will serve only to prolong the dying process and offer no reasonable expectation of effecting a temporary or permanent cure or relief from the illness or condition being treated;"

RATIONALE:

The current law could be interpreted as requiring the guardian to insist upon the continuation of "life-saving medical procedures" regardless of the values such procedures might offer the patient in terms of benefits received. The question which needs to be considered is whether the procedure offers relief or cure, versus simply prolonging the dying process by the use of heroic means.

PROBLEM AREAS IN THE PRESENT STATUTE:

(1) A literal reading of the statute would mean that life-saving medical procedures cannot be stopped once they are started. Hence the possibility may arise that non-beneficial and even harmful procedures could not be withdrawn. A further possible effect might be that a different standard of care would be used for wards than for other patients. Also those with guardians might be either overtreated since the treatment could not be stopped or undertreated because the treatment was not begun lest it could not be withdrawn.

(2) the meaning of "life-saving medical procedures" is not clear nor is it defined. An attempt to define the phrase defies the enumeration process, as does a list of the exceptions. Moreover, such a task borders on the impossible because of the nature of the words. The phrase focuses on "procedures" instead of the "relationship" of the treatment to the ward in terms of the benefits received. E.G., chemotherapy or a respirator is life-saving if it is helpful in the restoration of health of the ward, but it would be counterindicated if it simply prolonged the dying process.

(3) An attempt to solve these problems by having the health care provider act independently of the guardian would defeat the purpose of guardianship. Further, such actions by the health care provider would be destructive of the informed consent process.

(4) The statute can create difficulties in the decision-making process for the guardian, ward, physician, health care institution and its personnel, and other health care providers. In addition, it would often conflict with the philosophy of medical ethics.

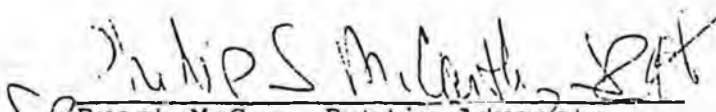
SUPPORT/HB485:

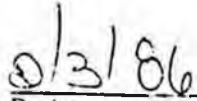
(1) The amendment more clearly delineates the different types of medical/nursing care involved, thus allowing the guardian to carry out more adequately his/her responsibilities toward the ward.

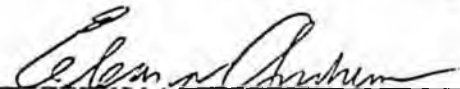
(2) The amendment allows the guardian to not oppose the cessation or withholding of life-saving medical procedures where they are clearly ineffective and not beneficial to the ward from the perspective of the ward.

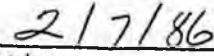
(3) The amendment facilitates and keeps open the communication process and dialogue among the guardian and health care providers at all times.

(4) There are no foreseen costs to the OPA with passage of HB485.


Brant McGee, Public Advocate
Office of Public Advocacy


Date


Commissioner Eleanor Andrews
Department of Administration


Date

health
association
of alaska

319 Seward St., Juneau, Alaska 99801

Mr. Chairman, I am Sister Barbara Haase, a member of the Sisters of St. Joseph of Peace, Administrator of Ketchikan General Hospital and former Chairman of the Health Association of Alaska. I am here today to speak on behalf of the Association as well as my own facility. The Health Association of Alaska represents hospitals and nursing homes in Alaska.

We support House Bill 485 by Representatives Sund and Gruenberg. This is a tightly drawn proposal which resolves a very specific and real problem. Under the current law "life saving procedures" may not be withheld from a ward under any circumstance. This is a substantial difference from the standard of medicine which is available to you and me. The guardianship law ought to work to protect the rights of an individual, not to deprive the person of rights.

The purpose of AS 13.26.150(e)(3) was to prevent situations where a guardian, who could benefit from the death of a ward, could decide whether or not the ward should die. It was thought that putting either a guardian or a ward in that position should be avoided. Unfortunately, there have been unforeseen consequences.

Life-saving procedures, once begun, cannot be stopped without a court order. Heroic treatment must always be applied, without regard to its ultimate usefulness. This results in prolonged useless medical treatment.

Let me offer you 2 examples: A 90 year old frail and deteriorating patient with a failing kidney. If the patient suffers acute renal failure, is hemodialysis appropriate? Probably not, unless you are a ward. If the patient goes into cardiac arrest, should defibrillation be administered? Probably not, unless you are a ward. In either case is there a realistic expectation of any positive or prolonged outcome? I would expect not.

Under current law there is no latitude in these cases. This is not the intent of the original law nor is it reasonable or humane treatment of individuals with proper concern for the dignity of the individual.

House Bill 435 offers a simple and realistic solution to this dilemma. It provides that a guardian can accept the advice of the medical community as it relates to the withholding of procedures when those procedures will only serve to prolong the dying process and offer no reasonable expectation of effecting a temporary or permanent cure of, or relief from, the illness or condition being treated. The ward remains protected by the provisions of the guardianship law. The guardian retains the obligation to act on behalf of the ward and to protect the rights of the ward. This measure simply includes the option, not a mandate, to accept medical advice.

We do not believe that the guardian is placed in an impossible situation in this bill. A guardian retains the obligation to review the recommendations and if, in the guardian's opinion, the recommendation is not appropriate, to object. This bill simply says that the objection is not mandated in law. It restores judgement where it should have always been and restores rights to a ward which we believe were unintentionally taken away with the passage of Alaska's guardianship law.

Mr. Chairman, I would like to thank you for this opportunity to testify. I would be pleased to answer any questions.

(e) The temporary guardianship shall expire at the time of the appointment of a full or partial guardian or upon the dismissal of the petition for guardianship.

(f) If no guardianship petition is pending but the court is informed of a person who is apparently incapacitated and in need of emergency life-saving services, the court may authorize the services upon determining that delay until a guardianship hearing can be held would entail a life-threatening risk to the person. (§ 1 ch 78 SLA 1978; am § 11 ch 83 SLA 1981)

Effect of amendments. — The 1981 amendment rewrote this section.

Sec. 13.26.141. Emergency powers. Notwithstanding the limits of a temporary guardianship or guardianship order, a temporary guardian and guardian at all times have the right to authorize the provision of emergency life-saving services. This right includes the power to authorize hospitalization without advance court approval. (§ 12 ch 83 SLA 1981)

Sec. 13.26.145. Who may be guardian; priorities. (a) The court may appoint a competent person, the public guardian, or a private association or nonprofit corporation with a guardianship program for incapacitated persons, as guardian of an incapacitated person.

(b) The court may not appoint a person to be a guardian of an incapacitated person if the person

(1) provides, or is likely to provide during the guardianship period, substantial services to the incapacitated person in a professional or business capacity, other than in the capacity as guardian;

(2) is, or is likely to become during the guardianship period, a creditor of the incapacitated person, other than in the capacity as guardian;

(3) has, or is likely to have during the guardianship period, interests which may conflict with those of the incapacitated person; or

(4) is employed by a person who would be disqualified under (1) — (3) of this subsection.

(c) A person may be appointed as the guardian of an incapacitated person notwithstanding the provisions of (b) of this section if the person is the spouse, adult child, parent, or sibling of the incapacitated person and the court determines that the potential conflict of interest is insubstantial and that the appointment would clearly be in the best interests of the incapacitated person.

(d) Subject to (e) of this section, qualified persons have priority for appointment as guardian in the following order:

unemancipated minor child except that the guardian is not liable for the care and maintenance of the ward and is not liable, solely by reason of the guardianship, to a person who is harmed by acts of the ward. Except as modified by order of the court, a full guardian's powers and duties include, but are not limited to, the following:

(1) the guardian is entitled to custody of the person of the ward and shall assure that the ward has a place of abode in the least restrictive setting consistent with the essential requirements for the ward's physical health and safety;

(2) the guardian shall assure the care, comfort, and maintenance of the ward;

(3) the guardian shall assure that the ward receives the services necessary to meet the essential requirements for the ward's physical health and safety and to develop or regain, to the maximum extent possible, the capacity to meet the ward's needs for physical health and safety;

(4) the guardian shall assure through the initiation of court action and other means that the ward enjoys all personal, civil, and human rights to which the ward is entitled;

(5) the guardian may give consents or approvals necessary to enable the ward to receive medical or other professional care, counsel, treatment, or services except as otherwise limited by (e) of this section;

(6) if a conservator for the estate of the ward has not been appointed, the guardian may receive money and property deliverable to the ward and apply the money and property for support, care, and education of the ward; however, the guardian may not apply the ward's money or property for the services as guardian or for room and board which the guardian, or the guardian's spouse, parent, or child has furnished the ward unless, before payment, the court finds that the ward is financially able to pay and that the charge is reasonable; notice of a request for payment approval shall be provided to at least one relative of the ward if possible; the guardian shall exercise care to conserve any excess money or property for the ward's needs;

(7) if a conservator of the estate of the ward has been appointed, the guardian shall pay all of the ward's estate received by the guardian in excess of the money expended to meet current expenses for support, care, and education of the ward, to the conservator for management as provided in AS 13.26.165 — 13.26.315, and the guardian shall account to the conservator for money expended.

(d) A guardian of a ward, for whom a conservator has also been appointed, shall have the custody and care of the ward and is entitled to receive reasonable sums for services and for room and board furnished to the ward as agreed upon between the guardian and the conservator. The guardian may request the conservator to expend the ward's estate for the ward's care and maintenance.

§ 13.26.150

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§ 13.26.150 DECEDENTS ESTATES, GUARDIANSHIPS, ETC. § 13.26.150

(e) A guardian may not

(1) place the ward in a facility or institution for the mentally ill other than through a formal commitment proceeding under AS 47.30 in which the ward has a separate guardian ad litem;

(2) consent on behalf of the ward to an abortion, sterilization, psychosurgery, or removal of bodily organs except when necessary to preserve the life or prevent serious impairment of the physical health of the ward;

(3) consent on behalf of the ward to the withholding of life-saving medical procedures;

(4) consent on behalf of the ward to the performance of an experimental medical procedure or to participation in a medical experiment not intended to preserve the life or prevent serious impairment of the physical health of the ward;

(5) consent on behalf of the ward to termination of the ward's parental rights;

(6) prohibit the ward from registering to vote or from casting a ballot at public election;

(7) prohibit the ward from applying for and obtaining a driver's license;

(8) prohibit the marriage or divorce of the ward. (§ 1 ch 78 SLA 1972; am § 28 ch 25 SLA 1973; am § 14 ch 83 SLA 1981)

Effect of amendments. — The 1981 report on ch. 56, SLA 1973 (HCS SB 140), amendment rewrote this section. see 1973 Senate Journal Supplement No.

Legislative history reports. — For 9; 1973 House Journal, p. 819.

NOTES TO DECISIONS

Sterilization of mental incompetents. — A superior court, as a court of general jurisdiction, does have, as part of its inherent parens patriae authority, the power to entertain and act upon a petition seeking an order authorizing the sterilization of a mental incompetent. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Before sanctioning the sterilization of an incompetent, the court must take great care to ensure that the incompetent's rights are zealously guarded. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

The advocates of a proposed operation to sterilize an incompetent bear the heavy burden of proving by clear and convincing evidence that sterilization is in the best interests of the incompetent. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

The proponents of the sterilization of a mental incompetent must show that there is no less restrictive alternative to the proposed operation. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Basic notions of procedural due process require that before an order for the sterilization of a mental incompetent is entered the incompetent be afforded a full judicial hearing at which medical testimony is presented and the incompetent, through a guardian ad litem, is allowed to present proof and cross-examine witnesses. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Before an order for the sterilization of a mental incompetent is entered the court must assure itself that a comprehensive medical, psychological, and social evaluation is made of the incompetent. If it is

necessary in meeting this standard that independent advice be obtained then the court should, on its own motion, obtain such advice. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Before an order for the sterilization of a mental incompetent is entered the court must first determine that the individual legally is incompetent to make her own decision whether or not to be sterilized and that this incapacity is in all likelihood permanent. It must then be established that the incompetent is capable of reproduction and that, as a result of her disability, she would be unable to adequately care and provide for her offspring. Next, it must be shown that sterilization is the only practicable means of contraception. To the extent possible, the court must also elicit testimony from the incompetent concerning her understanding and desire for the proposed operation and its consequences. Finally, the court must examine closely the motivation behind the petition. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

The guidelines set forth in this opinion for determining the procedure to be taken on a petition for an order to sterilize a

mental incompetent are not intended to be an all-inclusive list of the various factors which the superior court should consider before ruling on a petition for sterilization. Rather, they set forth what are to be the minimum inquiries necessary to protect the constitutional rights of the incompetent. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Although the individual's status as an "incapacitated person" prevents her expressed desires from being conclusive, this does not mean that her apparent preferences can be totally ignored. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Upon the hearing of a petition for the sterilization of a mental incompetent, the incompetent's apparent preferences should be treated much the same as those of a child in a custody hearing. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

The weight to be accorded to an incompetent's preferences concerning a petition for her sterilization will depend upon the degree to which she appears to understand the purpose and significance of sterilization. *K.C.M. v. State*, Sup. Ct. Op. No. 2326 (File No. 4764), 627 P.2d 607 (1981).

Sec. 13.26.155. Proceedings subsequent to appointment; venue. (a) The court where the ward resides has concurrent jurisdiction with the court which appointed the guardian, or in which acceptance of a testamentary appointment was filed, over resignation, removal, accounting and other proceedings relating to the guardianship.

(b) If the court located where the ward resides is not the court in which acceptance of appointment is filed, the court in which proceedings subsequent to appointment are commenced shall in all appropriate cases notify the other court, in this or another state, and after consultation with that court determine whether to retain jurisdiction or transfer the proceedings to the other court, whichever may be in the best interest of the ward. A copy of any order accepting a resignation or removing a guardian shall be sent to the court in which acceptance of appointment is filed. (§ 1 ch 78 SLA 1972)

COMMITTEE REPORT
SENATE

4/1/86

FURTHER: FINANCE

Date 4/15/86
rec'd 4/6

Mr. President

The Committee on JUDICIARY considered CSHB 485 (Jud)
relating to powers and duties of guardians.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Jan Sachs
Tim Kelly
Rick Halpern
Zigler

MEMBERS HAVING
OTHER RECOMMENDATIONS

Patrick Rodey
 Chairman
do pass
 Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: JUDICIARY

3/24/86

Date 4-1-86

Mr. President

The Committee on HESS considered CSHB 485(Jud)
relating to powers and duties of guardians.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt GS for _____
- new title _____
- same title and recommends ~~_____~~ _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joe Josephson
Arthur Stumpelauer
Edna W. Davis

2 Paul Frick N. Res.

Lettye Sturdevant Do Pass
 Chairman

Chairman recommendation _____

Introduced: 1/20/86
Referred: House Special Committee on
Loans and Finance

1 IN THE HOUSE

BY RINGSTAD BY REQUEST

2 HOUSE BILL NO. 486

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financing expansion of the power
7 plant on the Fairbanks campus of the University of
8 Alaska; and providing for an effective date."

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

10 * Section 1. The Board of Regents of the University of Alaska is
11 authorized to proceed through the University of Alaska Heating Corporation
12 to issue revenue bonds or certificates of participation in a principal
13 amount not to exceed \$6,500,000, to provide financing for expansion of the
14 power plant on the Fairbanks campus of the University of Alaska. Any debt
15 incurred by issuance of bonds or certificates of participation shall be
16 paid from rentals or fees charged to the University of Alaska, by the
17 University of Alaska Heating Corporation.

18 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

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**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 2/10/86

REQUEST

Bill/Resolution No. : House Bill 486
 Title : An Act authorizing the U of A to
finance needed expansions to the UAF
power plant; eff. date
 Sponsor : Ringstad
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : University of Alaska
 BRU : University of Alaska - Fairbanks

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		(400.0)				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		400.0				
TOTAL OPERATING		0.0	-	-	-	-

CAPITAL		2,500.0	-	-	-	-
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		2,500.0				
TOTAL		2,500.0				

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS : Attach a separate page if necessary. Construction of power plant expansion will save UAF \$400.0 annually in coal costs under renegotiated contract. Debt service in FY87 will be approximately \$400.0 for first \$4 million of revenue bonds. If the full amount of bonds is issued (total \$6.5 million), an additional \$250.0 will be added to debt service annually beginning in FY88; UAF will reallocate funds from other programs.

Prepared by: Brian Rogers, Budget Director
 Division : University of Alaska

Phone : 474-7593
 Date : 2/10/86

Approved by Commissioner : *Brian Rogers for Lerran Carter*
 Agency : University of Alaska

Date : 2/10/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS
FOR House Bill 486

The capital fiscal note appropriates an additional \$2.5 million in revenue bond proceeds for the power plant project, adding to the \$4.0 million in revenue bond proceeds appropriated by the 1984 legislature.

The University of Alaska Heating Corporation will issue bonds only to the extent needed to complete the boiler and baghouse projects currently underway. The estimates for this construction range from a minimum of \$4.0 million to a maximum of \$6.5 million. Any bond authority not used will be lapsed to the State.

The University of Alaska Heating Corporation had \$5,910,000 in outstanding principle balance of bonds payable as of June 30, 1965. With passage of HB 486, the Heating Corporation will be authorized to issue an additional \$6.5 million in revenue bonds, for a maximum authorization of \$12.5 million. No new bonds will be issued without specific legislative authorization.



AL-86
Sherman Carter
Executive Vice President
(907) 474-7448

University of Alaska
Fairbanks, Alaska 99775-5260
January 10, 1986

JAN 16 1986

The Honorable John Ringstad
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear John:

Attached is a copy of a draft bill authorizing the University of Alaska Heating Corporation to issue revenue bonds on behalf of the university. Also attached is a fiscal note and background information on the Heating Corporation and the upgrades being made to the UAF heating/power plant.

John, this bill must get passed and signed by the Governor very early in the session. In anticipation of interim revenue bond financing, UAF has committed \$911,400 of its FY86 operating funds to guarantee payment of the contractor for completion of the baghouse project. Failure to receive early passage of this bill will, at a minimum, result in the Heating Corporation securing financing at excessive taxable rates instead of tax exempt rates available with a legislative resolution; or, at worst, could require a drastic layoff of physical plant and maintenance staff by the university in Fairbanks.

The bill basically allows the Heating Corporation to borrow immediately, at tax exempt rates, the funds needed to complete the baghouse installation currently in progress. This will permit UAF to utilize its FY86 operating funds for needed repairs and maintenance on campus and retain its physical plant and maintenance personnel currently on staff to do this work as originally planned before the urgency of the emissions control project was identified.

Due to restrictions in the current bond indenture agreement, the only other alternative is for the Heating Corporation to obtain the consent of 100 percent of the present bondholders and independently secure financing at taxable rates. Although the university has already obtained consent of two-thirds of the bondholders as required for issuance of additional debt, locating the remaining bondholders and obtaining full consent from everyone could be difficult or impossible in the time frame required. In addition, borrowing under such an arrangement would require taxable interest rates, which are far in excess of tax exempt rates.

University of Alaska

The Honorable John Ringstad

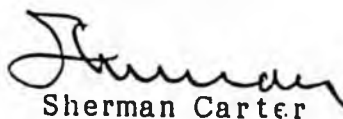
Page 2

January 10, 1986

The bill will require a fiscal note for \$2.5 million revenue bond authority in order to increase the \$4 million revenue bond appropriation authority received during the 1985 session. Passage of the bill is needed immediately, however, an early effective date on the fiscal note is not essential. A fiscal note effective date of July 1 is acceptable.

I would again like to personally thank you for your interest in the university and all of the many good things you have done to help the entire university community. If you need any additional information about this or other matters, please contact me.

Sincerely,


Sherman Carter

SFC/pe

Attachments

Alaska State Legislature



House of Representatives

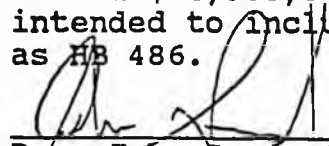
Committee on Loans

POUCH V
JUNEAU, ALASKA 99811

PHONE
[907] 465-4919
[907] 465-4920

LETTER OF INTENT
HOUSE SPECIAL COMMITTEE ON STATE LOANS
HOUSE BILL 486

It is the intent of the Legislature that, with the approval of HB 486, the University of Alaska Heating Corporation is authorized to issue bonds for expansion of the University Power Plant in an amount not to exceed \$12,500,000. This authorization limit is intended to include all prior authorizations as well as HB 486.



Rep. John Sund, Chair,
House Special Committee on Loans

Background prepared by
University of Alaska

HB-486, By Ringstad by request

"An Act relating to financing expansion of the power plant on the Fairbanks campus of the University of Alaska; and providing an effective date."

PURPOSE: The bill basically allows the University of Alaska Heating Corporation to immediately borrow, at tax exempt rates, the funds needed to complete the heating plant expansion project currently in progress.

The Heating Corporation and the University undertook two major plant expansion projects in 1985; installation of a new oil fired boiler and a pollution control project, required by DEC.

FISCAL NOTE: \$2.5 million, which would raise the Heating Corporation's authority to bond to \$6.5 million. The University received a \$4 million direct appropriation in their FY 85 budget for power plant expansion and also legislative authority to issue \$4 million in revenue bonds for the same purpose. In addition to exceeding the original engineering cost estimates, the project sequence has shifted due to a DEC emission control order. It is the intent of the University and the Heating Corporation to issue only the minimum amount of revenue bonds required to complete these two projects.

UNIVERSITY OF ALASKA HEATING CORPORATION:

**The Heating Corporation is a non-profit corporation formed in 1962 to finance and construct a central heating and power plant for UAF. The corporation is managed by a Board of Trustees consisting of Fairbanks community members serving on a voluntary basis without compensation.

**The Heating Corporation, pursuant to legislative resolutions, has issued tax exempt revenue bonds for construction and improvement of plant facilities as follows:

1962.....	\$3,900,000
1969.....	2,300,000
1978 (Series 1)..	4,400,000
1978 (Series 2)..	800,000

The outstanding principle balance of bonds payable at June 30, 1985, was \$5,910,000.

**Debt service for these bonds is funded through the lease of the plant facilities to the University of Alaska, Fairbanks, in an amount equivalent to the debt service payments.

**Other capital appropriations include:

FY 80.....	\$ 700,000	(legislation approps.)
FY 85.....	4,000,000	for plant facilities)

**University of Alaska Heating Corporation
Power Plant Expansion**

The University of Alaska is seeking a legislative resolution from the Alaska State Legislature authorizing issuance by the Heating Corporation of up to \$6.5 million in tax exempt revenue bonds for expansion of the heating plant facilities at the Fairbanks campus. The resolution is required in order for interest on increased Heating Corporation debt to qualify as tax exempt interest, to meet technical requirements for issuance of additional debt under the current bond indenture agreement, and allow commitment of the revenue bond expenditure appropriation received in 1985. Consent to the issuance of \$6.5 million in new bonds has been obtained from two-thirds of the current bondholders as required by the bond indenture agreement. Receipt of the legislative resolution eliminate the need to locate and obtain formal consent of the remaining bondholders.

Background Information:

The Heating Corporation is a not-for-profit corporation formed under the laws of Alaska in 1962 to finance and construct a central heating and power plant for the University of Alaska at Fairbanks, Alaska. The corporation is managed by a Board of Trustees consisting of Fairbanks community members serving on a voluntary basis without compensation.

Pursuant to legislative resolutions by the Alaska State Legislature the Heating Corporation has issued tax exempt revenue bonds for construction and improvement of the plant facilities as follows:

1962	\$3,900,000
1969	\$2,300,000
1978 Series 1	\$4,400,000
1978 Series 2	\$800,000

The outstanding principal balance of bonds payable at June 30, 1985 was \$5,910,000. The debt service for these bonds is funded by the Heating Corporation through the lease of the plant facilities to the university in an amount equivalent to the debt service payments. The plant facilities are constructed on university land which is leased to the Heating Corporation at a nominal fee.

University of Alaska Heating Corporation Power Plant Expansion

The University of Alaska also received direct capital appropriations from the Legislature of \$700,000 in 1980 and \$4,000,000 in 1985 for improvements to the plant facilities. In addition, the University of Alaska Fairbanks made operating budget expenditures of approximately \$500,000 in FY85 and has a contractual commitment of operating fund for FY86 of \$911,400 for installation of plant emission control facilities.

The Heating Corporation and the university undertook two major plant expansion projects in 1985; installation of a new oil fired boiler and a pollution control project. The new boiler was urgently needed to give the Fairbanks campus the backup heating capacity required during the winter months. In addition, the Department of Environmental Conservation (DEC) indicated that severe fines would be imposed on the university commencing June 1, 1986, if the plant emissions are not brought into compliance with regulatory requirements. In effect, DEC has the ability to require the university to improve emissions through use its oil fired boilers in place of the coal units which could result in increased fuel costs of as much as \$2 million per year.

In its FY85 budget submission the university included a \$4 million current year request for a boiler addition project and \$2.5 million subsequent year funding request for an emissions control project. The emissions control project is referred to as a "baghouse", which is a type of vacuum system to withdraw particles from the power plant emissions. The university received the requested \$4 million direct appropriation entitled power plant expansion and also received appropriation authority to issue \$4 million in revenue bonds for the same purpose. Bond counsel has indicated that an additional resolution from the legislature is necessary in order to issue tax exempt revenue bonds.

Based on a compliance order from DEC and the potential for improved operational efficiency from installation of the baghouse, both projects were initiated with the original \$4 million direct appropriation. An oil fired boiler was purchased and a contract awarded for construction of a shell to house that unit. A separate contract was awarded for installation of the baghouse equipment which was purchased by the university from FY85 operating funds. The baghouse installation contract required a commitment of \$911,400 from FY86 university operating budget funds in addition to the remaining monies available from the \$4 million direct appropriation. Financing of this \$911,400 commitment for the baghouse installation project is now urgently being sought by the Heating Corporation in order to release the university operating funds for Fairbanks campus repair and maintenance projects as originally planned before the immediacy of the emission control problems was identified. Failure to obtain this financing could result in significant staff layoffs for the university during the last half of the fiscal year.

University of Alaska Heating Corporation
Power Plant Expansion

The university Board of Regents has authorized the university administration and the Heating Corporation to pursue issuance of up to \$6.5 million in revenue bonds for plant expansion and to secure interim financing of the baghouse installation costs up to \$1.1 million. In addition to the baghouse installation currently underway, completion of the boiler addition project which would make the boiler operational is the primary project for which revenue bond funding is being sought. It is the intent of the university and the Heating Corporation to issue only the minimum amount of revenue bonds required to complete these two projects unless contract awards are substantially less than anticipated or a high cost/benefit or energy savings can be identified with new plant expansion projects. Although the scope of the projects has not changed substantially, the estimated total cost has been increased significantly based on the cost of completing the baghouse in phase I and more current information on cost of this type of construction.

Interim Financing Proposal:

The Heating Corporation intends to secure interim financing for the \$911,400 committed to completion of the baghouse project immediately upon the earliest occurrence of either one of the following events: (1) the securing of a legislative resolution authorizing issuance of revenue bonds or (2) the securing of consent from all present bondholders to issuance of the proposed bond anticipation notes. Occurrence of one or the other of these events is necessary to meet the requirements of the current indenture agreement before additional debt can be incurred by the Heating Corporation.

Repayment Source:

Funding of principal and interest payments for interim financing and long term revenue bonds will be secured through amendment of the current lease agreement between the Heating Corporation and the University of Alaska. The amendment will provide for lease payments in an amount equivalent to the increased debt service requirements. Funding for increased lease costs will come primarily from savings realized on renegotiation of a five year coal contract at reduced rates in 1985, efficiency savings resulting from completion of the baghouse and reallocation of funds within the Fairbanks campus operating budget. The current bond redemption schedule indicates that approximately \$200,000 will be available for additional annual debt service commencing in 1994.

University of Alaska Heating Corporation
Power Plant Expansion

Project Description:

The existing heating/power plant supplies steam for heat and electrical power to the university's Fairbanks campus facilities. It also supplies heating steam to three adjacent local school facilities. The plant is located just south of the main campus area. The facility includes two 50,000 lb./hour stoker fired coal boilers which provide base load steam requirements for heat and operation of a 10 megawatt turbine generator and one 100,000 lb./hour oil fired boiler which is primarily used for standby and peaking periods. Two 1.5 megawatt turbines generators are also maintained at the plant.

The baghouse project consists of installation of two previously purchased full-steam baghouse facilities. The facilities will be used for control of particulate emissions from the coal fired boilers. Each baghouse will take full stream exhaust gas flow from one boiler. Gas effluent from both baghouse facilities will be directed to a common stack. The dust collection system is designed and sized to produce an effluent gas flow which will meet emission requirements as prescribed by the Alaska clean air act.

The boiler addition project consists of installation of a second 100,000 lb./hour oil fired boiler which was previously purchased from Zurn Industries. The project includes extensive interface with existing equipment and facilities, including the hot well system and pumps, feedwater heater systems and pumps, water treatment systems, oil storage tank, oil heater systems and pumps. Major new equipment will include the boiler, forced air fan, air heater, boiler control systems and stack. The boiler will be housed in a 60' by 40' building extension located just east of the main plant. The building extension which is part of this project will be steel frame and steel sided. All equipment will be located on the ground floor. The second floor will provide office space for plant operations personnel.

University of Alaska Heating Corporation
Power Plant Expansion

Estimated Project Cost:

	<u>Phase 1</u>		<u>Phase 2</u>	
	<u>Baghouse</u>	<u>Boiler</u>	<u>Boiler</u>	<u>Total</u>
Engineering	104,376	619,052	315,000	1,038,428
Construction	2,547,997	911,820	4,658,913	8,118,730
Public art	24,800	8,684	42,000	75,484
Furnishings/equipment	512,744	716,767		1,229,511
Legal/bond consulting		5,000	140,000	145,000
Project management	95,000	75,000	270,985	440,985
Other administrative	4,000	4,000	10,000	18,000
Interim financing costs			151,702	151,702
Total	<u>3,288,917</u>	<u>2,340,323</u>	<u>5,588,600</u>	<u>11,217,840</u>

Sources of funding:

UA operating budget	482,840			482,840
UA capital appropriation	1,659,677	2,340,323		4,000,000
Heating Corporation	235,000			235,000
Proposed bond issue	911,400		5,588,600	6,500,000
Total	<u>3,288,917</u>	<u>2,340,323</u>	<u>5,588,600</u>	<u>11,127,840</u>

Note:

Phase 1 of the heating plant expansion is currently for completion in March or April, 1986. Phase 2 wi funding is available.

Interim financing in anticipation of issuance of reven for the \$911,400 committed to the baghouse installation expansion.

Introduced: 1/20/86
Referred: House Special Committee on
Loans and Finance

1 IN THE HOUSE BY RINGSTAD BY REQUEST

2 HOUSE BILL NO. 486

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financing expansion of the power
7 plant on the Fairbanks campus of the University of
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COMMITTEE REPORT
SENATE

3/18/86

FURTHER:

Date 5/11/86

Mr. President

The Committee on FINANCE considered HB 486

relating to financing expansion of the power plant on the Fairbanks campus of the University of Alaska; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation 2,500.0 Cap fd
U of A
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
Paul Waldord
[Signature]

Paul Fink N/A
[Signature] N/R

[Signature]
 Chairman *N/R*
 Chairman recommendation

1/15

Handwritten notes and signatures in the top left corner.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Page 1 of 2

Revision Date : 2/10/86

REQUEST

Bill/Resolution No. : House Bill 486
Title : An Act authorizing the U of A to finance needed expansions to the UAF power plant; eff. date
Sponsor : Ringstad
Requestor : _____
Date of Request : _____

FISCAL DETAIL

Agency Affected : University of Alaska
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OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
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TOTAL OPERATING		0.0	-	-	-	-
CAPITAL		2,500.0	-	-	-	-
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		2,500.0				
TOTAL		2,500.0				

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
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ANALYSIS : Attach a separate page if necessary. Construction of power plant expansion will save UAF \$400.0 annually in coal costs under renegotiated contract. Debt service in FY87 will be approximately \$400.0 for first \$4 million of revenue bonds. If the full amount of bonds is issued (total \$6.5 million), an additional \$250.0 will be added to debt service annually beginning in FY88; UAF will reallocate funds from other programs.

Prepared by: Brian Rogers, Budget Director
Division: University of Alaska

Phone: 474-7593
Date: 2/10/86

Approved by Commissioner: *Brian Rogers for Steven Carter*
Agency: University of Alaska

Date: 2/10/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS

FOR House Bill 486

Page 2 of 2

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Introduced: 1/20/86
Referred: House Special Committee on
Loans and Finance

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BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

May 9, 1986

The Honorable Frank Ferguson
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: CSHB 491(Fin)

Dear Senator Ferguson:

We were asked to provide a letter explaining the financial implications of (1) P.L. 96-514 (42 U.S.C. 6508), (2) the recent superior court decision in City of Barrow v. State, 1JU-85-2634 Civil, and (3) CSHB 491(Fin).

The federal law provides that the state is to receive 50 percent of federal revenues from oil and gas leasing in the National Petroleum Reserve-Alaska ("NPRA"). In allocating those funds, the federal law requires the state to give priority to subdivisions of the state most directly or severely impacted by NPRA leasing.

In the court decision, the superior court held that the state had violated the provision of federal law requiring the state to give priority to the subdivisions of the state most directly or severely impacted by NPRA leasing. It directed that a fund be reconstituted to afford the opportunity for those subdivisions to demonstrate impacts entitling them to priority to the funds. At the same time, the superior court ruled that not all of the monies received by the state under the federal law should be placed in the reconstituted fund. Instead, the ruling directed the state to reconstitute a fund consisting of money received under the federal law but excluding funds expended prior to 1984 by general fund appropriation.

This bill is designed to implement the federal law as construed by the superior court. It is not only consistent with the superior court's decision, but accomplishes precisely what the superior court ordered. As currently written, it affords subdivisions of the state the opportunity to apply for funds to alleviate impacts of NPRA leasing. To the extent subdivisions

The Honorable Frank Ferguson

May 9, 1986
Page 2

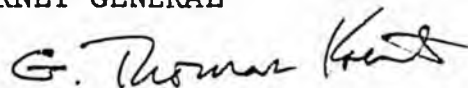
demonstrate direct or severe impact from NPRA leasing, under the federal law they are entitled to a priority to those funds. Once that priority use has been satisfied, any remaining funds become subject to the provisions of state law, including the automatic deposit in the Alaska Permanent Fund.

In brief, the bill as presently drafted satisfies the requirements of both federal and state law. Both the plaintiffs in the superior court litigation and the Administration are in agreement on this point.

Sincerely,

HAROLD M. BROWN
ATTORNEY GENERAL

By:



G. Thomas Koester
Assistant Attorney General

GTK:dlm

cc: Commissioner Nordale, DOR
Commissioner Notti, C&RA
Dave Rose, Alaska Permanent Fund



11-280
Sherman Carter
Executive Vice President
(907) 474-7448

University of Alaska
Fairbanks, Alaska 99775-5260
January 10, 1986

JAN 16 1986

The Honorable John Ringstad
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear John:

Attached is a copy of a draft bill authorizing the University of Alaska Heating Corporation to issue revenue bonds on behalf of the university. Also attached is a fiscal note and background information on the Heating Corporation and the upgrades being made to the UAF heating/power plant.

John, this bill must get passed and signed by the Governor very early in the session. In anticipation of interim revenue bond financing, UAF has committed \$911,400 of its FY86 operating funds to guarantee payment of the contractor for completion of the baghouse project. Failure to receive early passage of this bill will, at a minimum, result in the Heating Corporation securing financing at excessive taxable rates instead of tax exempt rates available with a legislative resolution; or, at worst, could require a drastic layoff of physical plant and maintenance staff by the university in Fairbanks.

The bill basically allows the Heating Corporation to borrow immediately, at tax exempt rates, the funds needed to complete the baghouse installation currently in progress. This will permit UAF to utilize its FY86 operating funds for needed repairs and maintenance on campus and retain its physical plant and maintenance personnel currently on staff to do this work as originally planned before the urgency of the emissions control project was identified.

Due to restrictions in the current bond indenture agreement, the only other alternative is for the Heating Corporation to obtain the consent of 100 percent of the present bondholders and independently secure financing at taxable rates. Although the university has already obtained consent of two-thirds of the bondholders as required for issuance of additional debt, locating the remaining bondholders and obtaining full consent from everyone could be difficult or impossible in the time frame required. In addition, borrowing under such an arrangement would require taxable interest rates, which are far in excess of tax exempt rates.

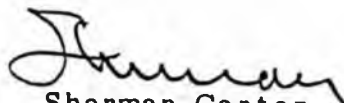
University of Alaska

The Honorable John Ringstad
Page 2
January 10, 1986

The bill will require a fiscal note for \$2.5 million revenue bond authority in order to increase the \$4 million revenue bond appropriation authority received during the 1985 session. Passage of the bill is needed immediately, however, an early effective date on the fiscal note is not essential. A fiscal note effective date of July 1 is acceptable.

I would again like to personally thank you for your interest in the university and all of the many good things you have done to help the entire university community. If you need any additional information about this or other matters, please contact me.

Sincerely,


Sherman Carter

SFC/pe

Attachments

**University of Alaska Heating Corporation
Power Plant Expansion**

The University of Alaska is seeking a legislative resolution from the Alaska State Legislature authorizing issuance by the Heating Corporation of up to \$6.5 million in tax exempt revenue bonds for expansion of the heating plant facilities at the Fairbanks campus. The resolution is required in order for interest on increased Heating Corporation debt to qualify as tax exempt interest, to meet technical requirements for issuance of additional debt under the current bond indenture agreement, and allow commitment of the revenue bond expenditure appropriation received in 1985. Consent to the issuance of \$6.5 million in new bonds has been obtained from two-thirds of the current bondholders as required by the bond indenture agreement. Receipt of the legislative resolution eliminate the need to locate and obtain formal consent of the remaining bondholders.

Background Information:

The Heating Corporation is a not-for-profit corporation formed under the laws of Alaska in 1962 to finance and construct a central heating and power plant for the University of Alaska at Fairbanks, Alaska. The corporation is managed by a Board of Trustees consisting of Fairbanks community members serving on a voluntary basis without compensation.

Pursuant to legislative resolutions by the Alaska State Legislature the Heating Corporation has issued tax exempt revenue bonds for construction and improvement of the plant facilities as follows:

1962	\$3,900,000
1969	\$2,300,000
1978 Series 1	\$4,400,000
1978 Series 2	\$800,000

The outstanding principal balance of bonds payable at June 30, 1985 was \$5,910,000. The debt service for these bonds is funded by the Heating Corporation through the lease of the plant facilities to the university in an amount equivalent to the debt service payments. The plant facilities are constructed on university land which is leased to the Heating Corporation at a nominal fee.

**University of Alaska Heating Corporation
Power Plant Expansion**

The University of Alaska also received direct capital appropriations from the Legislature of \$700,000 in 1980 and \$4,000,000 in 1985 for improvements to the plant facilities. In addition, the University of Alaska Fairbanks made operating budget expenditures of approximately \$500,000 in FY85 and has a contractual commitment of operating fund for FY86 of \$911,400 for installation of plant emission control facilities.

The Heating Corporation and the university undertook two major plant expansion projects in 1985; installation of a new oil fired boiler and a pollution control project. The new boiler was urgently needed to give the Fairbanks campus the backup heating capacity required during the winter months. In addition, the Department of Environmental Conservation (DEC) indicated that severe fines would be imposed on the university commencing June 1, 1986, if the plant emissions are not brought into compliance with regulatory requirements. In effect, DEC has the ability to require the university to improve emissions through use its oil fired boilers in place of the coal units which could result in increased fuel costs of as much as \$2 million per year.

In its FY85 budget submission the university included a \$4 million current year request for a boiler addition project and \$2.5 million subsequent year funding request for an emissions control project. The emissions control project is referred to as a "baghouse", which is a type of vacuum system to withdraw particles from the power plant emissions. The university received the requested \$4 million direct appropriation entitled power plant expansion and also received appropriation authority to issue \$4 million in revenue bonds for the same purpose. Bond counsel has indicated that an additional resolution from the legislature is necessary in order to issue tax exempt revenue bonds.

Based on a compliance order from DEC and the potential for improved operational efficiency from installation of the baghouse, both projects were initiated with the original \$4 million direct appropriation. An oil fired boiler was purchased and a contract awarded for construction of a shell to house that unit. A separate contract was awarded for installation of the baghouse equipment which was purchased by the university from FY85 operating funds. The baghouse installation contract required a commitment of \$911,400 from FY86 university operating budget funds in addition to the remaining monies available from the \$4 million direct appropriation. Financing of this \$911,400 commitment for the baghouse installation project is now urgently being sought by the Heating Corporation in order to release the university operating funds for Fairbanks campus repair and maintenance projects as originally planned before the immediacy of the emission control problems was identified. Failure to obtain this financing could result in significant staff layoffs for the university during the last half of the fiscal year.

University of Alaska Heating Corporation
Power Plant Expansion

The university Board of Regents has authorized the university administration and the Heating Corporation to pursue issuance of up to \$6.5 million in revenue bonds for plant expansion and to secure interim financing of the baghouse installation costs up to \$1.1 million. In addition to the baghouse installation currently underway, completion of the boiler addition project which would make the boiler operational is the primary project for which revenue bond funding is being sought. It is the intent of the university and the Heating Corporation to issue only the minimum amount of revenue bonds required to complete these two projects unless contract awards are substantially less than anticipated or a high cost/benefit or energy savings can be identified with new plant expansion projects. Although the scope of the projects has not changed substantially, the estimated total cost has been increased significantly based on the cost of completing the baghouse in phase 1 and more current information on cost of this type of construction.

Interim Financing Proposal:

The Heating Corporation intends to secure interim financing for the \$911,400 committed to completion of the baghouse project immediately upon the earliest occurrence of either one of the following events: (1) the securing of a legislative resolution authorizing issuance of revenue bonds or (2) the securing of consent from all present bondholders to issuance of the proposed bond anticipation notes. Occurrence of one or the other of these events is necessary to meet the requirements of the current indenture agreement before additional debt can be incurred by the Heating Corporation.

Repayment Source:

Funding of principal and interest payments for interim financing and long term revenue bonds will be secured through amendment of the current lease agreement between the Heating Corporation and the University of Alaska. The amendment will provide for lease payments in an amount equivalent to the increased debt service requirements. Funding for increased lease costs will come primarily from savings realized on renegotiation of a five year coal contract at reduced rates in 1985, efficiency savings resulting from completion of the baghouse and reallocation of funds within the Fairbanks campus operating budget. The current bond redemption schedule indicates that approximately \$200,000 will be available for additional annual debt service commencing in 1994.

University of Alaska Heating Corporation
Power Plant Expansion

Project Description:

The existing heating/power plant supplies steam for heat and electrical power to the university's Fairbanks campus facilities. It also supplies heating steam to three adjacent local school facilities. The plant is located just south of the main campus area. The facility includes two 50,000 lb./hour stoker fired coal boilers which provide base load steam requirements for heat and operation of a 10 megawatt turbine generator and one 100,000 lb./hour oil fired boiler which is primarily used for standby and peaking periods. Two 1.5 megawatt turbines generators are also maintained at the plant.

The baghouse project consists of installation of two previously purchased full-steam baghouse facilities. The facilities will be used for control of particulate emissions from the coal fired boilers. Each baghouse will take full stream exhaust gas flow from one boiler. Gas effluent from both baghouse facilities will be directed to a common stack. The dust collection system is designed and sized to produce an effluent gas flow which will meet emission requirements as prescribed by the Alaska clean air act.

The boiler addition project consists of installation of a second 100,000 lb./hour oil fired boiler which was previously purchased from Zurn Industries. The project includes extensive interface with existing equipment and facilities, including the hot well system and pumps, feedwater heater systems and pumps, water treatment systems, oil storage tank, oil heater systems and pumps. Major new equipment will include the boiler, forced air fan, air heater, boiler control systems and stack. The boiler will be housed in a 60' by 40' building extension located just east of the main plant. The building extension which is part of this project will be steel frame and steel sided. All equipment will be located on the ground floor. The second floor will provide office space for plant operations personnel.

University of Alaska Heating Corporation
Power Plant Expansion

Estimated Project Cost:

	<u>Phase 1</u>		<u>Phase 2</u>	<u>Total</u>
	<u>Baghouse</u>	<u>Boiler</u>	<u>Boiler</u>	
Engineering	104,376	619,052	315,000	1,038,428
Construction	2,547,997	911,820	4,658,913	8,118,730
Public art	24,800	8,684	42,000	75,484
Furnishings/equipment	512,744	716,767		1,229,511
Legal/bond consulting		5,000	140,000	145,000
Project management	95,000	75,000	270,985	440,985
Other administrative	4,000	4,000	10,000	18,000
Interim financing costs			151,702	151,702
Total	<u>3,288,917</u>	<u>2,340,323</u>	<u>5,588,600</u>	<u>11,217,840</u>

Sources of funding:

UA operating budget	482,840			482,840
UA capital appropriation	1,659,677	2,340,323		4,000,000
Heating Corporation	235,000			235,000
Proposed bond issue	911,400		5,588,600	6,500,000
Total	<u>3,288,917</u>	<u>2,340,323</u>	<u>5,588,600</u>	<u>11,217,840</u>

Note:

Phase 1 of the heating plant expansion is currently for completion in March or April, 1986. Phase 2 wi funding is available.

Interim financing in anticipation of issuance of reven for the \$911,400 committed to the baghouse installation expansion.

Background prepared by
University of Alaska

HB-486, By Ringstad by request

"An Act relating to financing expansion of the power plant on the Fairbanks campus of the University of Alaska; and providing an effective date."

PURPOSE: The bill basically allows the University of Alaska Heating Corporation to immediately borrow, at tax exempt rates, the funds needed to complete the heating plant expansion project currently in progress.

The Heating Corporation and the University undertook two major plant expansion projects in 1985; installation of a new oil fired boiler and a pollution control project, required by DEC.

FISCAL NOTE: \$2.5 million, which would raise the Heating Corporation's authority to bond to \$6.5 million. The University received a \$4 million direct appropriation in their FY 85 budget for power plant expansion and also legislative authority to issue \$4 million in revenue bonds for the same purpose. In addition to exceeding the original engineering cost estimates, the project sequence has shifted due to a DEC emission control order. It is the intent of the University and the Heating Corporation to issue only the minimum amount of revenue bonds required to complete these two projects.

UNIVERSITY OF ALASKA HEATING CORPORATION:

**The Heating Corporation is a non-profit corporation formed in 1962 to finance and construct a central heating and power plant for UAF. The corporation is managed by a Board of Trustees consisting of Fairbanks community members serving on a voluntary basis without compensation.

**The Heating Corporation, pursuant to legislative resolutions, has issued tax exempt revenue bonds for construction and improvement of plant facilities as follows:

1962.....	\$3,900,000
1969.....	2,300,000
1978 (Series 1)..	4,400,000
1978 (Series 2)..	800,000

The outstanding principle balance of bonds payable at June 30, 1985, was \$5,910,000.

**Debt service for these bonds is funded through the lease of the plant facilities to the University of Alaska, Fairbanks, in an amount equivalent to the debt service payments.

**Other capital appropriations include:

FY 80.....	\$ 700,000	(legislation approps.
FY 85.....	4,000,000	for plant facilities)

Alaska State Legislature

House of Representatives

Committee on Loans

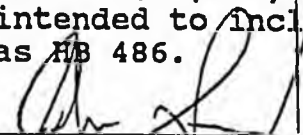


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LETTER OF INTENT
HOUSE SPECIAL COMMITTEE ON STATE LOANS
HOUSE BILL 486

It is the intent of the Legislature that, with the approval of HB 486, the University of Alaska Heating Corporation is authorized to issue bonds for expansion of the University Power Plant in an amount not to exceed \$12,500,000. This authorization limit is intended to include all prior authorizations as well as HB 486.



Rep. John Sund, Chair,
House Special Committee on Loans

n. - n. - ted by House

COMMITTEE REPORT

SENATE

FURTHER: ~~HESS~~ *Waived*
FINANCE

2/18/86

Date _____

Mr. President

The Committee on LABOR & COMMERCE considered HB 486

relating to financing expansion of the power plant on the Fairbanks campus of the University of Alaska; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Waived
REFERRAL

Chairman

Chairman recommendation