

**ALASKA LEGISLATURE**

**1984**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000**

WORK DRAFT

WORK DRAFT

WORK DRAFT

I-I.S1202M  
Cramer  
4/4/00

*Adopted  
4/7/00*

CS FOR HOUSE BILL NO. 277( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES HALCRO, Dyson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to payment of retirement benefits for certain subsequently  
2 reemployed retired members of the teachers' retirement system; and providing for  
3 an effective date."

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

5 \* Section 1. AS 14.25.043 is amended to read:

6           **Sec. 14.25.043. Reemployment of retired members. Except as provided in**  
7           **(b) of this section, if [IF]** a retired member again becomes an active member, benefit  
8           payments may not be made during the period of reemployment. The retirement benefit  
9           must be suspended for the entire school year if the teacher is reemployed as an active  
10          teacher for a period equivalent to a year of service. During the period of  
11          reemployment, deductions from the member's salary will be made in accordance with  
12          AS 14.25.050. Upon subsequent retirement, the retired member is entitled to receive  
13          an additional benefit based on the credited service and the average base salary during  
14          the period of reemployment in accordance with AS 14.25.110.

WORK DRAFT

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1-LS1202U

1 \* Sec. 2. AS 14.25.043(a) is amended to read:

2 (a) If [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, If] a retired  
3 member again becomes an active member, benefit payments may not be made during  
4 the period of reemployment. The retirement benefit must be suspended for the entire  
5 school year if the teacher is reemployed as an active teacher for a period equivalent  
6 to a year of service. During the period of reemployment, deductions from the  
7 member's salary will be made in accordance with AS 14.25.050. Upon subsequent  
8 retirement, the retired member is entitled to receive an additional benefit based on the  
9 credited service and the average base salary during the period of reemployment in  
10 accordance with AS 14.25.110.

11 \* Sec. 3. AS 14.25.043 is amended by adding a new subsection to read:

12 (b) A school district or regional educational attendance area that has or  
13 anticipates having a shortage of teachers qualified to teach in a particular discipline or  
14 specialty may, by resolution, adopt a policy that permits the employment of retired  
15 teachers who are qualified to teach in the discipline or specialty in accordance with  
16 this subsection. The policy must describe the circumstances that constitute a shortage.  
17 If a shortage of teachers exists in the district or attendance area as described in the  
18 policy, the district or attendance area shall notify the administrator that it is hiring  
19 retired teachers under this subsection. Retired teachers reemployed under a policy  
20 adopted in accordance with this subsection shall continue to receive benefit payments  
21 under this chapter during the period of reemployment. The payments shall be based  
22 on the member's accrued credited service and the member's average base salary in  
23 effect before the period of reemployment. During the period of reemployment,  
24 deductions from the member's salary shall be made in accordance with AS 14.25.050.  
25 Upon subsequent retirement, the retired member is entitled to receive an additional  
26 benefit based on the credited service and the average base salary during the period of  
27 reemployment in accordance with AS 14.25.110.

28 \* Sec. 4. SUNSET. AS 14.25.043(b) is repealed July 1, 2003.

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

31 REPORT TO LEGISLATURE. Beginning in 2001 and ending in 2004, the

WORK DRAFT

WORK DRAFT

I-LS1202U

1 administrator of the teachers' retirement system shall report to the legislature by the 30th day  
2 of the regular legislative session concerning the effect of this Act on the retirement system.

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

5 EFFECT OF SUNSET ON EXISTING TEACHER CONTRACTS. Notwithstanding  
6 the repeal of AS 14.25.043(b) made by sec. 4 of this Act, a retired teacher who is employed  
7 under a contract on June 30, 2003, may continue to receive benefits and make deductions as  
8 though AS 14.25.043(b) were not repealed for the duration of the teacher's contract of  
9 employment then in effect.

10 \* Sec. 7. Section 2 of this Act takes effect July 1, 2003.

# FISCAL NOTE

Bill Version: HB 277  
 (H) Publish Date: 2/15/00

**STATE OF ALASKA  
 2000 LEGISLATIVE SESSION**

Revision Date 2/9/00 Dept. Affected Administration  
 Title An act relating to payment of retirement BRU Centralized Administrative Services  
benefits for subsequently reemployed retired members Component Retirement and Benefits  
 Sponsor Representative Halcro  
 Requester (H) HESS Component No. 64

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	.	.	.	.	.	.

Estimate of any current year (FY2000) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Guy Bell Phone 465-4471  
 Division Retirement and Benefits Date/Time 2/9/00  
 Approved by Commissioner Robert Poe Jr. Date 2/9/00  
 Agency Department of Administration

# ALASKA STATE LEGISLATURE



**REPRESENTATIVE ANDREW HALCRO**

District 12

*CO-CHAIR*  
COMMUNITY AND REGIONAL AFFAIRS

*VICE-CHAIR*  
LABOR AND COMMERCE  
TRANSPORTATION

*SPECIAL COMMITTEE*  
ECONOMIC DEVELOPMENT AND TOURISM

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## **HB 277**

### **SPONSOR STATEMENT**

The pool of qualified teachers in Alaska is shrinking dramatically. The situation is particularly dire in the area of special education. To address this shortage I have sponsored HB 277.

This legislation would allow teachers who have retired to return to teaching in the public schools without forfeiting their retirement benefits. Retired teachers would be able to be re-employed by a school district. They would continue to receive their retirement benefits. However, individual school districts could negotiate what pay range the rehired teachers would enter at, thus reducing the cost to school districts, but compensating experienced teachers through a combination of pay and benefits.

Presently, teachers, once retired, may only work 40% of full-time in a school district without forgoing their retirement benefits. HB 277 would provide school districts with the opportunity to rehire experienced teachers at a lower cost to the public.

## House Bill 277

The fiscal impact of this legislation is difficult to quantify for the following reasons:

1. The Teachers' Retirement System (TRS) is funded with rates charged against the salaries of active members (certificated teachers and administrators), and earnings from fund investments. Teachers currently pay 8.65% and employers pay 12% of salary into TRS.

The State of Alaska employs only approximately 100 of the 9,300 active TRS members. The rest of the members are employed by Alaska school districts. Therefore, the fiscal impact of any legislation falls on school districts, not the State of Alaska. Since a fiscal note reflects the cost of legislation to state government, even legislation with a high cost to TRS could show minimal fiscal note impact.

2. Currently, when a retired TRS member returns to TRS covered employment, the member's retirement benefit is suspended until the member again retires. Under this legislation, the benefit would no longer be suspended, so the member would receive a TRS retirement check and a TRS employer paycheck. System demographics indicate that relatively few TRS retirees currently return to employment covered by TRS. If this were to continue, our actuaries have estimated that the legislation would only increase TRS rates by approximately 0.01 percent of payroll. If this were the case, the long-term employer contribution rate of 12 percent of payroll would be adequate to fund the System.

However, relieving the penalty for retired members to come back to work may increase the number who choose to do so. We asked our actuaries to quantify the possible impact if this occurs.

Our actuaries focused on the portion of the population for whom the legislation produces a measurable cost increase – members who earn 20 years of service before otherwise becoming eligible for retirement. We found that for these members, retiring when they first achieve 20 years of service, returning to work for two years and then re-retiring increases the liability associated with their benefits by about 10%. If half of the members elect to do this, we estimate that the annual cost increase would be approximately 0.75% of total TRS payroll. The cost increase is roughly proportional to the assumptions. For example, if all employees who attain 20 years before other retirement eligibility return to work for 2 years, the cost increase should be about 1.5% of payroll. Moreover, if the period of return is doubled, so is the cost.

**HB**

**277**

**SFIN**

**FILE**

HB 277

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee

SENATE FINANCE  
COMMITTEE  
Amendment Number: #1  
Bill Number: CS HB 277 (FIN)  
Sponsor: Green Date: 04-19-00  
Logged In By: Dree

Amendment

TO: HB277

Offered By Senator Green

Page 2, Line 21 after the word "reemployment."

Insert:

, except that no school district employee who retired under a retirement incentive program approved by the State of Alaska shall be eligible to receive benefits under this section for a period of five years from the time of retirement.

# ALASKA STATE LEGISLATURE

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COMMUNITY AND REGIONAL AFFAIRS

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**REPRESENTATIVE ANDREW HALCRO**

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This legislation would allow teachers who have retired to return to teaching in the public schools without forfeiting their retirement benefits. Retired teachers would be able to be re-employed by a school district. They would continue to receive their retirement benefits, thus reducing the cost to school districts, but compensating experienced teachers through a combination of pay and benefits.

Presently, teachers, once retired, may only work 40% of full-time in a school district without forgoing their retirement benefits. HB 277 would provide school districts with the opportunity to rehire experienced teachers at a lower cost to the public.

**HB 277 April 19, 2000 note for testimony**  
**Guy Bell, Division of Retirement and Benefits**

- ◆ Speaking from the perspective of the Teachers' Retirement Fund.
- ◆ The Division submitted a fiscal note with an indeterminate fiscal impact, because the cost to the retirement system will depend on how many retirees are rehired under the provisions of HB 277.
- ◆ Approximately 1,200 of 9,400 active Alaska teachers have 20 or more years of TRS service
- ◆ If a significant number of these people retire and are rehired under the provisions of HB 277, there will be a material cost to the TRS fund. Cost increases to the TRS fund result in increased employer rates.
- ◆ On the other hand, if school districts make a determination of shortage for only a handful of teacher positions and, therefore, only rehire a few retirees, the fiscal impact on TRS will be immaterial.

# BERING STRAIT SCHOOL DISTRICT

DISTRICT OFFICE • P.O. BOX 225 • UNALAKLEET, ALASKA 99684-0225 • (907) 624-3611 • FAX 624-3099

BREVIG MISSION • DIOMEDE • ELIM • GAMBELL  
SHAKTOOLIK • SHISHMAREF • STEBBINS TELLER



GOLOVIN • KOYUK • SAINT MICHAEL • SAVOONGA  
UNALAKLEET • WALES • WHITE MOUNTAIN

24 January, 2000

The Honorable Andrew Halcro  
State Capitol, Room 418  
Juneau, AK 99801-1182

Re: HB 277: Retirement benefits re-employed teachers

Dear Representative Halcro,

Thank you listening to me regarding HB 277. I feel this is productive legislation and should enjoy the support of your colleagues. As stated in my comments to you, I feel certain issues, if addressed, would make this more productive for everyone. Here are a few ideas for your consideration.

- Allow retired TRS members to return to the classroom and continue to collect their retirement stipend.
- Do not make TRS contribution - contribute to Social Security.
- Let school districts decide how to pay - do not legislate.
- Retired TRS members should not earn tenure.
- Allow Districts to issue multi-year (two) contracts.
- Returning TRS members should not earn additional years in TRS.

These changes will allow the teacher pool to increase and save Districts money.

Your efforts with issues addressing education are important and should you require information or assistance, please instruct your staff to contact me as needed. I hope this session is productive for you and I look forward to meeting you again.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Davis".

Dr. John A. Davis  
Superintendent

cc. J. Walsh

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## "OUR MISSION"

The Mission of the Bering Strait School District is to educate students to become self-sufficient productive citizens in a changing world, recognized for their social, academic, and marketable skills, by providing standards of excellence, quality programs, and a supportive environment for both traditional Native and Western styles of learning.

# ACSA

Alaska Association of Elementary Schools Principals  
Alaska Association of Secondary School Principals  
Alaska Association of School Administrators  
Sponsor of the Alaska Staff Development Network

326 Fourth St. Suite 404 • Juneau, Alaska 99801-1101

Phone: (907) 586-9702 (800) 478-9702 Fax: (907) 586-5879

E-mail: [acsa@ptialaska.net](mailto:acsa@ptialaska.net) • HOME PAGE: [www.ptialaska.net/~acsa](http://www.ptialaska.net/~acsa)

## Alaska Council of School Administrators

Excerpt from the *ACSA Education Bulletin* January 2000 Issue

### Where are the Teachers?

**WE NEED  
A MORE POWERFUL  
MAGNET!**

By Darroil Hargraves,  
Executive Director, ACSA

**What's the problem?**

**What's getting the attention?**

Interesting isn't it? During the past few years, public attention has been focused on funding, construction, standards, and testing. Each of these issues is important. However, whenever superintendents get together to talk about immediate and future concerns, another issue tops the agenda—the need to recruit, hire, and keep certified and qualified teachers and administrators.

**The recent announcement by the University of Alaska that a five-year program will be required for certification will further reduce the number of Alaskans to fill positions in our schools.**

Alaska is not alone. In fact, teacher shortages are entering a critical stage across the nation. U.S. Secretary of Education Richard Riley consistently expresses a concern about the ability of our schools to attract the very brightest and best into education careers. As student enrollments continue to climb nationally, demand is outstripping supply at a time when the hurdles are being lifted even higher. For example, the shortage is becoming even more acute because many states are increasing their standards

for teachers and some are requiring them to have majors in the subjects they teach or to pass qualifying tests. The recent announcement by the University of Alaska that a five-year program will be required for certification will further reduce the number of Alaskans to fill positions in our schools.

Salaries have not kept pace with what talented people can make outside the classroom. A recent Quality Counts 2000, 50-state survey, conducted by *Education Week*, found that one in five college graduates who began teaching in 1993-94 left within three years. The brightest novice teachers, as measured by their college-entrance exams, were the most likely to leave, the study revealed.

**There was a time,  
not so long ago, when Alaska  
was a magnet for educators.**

What's at stake here? The immediate concern for many educators is having excellent teachers in the classroom—preparing students to pass exit exams that are looming in their future. Even more importantly, they are concerned about preparing students for life in the 21st century.

There was a time, not so long ago, when Alaska was a magnet for educators. Our salaries were the highest in the nation. Our recruiters could promise adventure, good hunting and fishing, and a lifestyle that attracted exceptional talent. Let's face it. What worked in the past is not getting us the number and level of certified, qualified educators we need today and will need in the future.

While average teacher salaries in Alaska are still above the national average, we are now caught in what the *New York Times* calls a bidding war. That war has spread from coast to coast, and we are not winning. In fact, we are being out-manuevered as never before. Take, for example, the incentives being offered in several states. California is offering \$10,000

interest-free loans for buying a home, \$30,000 bonuses for attaining advanced certification, and \$11,000 to repay college loans. In Texas, \$2,000 signing bonuses are becoming commonplace. Southern states such as Florida, Georgia and Mississippi have districts paying bonuses of up to \$6,000 to retain quality teachers.

As crises show signs of becoming catastrophes, some state legislatures and state departments of education have gotten the ball rolling on bringing retired teachers and administrators back into the system. Those early retirement incentives that were sold, in some case, as a way to remove the "dead wood" are now looking more like they've caused a "brain drain."

Salaries are a major problem, both for teachers and administrators. Alaska's largest districts provide an example of how noncompetitive our salaries are. These districts have budgets, enrollments, numbers of employees, physical plants, and demands comparable to large districts outside the state that are paying their superintendents nearly double. In fact, an Alaska board member recently admitted to the media that their superintendent is underpaid and speculated that if the present superintendent left and had to be replaced, it would require an additional \$50,000. Even that level of an increase would be low compared to salaries paid in comparable districts outside.

Granted, we need to pay attention to standards, facilities, and a number of other critical issues. At the same time, let's not forget that our ability to attract and keep outstanding teachers and administrators is basic to everything we hope to accomplish. Alaska needs a constant flow of quality, certifiable educators. While the problem may not be completely solved during this session of the Legislature, we simply must make sure that it receives the attention it deserves. The future of our kids depends on it.

#### 4.5 ADDRESSING TEACHER, SPECIALIST, AND ADMINISTRATION SHORTAGE

The Association of Alaska School Boards does hereby urge the Alaska State Legislature, Alaska State Board of Education, and Teacher Education Programs in Alaska's universities to address the severe shortage of teachers, specialists, and administrators in the State of Alaska.

Rationale. It has been painfully demonstrated that a severe shortage of teachers, specialists, and administrators is being experienced in the school districts in every region of Alaska. Because of the "flat" funding of school districts imposed by the Alaska State Legislature, districts have been forced to hold salary levels of teachers and administrators at an equally "flat" level, resulting in actual decreases in salary levels. Such decreasing salary levels are highly detrimental to attracting new teachers to Alaska and detrimental to recruiting people into education.

It is equally difficult under the funding structure imposed over the last 10 years to offer district incentives to attract teachers and administrators. At the same time, standards for teachers have been raised significantly, making it more difficult for prospective teacher to gain certification in Alaska. Incentives need to be provided by universities to attract new candidates and by the State Board of Education to attract new teachers to the state, both to be funded by the State Legislature. In addition, the State Legislature needs to provide funding for district incentives to attract new teachers.

Adopted 1999

SENATE FINANCE COMMITTEE

SIGN-IN

HB 277-RETIREMENT BENEFITS FOR REHIRED TEACHERS

NAME: Joh Gr Subject/Bill No: 277  
Co./Dept./Title: NBA-AK Phone: 586-3090  
Address: Jamean Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Guy Bell Subject/Bill No: 277  
Co./Dept./Title: Retirement? Benefits Phone: 465-2292  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Kathi Gillespie Subject/Bill No: K13 277  
Co./Dept./Title: Anchorage School District Phone: 345-5335  
Address: 3116 Das Pizale Zip: 99501  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

**HB 277-RETIREMENT BENEFITS FOR REHIRED TEACHERS**

NAME: Guy Bell / Bill Church Subject/Bill No: 277  
Co./Dept./Title: Retirement : Benefits Phone: 465-2292  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Darrell Hargraves Subject/Bill No: 277  
Co./Dept./Title: ACSA Executive Director Phone: 586-9702  
Address: 326 Fourth Juneau, AK Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

**HB**

**281**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

Date Referred to Committee: January 10, 2000

FURTHER REFERRALS:

Date of Committee Action: 4/19/00

The FINANCE Committee considered:

HB 281

HOUSE BILL NO. 281

G.O. BONDS: SCHOOLS/UNIV/HARBORS/ADA

"An Act providing for the issuance of general obligation bonds in the amount of \$665,000,000 for the purposes of paying the cost of design, construction, and renovation of public elementary and secondary schools, renovation of state buildings, capital improvements at the University of Alaska, and capital improvements to state harbors; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 281 (Fin)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) Rev  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	X			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	X			
<i>[Signature]</i>			X	
<i>[Signature]</i>				X
<i>[Signature]</i>	X			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			X	
<i>[Signature]</i>	X			

CHAIR'S SIGNATURE *[Signature]* *[Signature]*

# FISCAL NOTE

**STATE OF ALASKA  
1999 LEGISLATIVE SESSION**

**BILL NO. S HB 281 (FIN)**

Revision Date/Time (Note if correction)		Dept. Affected	Revenue
Title	<u>Bonds: Public Schools/Univ/Harbors/Bldgs.</u>	BRU	Revenue Operations
		Component	Treasury Division
Sponsor	<u>House Finance Committee</u>		
Requester	<u>House Finance Committee</u>	Component Serial No.	<u>121</u>

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds Contractual)	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of current year (FY00) cost: 0.0

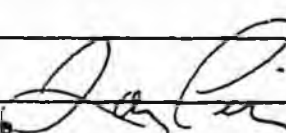
**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

Authorizes sale of the state's portion of the \$246 billion national Master Settlement Agreement with cigarette manufacturers to the Alaska Housing Finance Corporation in exchange for the bond proceeds AHFC is able to generate at an investment-grade rating (less costs associated with issuing the bonds and funding of a debt service reserve).

It is anticipated that the state will be able to obtain approximately \$269 million in proceeds from the settlement. Debt service would be based on a 40-year nominal schedule with flexible amortization serial bonds that allow bonds to be paid as funds are received through the settlement. Assuming the first settlement payment available to AHFC for debt service will be received in FY 2002, the settlement will provide \$1.4 million annually for tobacco control, and the bonds will be fully repaid in FY 2020. The residual settlement revenue stream would revert to the state upon final payment of the bonds.

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

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# FISCAL NOTE

**STATE OF ALASKA**  
**2000 LEGISLATIVE SESSION**

**BILL NO. CSHB281(FIN)**

Revision Date/Time (Note if correction)		Dept. Affected	Revenue
Title	<u>Bonds: Public Schools/Univ/Harbors/Bldgs.</u>	BRU	Alaska Housing Finance Corp.
Sponsor	<u>House Finance Committee</u>	Component	<u>Operations</u>
Requester	<u>House Finance Committee</u>	Component No.	<u>110</u>

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>(8,536.7)</b>	<b>(17,073.3)</b>	<b>(18,268.3)</b>	<b>(18,281.2)</b>	<b>(19,041.6)</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2000) cost: \_\_\_\_\_

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

Under AS 18.56.089(2)(A), activities of AHFC that relate to the issuance of obligations and repayment of debt obligations are exempt from provisions of the Executive Budget Act. The costs are included in the bond authorizations in the bill, including cost of issuance, debt service reserves and capitalized interest. Bonds issued under this legislation will be paid from the proceeds of tobacco settlement funds purchased by AHFC or its subsidiary from the state. This will result in a reduction in unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs are included in the attached spreadsheet. These estimates are based on a number of assumptions, including future interest rates and bond ratings.

Operational costs for issuing and monitoring the bonds will be done with existing personnel and within the authorized operating budget for FY2001 and beyond. No authorizations are necessary with this fiscal note.

Prepared by: <u>John Bitney, Legislative Liaison</u>	Phone <u>330-8445</u>
Division <u>Alaska Housing Finance Corporation</u>	Date/Time <u>4/19/00 4:15 PM</u>
Approved by Commissioner <u>Wilson Condon</u>	Date <u>04/19/2000</u>
Agency <u>Department of Revenue</u>	

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BOND DEBT SERVICE REPORT

HB322

STATE Education Bonds, 2000 Series A  
AMFC Tobacco Revenue Bonds

Date	Bond Debt Service			Redeemed Principal	Total Bond Payment	Bond Valuation				
	Maturing Principal	Interest Paid	Total Debt Serv			Bond Balance	Unpaid Interest	Accrued Bond-Value		
Dec 1, 2000	-	-	-	-	-	339,424,838	-	339,424,838.00		
Jun 1, 2001	-	8,536,654	8,536,653.50	-	8,536,653.50	339,424,838	-25,894,758	313,530,079.88		
Jun 1, 2002	-	17,073,307	17,073,307.00	-	17,073,307.00	339,424,838	-26,077,470	313,367,368.19		
Jun 1, 2003	-	17,073,307	17,073,307.00	-	17,073,307.00	339,424,838	-22,232,905	317,192,332.60		
Jun 1, 2004	1,195,000	17,073,307	18,268,307.00	-	18,268,307.00	338,229,838	-20,286,233	317,941,605.61		
Jun 1, 2005	1,265,000	17,018,186	18,283,186.00	-	18,283,186.00	336,964,838	-18,174,346	318,790,291.63		
Jun 1, 2006	1,315,000	16,934,343	18,249,363.00	792,200	19,041,563.00	334,887,638	-15,898,514	318,959,124.08		
Jun 1, 2007	1,375,000	16,763,923	18,068,922.75	3,297,745	21,366,667.75	330,236,593	-13,584,623	316,670,267.80		
Jun 1, 2008	8,005,033	16,518,862	24,523,895.25	3,653,297	28,177,192.25	318,596,563	-11,089,019	307,507,544.37		
Jun 1, 2009	7,425,743	16,044,658	23,470,400.50	11,264,402	34,734,802.50	299,906,418	-8,782,698	291,123,919.71		
Jun 1, 2010	7,024,780	15,323,998	22,348,777.50	12,821,504	35,170,281.50	280,060,134	-6,757,684	273,302,649.83		
Jun 1, 2011	6,498,836	14,906,889	21,005,724.50	14,453,995	35,459,719.50	259,107,303	-5,053,586	254,053,917.40		
Jun 1, 2012	6,102,273	13,593,025	19,695,297.50	16,272,088	35,967,385.50	236,732,942	-3,492,851	233,260,291.23		
Jun 1, 2013	5,677,393	12,570,933	18,248,326.25	17,993,205	36,241,531.25	213,062,344	-2,233,165	210,829,178.79		
Jun 1, 2014	5,219,481	11,437,388	16,657,068.50	19,769,157	36,426,225.50	188,073,706	-1,260,863	186,812,862.89		
Jun 1, 2015	4,689,980	10,182,352	14,822,331.50	21,701,904	36,524,235.50	161,731,822	-374,625	161,157,196.63		
Jun 1, 2016	4,067,755	8,790,356	12,858,110.75	23,853,558	36,711,668.75	133,810,709	-172,843	133,637,866.46		
Jun 1, 2017	3,334,331	7,253,529	10,567,859.50	26,446,378	37,014,237.50	106,030,000	-	106,030,000.00		
Jun 1, 2018	1,435,000	5,484,153	6,919,152.75	29,350,000	36,269,152.75	73,245,000	-	73,245,000.00		
Jun 1, 2019	1,065,000	3,820,173	4,885,173.25	22,280,000	27,165,173.25	49,900,000	-	49,900,000.00		
Jun 1, 2020	580,000	2,321,898	2,901,898.25	24,470,000	27,371,898.25	24,850,000	-	24,850,000.00		
Dec 1, 2020	-	767,984	767,563.75	24,850,000	25,617,563.75	-	-	-		
						<b>66,153,605</b>	<b>249,067,021</b>	<b>315,222,626.00</b>	<b>273,269,233</b>	<b>588,491,859.00</b>

\*\*Note: The entire \$8.5 million debt service payment in FY 2001, and \$8.5 million of the FY 2002 debt service payment will be made from Capitalized Interest and will not result in lost earnings to the State's General Fund.

**CS FOR HOUSE BILL NO. 281(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the financing of construction of public school facilities,  
2 facilities for the University of Alaska, and facilities for ports and harbors;  
3 authorizing the commissioner of revenue to sell the right to receive a portion of  
4 the anticipated revenue from a certain tobacco litigation settlement to the Alaska  
5 Housing Finance Corporation; relating to the deposit of certain anticipated revenue  
6 from a certain tobacco litigation settlement; authorizing the issuance of bonds by  
7 the Alaska Housing Finance Corporation with proceeds to finance public school  
8 construction, facilities for the University of Alaska, and facilities for ports and  
9 harbors; providing for the creation of subsidiary corporations of the Alaska  
10 Housing Finance Corporation for the purpose of financing or facilitating the  
11 financing of public school construction, facilities for the University of Alaska, and  
12 facilities for ports and harbors; and providing for an effective date."

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

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

4 **INTENT.** It is the intent of the legislature that the sale of a portion of the revenue  
5 derived from tobacco settlement litigation described under sec. 3(a) of this Act result in  
6 funding of \$1,400,000 annually for smoking education and cessation programs administered  
7 by the state. It is also the intent of the legislature that tobacco settlement revenues that are  
8 determined by the commissioner of revenue to be in excess of those needed to pay planned  
9 debt service on tobacco bonds be deposited into the general fund.

10 \* **Sec. 2.** AS 18.56 is amended by adding a new section to read:

11 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create  
12 subsidiary corporations for the purpose of financing or facilitating the financing of  
13 school construction, facilities for the University of Alaska, or facilities for ports and  
14 harbors. A subsidiary corporation created under this section may be incorporated  
15 under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the  
16 corporation to a subsidiary created under this section. A subsidiary created under this  
17 section may borrow money and issue bonds as evidence of that borrowing and has all  
18 the powers of the corporation that the corporation grants to it. Unless otherwise  
19 provided by the corporation, the debts, liabilities, and obligations of a subsidiary  
20 corporation created under this section are not the debts, liabilities, or obligations of the  
21 corporation.

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

24 **SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE.** (a) The  
25 commissioner of revenue is authorized to sell to the Alaska Housing Finance Corporation the  
26 right to receive all but \$1,400,000 annually of the revenue derived from the settlement of State  
27 of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915CI (Alaska Super. 1997) up to  
28 the amount needed to yield \$269,000,000 in proceeds from bonds sold at investment grade  
29 rates. In this subsection, "investment grade rates" means a Moody's Investor Service rating  
30 of Baa3 or better or a Standard and Poors and Fitch IBCA rating of BBB- or better.

1 (b) The proceeds of the sale of the right to receive revenue sold under (a) of this  
2 section are anticipated to be \$269,000,000.

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

5 BOND AUTHORIZATION AND PROVISIONS. (a) Notwithstanding the limitation  
6 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation or a  
7 subsidiary corporation created under AS 18.56.086 is authorized to issue revenue bonds in  
8 principal amounts sufficient to acquire the right to receive revenue described in sec. 3 of this  
9 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance  
10 Corporation and the commissioner of revenue. The bonds may be special, limited obligations  
11 of the Alaska Housing Finance Corporation or of the subsidiary corporation secured solely by  
12 the right to receive revenue sold to the Alaska Housing Finance Corporation under sec. 3 of  
13 this Act, and the Alaska Housing Finance Corporation or the subsidiary corporation may  
14 include in agreements with the bondholders a pledge of the right to receive that revenue and  
15 the promise of the state to honor that pledge.

16 (b) Subject to agreements with bondholders and appropriation as described in (c) of  
17 this section, the Alaska Housing Finance Corporation shall make the proceeds of the bonds  
18 issued under (a) of this section available to the

19 (1) Department of Education and Early Development to pay for expenditures  
20 described in (c)(1) of this section, including reimbursement to the Department of Education  
21 and Early Development for the expenditures;

22 (2) University of Alaska to pay for expenditures described in (c)(2) of this  
23 section, including reimbursement to the University of Alaska for the expenditures; and

24 (3) Department of Transportation and Public Facilities to pay for expenditures  
25 described in (c)(3) of this section, including reimbursement to the Department of  
26 Transportation and Public Facilities for the expenditures.

27 (c) Subject to appropriation and (d) of this section, the proceeds of bonds issued under  
28 (a) of this section shall be used by the

29 (1) Department of Education and Early Development to pay for construction,  
30 renovation, and improvement of public elementary and secondary schools as follows:

31 PROJECT

1	Petersburg - Fascia/Soffit Repair/Replacement	S 112,960
2	Kake City - Kake Elementary School Addition	2,237,460
3	Juneau Schools	
4	Auke Bay Elementary Roof Replacement	653,842
5	Marie Drake Roof Replacement	599,501
6	Harborview Elementary Gym Roof Replacement	106,604
7	High School Heating/Ventilation	65,303
8	High School Auxiliary Gym Floor Replacement	109,386
9	Floyd Dryden School Gym Floor	108,236
10	Gastineau Elementary Heating Coil Replacement	133,053
11	Floyd Dryden Middle School Renovation	3,629,683
12	Kodiak Island Schools	
13	Peterson Elementary Addition	756,000
14	Kodiak High School	1,106,875
15	Kenai/Soldotna Schools	
16	McNeil Elementary Wastewater Plant	225,300
17	Kenai Central High School Reinsulate Exterior Walls	367,648
18	Anchorage Schools	
19	Bartlett High School, Phase I	3,500,000
20	Eagle River/Chugiak High School	14,563,500
21	East High School, Phase I	7,295,400
22	Service High School, Phase I	4,998,000
23	Wendler Middle School, Phase I	4,231,500
24	Denali Elementary, Replacement	8,211,000
25	District Wide Projects/Major Maintenance	11,730,600
26	Matanuska-Susitna Schools	
27	Matanuska-Susitna - Fire Alarm System - Five Schools	620,648
28	Matanuska-Susitna - Colony High School Septic System	159,416
29	Matanuska-Susitna - Fuel Tank Replacement	126,261
30	Matanuska-Susitna - Fire Sprinklers and Piping (3)	1,381,770
31	Matanuska-Susitna - Boiler/Heater Replacement	221,051

1	- Four Schools	
2	Matanuska-Susitna - Carpet Replacement - six schools	423,507
3	Fairbanks North Star Borough Schools	
4	District Wide Projects/Major Maintenance	750,000
5	Lower Yukon - Pilot Station School Replacement	17,654,003
6	Lower Yukon - Kotlik School Replacement	17,910,901
7	Kashunamiut - Chevak School Replacement	28,272,551
8	Northwest Arctic Schools	
9	Ambler K-12 Improvements	924,586
10	Kiana K-12 Improvements	1,395,000
11	Bering Strait Schools	
12	Elim School, Phase III	12,146,788
13	Southwest Region Schools	
14	Manokotak School Replacement	14,689,464
15	Pribilof Island - St. George School Remodel	<u>4,385,970</u>
16	TOTAL	\$165,803,767
17	(2) University of Alaska to pay for construction and renovation of university	
18	facilities as follows:	
19	PROJECT	
20	University of Alaska - Southeast	
21	Deferred Maintenance, Renewal and Replacement,	\$1,687,854
22	Code Compliance	
23	University of Alaska - AVTEC Seward	
24	Student Housing	4,200,000
25	University of Alaska - Anchorage	
26	Consortium Library	36,000,000
27	Deferred Maintenance, Renewal and Replacement,	4,220,000
28	Code Compliance	
29	Matanuska-Susitna Ortner Building Replacement	685,000
30	University of Alaska - Fairbanks	
31	Deferred Maintenance, Renewal and Replacement,	25,199,054

Deleted  
 1-5

1 Code Compliance

2 TOTAL

\_\_\_\_\_  
\$71,991,9083 (3) Department of Transportation and Public Facilities to pay for construction  
4 and renovation of port and harbor facilities as follows:

5 PROJECT

6 Ketchikan

\$ 7,000,000

7 Petersburg

3,300,000

8 Juneau Area Harbors

9 Auke Bay Harbor

492,325

10 Douglas Dock/Harbor

1,241,421

11 Taku Harbor

38,566

12 Klawock

860,000

13 Seldovia

2,500,000

14 Whittier

1,835,600

15 Valdez

3,013,500

16 Cordova

4,337,800

17 Nome

1,000,000

18 CORPS OF ENGINEERS MATCH

19 Program Formulation

100,000

20 Ketchikan Harbor Study

200,000

21 Wrangell

500,000

22 Kake

404,000

23 Metlakatla - Tamgass

850,000

24 Ouzinkie

1,300,000

25 Seward Harbor Expansion

2,925,000

26 Perryville Harbor Feasibility

102,100

27 TOTAL

\$32,000,312

28 GRAND TOTAL

\$269,795,987

29 (d) Funds may not be expended for a port or harbor facility described in sec. 4(c)(3)  
30 of this section unless

- 1                   (1) the port or harbor facility is located in a municipality in which the port or  
2 harbor facility is owned and operated by the municipality;
- 3                   (2) ownership of the port or harbor facility that is being funded has been  
4 transferred from the state to the municipality by a transfer agreement under AS 35.10.120; and
- 5                   (3) the state completes a bill of sale transferring the port or harbor facility from  
6 the state to the municipality.
- 7       \* Sec. 5. This Act takes effect July 1, 2000.

Adopted 4/19/00

**CS FOR HOUSE BILL NO. 281(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

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2 facilities for the University of Alaska, and facilities for ports and harbors;  
3 authorizing the commissioner of revenue to sell the right to receive a portion of  
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5 Housing Finance Corporation; relating to the deposit of certain anticipated revenue  
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9 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance  
10 Corporation and the commissioner of revenue. The bonds may be special, limited obligations  
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15 the promise of the state to honor that pledge.

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19 (1) Department of Education and Early Development to pay for expenditures  
20 described in (c)(1) of this section, including reimbursement to the Department of Education  
21 and Early Development for the expenditures;

22 (2) University of Alaska to pay for expenditures described in (c)(2) of this  
23 section, including reimbursement to the University of Alaska for the expenditures; and

24 (3) Department of Transportation and Public Facilities to pay for expenditures  
25 described in (c)(3) of this section, including reimbursement to the Department of  
26 Transportation and Public Facilities for the expenditures.

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29 (1) Department of Education and Early Development to pay for construction,  
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31 PROJECT

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13	Southwest Region Schools	
14	Manokotak School Replacement	14,689,464
15	Pribilof Island - St. George School Remodel	<u>4,385,970</u>
16	TOTAL	\$165,803,767
17	(2) University of Alaska to pay for construction and renovation of university	
18	facilities as follows:	
19	PROJECT	
20	University of Alaska - Southeast	
21	Deferred Maintenance, Renewal and Replacement,	\$1,687,854
22	Code Compliance	
23	University of Alaska - AVTEC Seward	
24	Student Housing	4,200,000
25	University of Alaska - Anchorage	
26	Consortium Library	36,000,000
27	Deferred Maintenance, Renewal and Replacement,	4,220,000
28	Code Compliance	
29	Matanuska-Susitna Ortner Building Replacement	685,000
30	University of Alaska - Fairbanks	
31	Deferred Maintenance, Renewal and Replacement,	25,199,054

1	Code Compliance	
2	TOTAL	\$71,991,908
3	(3) Department of Transportation and Public Facilities to pay for construction	
4	and renovation of port and harbor facilities as follows:	
5	PROJECT	
6	Ketchikan	\$ 7,000,000
7	Petersburg	3,300,000
8	Juneau Area Harbors	
9	Auke Bay Harbor	492,325
10	Douglas Dock/Harbor	1,241,421
11	Taku Harbor	38,566
12	Klawock	860,000
13	Seldovia	2,500,000
14	Whittier	1,835,600
15	Valdez	3,013,500
16	Cordova	4,337,800
17	Nome	1,000,000
18	CORPS OF ENGINEERS MATCH	
19	Program Formulation	100,000
20	Ketchikan Harbor Study	200,000
21	Wrangell	500,000
22	Kake	404,000
23	Metlakatla - Tamgass	850,000
24	Ouzinkie	1,300,000
25	Seward Harbor Expansion	2,925,000
26	Perryville Harbor Feasibility	<u>102,100</u>
27	TOTAL	\$32,000,312
28	GRAND TOTAL	\$269,795,987
29	(d) Funds may not be expended for a port or harbor facility described in sec. 4(c)(3)	
30	of this section unless	

1 (1) the port or harbor facility is located in a municipality in which the port or  
2 harbor facility is owned and operated by the municipality;

3 (2) ownership of the port or harbor facility that is being funded has been  
4 transferred from the state to the municipality by a transfer agreement under AS 35.10.120; and

5 (3) the state completes a bill of sale transferring the port or harbor facility from  
6 the state to the municipality.

7 \* Sec. 5. This Act takes effect July 1, 2000.

*JD move Amendment 1*

<b>I. Tobacco securitization</b>		<b>269,590.0</b>	<b>Amount in HB281 and SB310</b>
<u>a) K-12 Schools</u>			
School construction		153,914.5	DEED priority list 1-10
Major maintenance		64,881.3	All DEED projects except those
	<b>K-12 subtotal</b>	<b>218,795.8</b>	<b>in school debt reimbursement</b>
<hr/>			
<u>b) University of Alaska</u>			
Consortium Library	31,000.0		
UAS classroom addition	7,600.0		
UAF Deferred maintenance	8,000.0		
AVTEC Student Housing	4,200.0		
	<b>UA subtotal</b>	<b>50,800.0</b>	
	<b>Total for tobacco bonds</b>	<b>269,595.8</b>	

*failed*

**II. School debt reimbursement (70%-30%)**

First debt payment in FY02-03

All projects approved by voters to date

**School debt subtotal 114,287,286.0**

**III. AHFC bonds for ports, harbors and deferred maintenance**

(Uses only \$44 million of the existing \$100 million capacity)

a) Ports and harbors transfer - phase I	23,600.0
b) Corps of Engineers match	6,400.0
c) University statewide deferred maintenance	14,000.0
<b>AHFC subtotal</b>	<b>44,000.0</b>

## I. K-12 SCHOOLS & UNIVERSITY CONSTRUCTION

(c) subject to appropriation, the proceeds of bonds issued under (a) of this section shall be used by the Department of Education and Early Development to pay for construction, renovation and improvement of public elementary and secondary schools as follows:

### a. K-12 SCHOOLS

#### 1. CONSTRUCTION PROJECTS

1 - SC	Kashunamiut	Chevak School Replacement	\$	28,272,551
2 - SC	Lower Yukon	Pilot Station School Replacement		17,654,003
3 - SC	Southwest Regio	Manokotak School Replacement		14,689,464
4 - SC	Lower Yukon	Kotlik School Replacement		17,910,901
5 - SC	Bering Strait	Elim School Phase III		12,146,788
6 - SC	Northwest Arctic	Noorvik K-12 Improvements		13,633,183
7 - SC	Bering Strait	Golovin School Phase III		9,609,516
8 - SC	Southwest Regio	Togiak School Replacement		25,027,049
9 - SC	Bering Strait	Koyuk K-12 School		600,737
10 - SC	Yupiit	Akiachak Elementary Replacement And Secondary Renovati		14,370,287
		Sub - Total	\$	153,914,479

#### 2. MAJOR MAINTENANCE AND IMPROVEMENT PROJECTS

1 - MM	Juneau City Boro	Auke Bay Elementary Roof Replacement	\$	653,842
2 - MM	Petersburg City	Fascia/Soffit Repair/Replacement Recovery Of Funds		112,960
3 - MM	Yukon-Koyukuk	Nulato Structural Repairs		400,724
5 - MM	Juneau City Boro	Marie Drake Roof Replacement		599,501
6 - MM	Pribilof Island	St. George School Remodel		4,385,970
7 - MM	Bering Strait	Shishmaref School Roof Replacement And Renovation, Pha		8,133,754
8 - MM	Juneau City Boro	Harborview Elementary Gym Roof Replacement		106,604
9 - MM	Chatham	Angoon Elementary School Major Maintenance		2,222,675
10 - MM	Lake & Peninsul	Pedro Bay School Renovation/Relocation/Reconstruction		1,557,714
11 - MM	Wrangell City	Wrangell Elementary And High School Structural Repairs		363,650
12 - MM	Wrangell City	Elementary and Middle School Renovation		1,229,000
13 - MM	Ketchikan	Schoenbar Renovation, Phase I		2,219,785
14 - MM	Wrangell City	Middle School Shop Renovation		168,518
15 - MM	Hoonah City	Swimming Pool Sprinkler		212,458
16 - MM	North Slope Boro	Tikigaq School Renovation		3,713,270
17 - MM	Kenai Peninsula	McNeil Canyon Elementary Wastewater Treatment System		125,300
18 - MM	Tanana City	Tanana Kitchen Renovation		426,179
19 - MM	Chatham	Angoon High School Major Maintenance		1,687,794
20 - MM	Iditarod Area	Takotna Community School Water Project		179,512
21 - MM	Iditarod Area	Blackwell School Heating Renovation & Site Repair		280,010
22 - MM	Wrangell City	Elementary & High Schools Roof & Exterior Repairs		103,760
23 - MM	Galena	Project Education Food Service Renovation		159,088
24 - MM	Delta/Greely	Fort Greely Utility Conversion		1,996,941

25 - MM	Sitka City Borou	Blatchley Middle School Exterior Upgrade	317,638
26 - MM	Southwest Regio	Clark's Point Generator Building	36,302
27 - MM	Kenai Peninsula	Kenai Central High School Reinsulate Exterior Walls	367,648
28 - MM	Yakutat City	Yakutat High School Gym Structural Repairs	86,936
29 - MM	Dillingham City	Elementary School Weatherization	146,860
30 - MM	Yupiit	Akiak High School Repairs	329,954
31 - MM	Juneau City Boro	High School Heating & Ventiatiion	65,303
32 - MM	Juneau City Boro	High School Auxiliary Gym Floor Replacement	109,385
33 - MM	Nenana City	Elementary Wing Sprinkler Expansion	106,333
35 - MM	Alaska Gateway	Tok Multipurpose Recreation Complex Renovation	969,494
36 - MM	Southwest Regio	Koliganek School Weather Protection	379,555
37 - MM	Galena	High School Repairs	128,662
38 - MM	Juneau City Boro	Floyd Dryden Middle School Gym Floor Replacement	108,236
39 - MM	Hoonah City	Hoonah Schools Renovation	1,223,725
40 - MM	Lower Yukon	Alakanuk Mechanical System Upgrade	997,557
41 - MM	Kuspuk	George Morgan Sr. High School Sewage System Replaceme	411,975
42 - MM	Lower Yukon	Emmonak Mechanical System Upgrade	715,772
43 - MM	Iditarod Area	David-Louis Memorial School Asbestos Abatement & Demoli	417,246
44 - MM	Denali Borough	Cantwell School Heating And Sprinkler System	668,125
45 - MM	Hydaburg City	Upgrading Facilities & Tanks Project	899,948
46 - MM	Lower Kuskokwi	Districtwide Water Treatment, Subsurface Sources	1,470,000
47 - MM	Denali Borough	Cantwell School Code Upgrade & Roof Repair	334,468
48 - MM	Dillingham City	Central Administration Roof	50,250
49 - MM	Kenai Peninsula	Soldotna High School Roofing Replacement	644,014
50 - MM	Tanana City	Tanana School Major Maintenance	2,976,374
51 - MM	Yakutat City	Yakutat High School Renovation	143,906
52 - MM	Chugach	Whittier Fire Alarm Replacement	40,431
53 - MM	Mat-Su Borough	Fire Alarm Systems, 5 Schools	620,648
54 - MM	Juneau City Boro	Gastineau Elementary Heating Coil Replacement	133,053
55 - MM	Iditarod Area	Innoko River School Water & Sewer Emergency	190,407
56 - MM	Denali Borough	Anderson School Heating & Ventilation	1,164,266
57 - MM	Mat-Su Borough	Septic System Upgrade, Colony High School	159,416
58 - MM	Mat-Su Borough	Fuel Tank Replacement Districtwide	126,261
59 - MM	Mat-Su Borough	Fire Sprinklers & Piping, 3 Schools	1,381,770
60 - MM	Alaska Gateway	Tetlin Sewer Line	85,031
61 - MM	Dillingham City	High School Fire Panel Replacement	64,623
62 - MM	Dillingham City	High School Gym Roof	158,151
63 - MM	Kuspuk	Crow Village Sam School Sewage System Replacement, Ch	349,272
64 - MM	Juneau City Boro	Floyd Dryden Middle School Renovation	3,629,683
65 - MM	Kake City	Kake Middle School Renovation & Generator Installation	300,075
66 - MM	Iditarod Area	Innoko River School Vocational Education Code Upgrade	73,821
67 - MM	Dillingham City	Elementary Gym Floor	51,562
68 - MM	Copper River	Glennallen High School Gym Floor Renovation	183,544
69 - MM	Chugach	Tatitlek Fire Alarm Replacement & Security System	35,471
70 - MM	Kuspuk	Johnnie John Sr. School Sewage System Replacement, Cro	356,257
71 - MM	Iditarod Area	McGrath School Foundation & Deterioration Repairs	188,835
72 - MM	Mat-Su Borough	Boiler & Water Heater Replacement, 4 Schools	221,051
73 - MM	Sitka City Borou	Districtwide Major Maintenance	482,058
74 - MM	Chugach	Districtwide Fuel Tank Upgrades	227,642

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75 - MM	Galena	High School Floor Renovation	128,786
76 - MM	Hoonah City	Hoonah Pool Upgrades	167,394
77 - MM	Chugach	Tatitlek Generator Replacement	197,122
78 - MM	Lower Kuskokwi	Kilbuck School Boiler Replacement	287,041
79 - MM	Mat-Su Borough	Carpet Replacement, 6 Elementary Schools	423,507
80 - MM	Yukon Flats	Chalkyitsik Sewage Lagoon & Water Tank	780,341
81 - MM	Lower Kuskokwi	Districtwide Asbestos Abatement	4,865,404
82 - MM	Iditarod Area	McGrath School Heating & Mechanical Design & Renovation	244,373
83 - MM	Lower Kuskokwi	Districtwide ADA Upgrade	2,203,040
84 - MM	Iditarod Area	Holy Cross School Shower, Bathroom & Flooring Deterioratio	49,384
85 - MM	Yukon Flats	Fort Yukon High School Gym Sprinklers	115,353
86 - MM	Dillingham City	Oil Tank Removal/Replacement	51,562
		Sub - Total	\$ 64,881,310
		<b>Total Grants for Schools</b>	<b>\$ 218,795,789</b>

**b. UNIVERSITY**

AVTEC - Seward Student Housing	4,200,000
University of Alaska - Anchorage Consortium Library	31,000,000
University of Alaska Southeast classroom addition	7,600,000
University of Alaska - Fairbanks	8,000,000
<b>Total University</b>	<b>50,800,000</b>

### Senate Capital Budget + HB281 Bond Package

ED		Senate Capital Budget	HB281 Tobacco Bond Projects	Total Capital + Bonds	
1	Ketchikan	16,822,572	\$ 7,200,000	24,022,572	2.76%
2	Sitka/Petersburg/Wrangell	27,453,877	\$ 3,912,960	31,366,837	3.61%
3-4	Juneau Areawide	14,616,000	\$ 8,865,774	23,481,774	2.70%
5	Southeast Islands	19,250,257	\$ 4,351,460	23,601,717	2.71%
6	Kodiak	15,455,527	\$ 3,162,875	18,618,402	2.14%
7-9	Kenai Areawide	34,417,656	\$ 10,217,948	44,635,604	5.13%
10-25	Anchorage Areawide	148,627,965	\$ 94,750,000	243,377,965	27.99%
26-28	Mat-Su Areawide	76,878,553	\$ 3,617,653	80,496,206	9.26%
29-34	Fairbanks	48,892,250	\$ 25,949,054	74,841,304	8.61%
35	Prince William Sound/Delta	23,589,285	\$ 9,186,900	32,776,185	3.77%
36	Rural Interior	40,269,981	\$ 17,654,003	57,923,984	6.66%
37	Arctic Slope/Northwest	33,402,737	\$ 2,319,586	35,722,323	4.11%
38	Nome/Norton Sound	39,472,982	\$ 59,330,240	98,803,222	11.36%
39	Bristol Bay/Bethel	28,088,811	\$ 14,689,464	42,778,275	4.92%
40	Aleutians	32,479,317	\$ 4,488,070	36,967,387	4.25%
	<b>Subtotal by Election District</b>	<b>599,717,770</b>	<b>\$ 269,695,987</b>	<b>869,413,757</b>	<b>100%</b>
99	Statewide	426,571,383	100,000	426,671,383	
	<b>Totals</b>	<b>1,026,289,153</b>	<b>269,795,987</b>	<b>1,296,085,140</b>	

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 15, 2000  
(Reissued April 18, 2000)

Annalee McConnell, Director  
Office of the Governor  
Office of Management & Budget  
P.O. Box 110020  
Juneau, Alaska 99811-0020

TONY KNOWLES, GOVERNOR

PLEASE REPLY TO:

- 1031 WEST 4TH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 269-5100  
FAX: (907) 276-3697
- KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 451-2811  
FAX: (907) 451-2846
- P.O. BOX 110300-DIMOND COURT HOUSE  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 465-6735

Re: sale of right to receive tobacco  
settlement revenue; dedicated fund  
prohibition (Ak. Const. Art. IX, Sec. 7)

Dear Ms. McConnell:

We have been asked to comment on a proposal to issue bonds secured by the right to receive future installments owed to the state under the settlement with the manufacturers of tobacco products. Apparently, counsel for the legislature questions whether this transaction would possibly violate the dedicated fund prohibition set out in Article IX, Section 7 of the Alaska Constitution.<sup>1</sup> The dedicated fund prohibition, though expressly directed to only the proceeds of taxes and licenses has been interpreted to broadly apply to all state revenue sources.<sup>2</sup>

We understand the transaction contemplated will take the form of a true sale. The state-owned rights to the stream of revenue from the tobacco settlement, or a part of it, would be sold to a subsidiary of the Alaska Housing Finance Corporation (AHFC). Under the terms of the sale, title to the rights representing the revenue stream would be conveyed to the AHFC subsidiary so that the right to receive future revenue becomes the property of that entity. As consideration for the sale, the state will receive the proceeds of revenue bonds issued by the AHFC subsidiary which will be appropriated by the legislature for capital improvement projects.

<sup>1</sup> The Alaska Constitution provides: "The proceeds of any state tax or license shall not be dedicated to any special purpose. . . ."

<sup>2</sup> State v. Alex, 646 P.2d 203 (Alaska 1992).

Page 2  
Annalee McConnell, Director  
April 18, 2000

The dedicated fund prohibition

... seeks to preserve an annual appropriation model which assumes that not only will the legislature remain free to appropriate all funds for any purpose on an annual basis, but that government department will not be restricted in requesting funds from all sources.

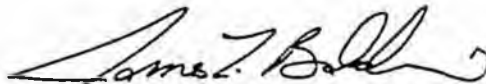
Sonneman v. Hickel, 836 P.2d 936 (Alaska 1992). The prohibition is intended to prevent the earmarking of a specific revenue source so that the legislature's power of appropriation does not become limited to only the purposes for which the funding source is earmarked. The proposal to securitize tobacco settlement proceeds involves the sale of the right to receive settlement proceeds for a stated period. Such a chose in action is a legitimate property right. See AS-01.10.060(a)(10). This is no different than the sale of beneficial rights in a mortgage or allocated annuity contract. The revenue stream in the settlement is effectively being sold for its present value. For the period covered by the sale, there are effectively no revenues owed to the state, they are owed to the purchasing entity, in this case a subsidiary of AHFC.

Because the revenues covered by the sale are no longer the property of the state, the dedicated fund prohibition would not apply. In addition, the state will have received the true value for the rights in the settlement proceeds. The legislature would have the full power of appropriation over the proceeds derived from the sale of these rights. We believe that this transaction does not violate the dedicated fund prohibition.

I hope this memorandum adequately answers your question. If you require a more detailed analysis of the issue, please let me know.

Sincerely,

BRUCE M. BOTELHO  
ATTORNEY GENERAL



By: James L. Baldwin  
Assistant Attorney General

# ARIMAX

FINANCIAL ADVISORS INC.

April 6, 2000

Mr. Daniel Fauske  
Chief Executive Officer  
Alaska Housing Finance Corporation  
4300 Boniface Parkway  
Anchorage, Alaska 99504

Dear Dan:

You have asked us to provide you with an update of the status of tobacco litigation and a review of jurisdictions considering tobacco financings.

Some of the recent highlights of tobacco litigation:

- A state court jury in California found that the tobacco companies misrepresented the health dangers of cigarettes, and ordered the companies to pay \$1.7 million in damages.
- United States Supreme Court ruled that the FDA did not have the jurisdiction to regulate tobacco products.
- The Florida case commonly known as Engle has moved into the second stage of deliberation. As expected, the jury found the cigarette companies at fault, and is now determining damages.

There have been several reports of states considering securitization of its tobacco revenues:

- The Senate in the State of Kansas has introduced legislation for the securitization of approximately \$475 million bonds to be used for children's programs.
- The State of Arkansas has been reported to reach a consensus on the spending of monies for the tobacco settlement. No legislation has been introduced as of yet.
- Legislation has been introduced in the Colorado State Legislature to securitize revenues.

(over)

---

505 PARK AVENUE, 14<sup>TH</sup> FLOOR, NEW YORK, NY 10022-1106  
TEL: 212.935.7882 FAX: 212.935.9268

# HOUSE BILL 281 TOBACCO BOND PROJECT LIST

## SCHOOLS

<u>Project Name</u>	<u>Project Cost</u> <u>State Share</u>
Petersburg - Fascia/Soffit Repr/Replace Juneau Schools	\$ 112,960
Auke Bay Elem Roof Replacement	\$ 653,842
Marie Drake Roof Replacement	\$ 599,501
Harborview Elem Gym Roof Replacement	\$ 106,604
High School Heating/Ventilation	\$ 65,303
High School Aux Gym Floor Replacement	\$ 109,386
Floyd Dryden Sch Gym Floor	\$ 108,236
Gastineau Elem Heating Coil Replacement	\$ 133,053
Floyd Dryden Middle School Renovation	\$ 3,629,683
Kake City - Kake Elementary School Addition Kodiak Island Schools	\$ 2,237,460
Peterson Elem Addition	\$ 756,000
Kodiak High School	\$ 1,106,875
Kenai/ Soldotna Schools	
McNeil Elem Wastewater Plant	\$ 225,300
Kenai Central High School Reinsulate Ext Walls Anchorage Schools	\$ 367,648
Bartlett High School, Phase I	\$ 3,500,000
Eagle River/Chugiak High School	\$ 14,563,500
East High School, Phase I	\$ 7,295,400
Service High School, Phase I	\$ 4,998,000
Wendler Middle School, Phase I	\$ 4,231,500
Denali Elementary, Replacement	\$ 8,211,000
District Wide Projects/ Major Maintenance Mat-Su Schools	\$ 11,730,600
Mat-Su - Fire Alarm Sys - 5 schools	\$ 620,648
Mat-Su - Colony High School Septic Sys	\$ 159,416
Mat-Su - Fuel Tank Replace	\$ 126,261
Mat-Su Fire Sprinklers & Piping (3 )	\$ 1,381,770
Mat-Su Boiler/Heater Replace (4 schools)	\$ 221,051
Mat-Su Carpet Replace (6 schools)	\$ 423,507
Fairbanks - North Star Borough Schools	
Districtwide Major Maintenance	\$ 750,000
Lwr Yukon - Pilot Station School Replacement	\$ 17,654,003
Northwest Arctic Schools	
Ambler K-12 Improvements	\$ 924,586
Kiana K-12 Improvements	\$ 1,395,000
Kashunamiut - Chevak School Replacement	\$ 28,272,551
Lwr Yukon - Kotlik School Replacement	\$ 17,910,901
Elim School Phase III	\$ 12,146,788
Southwest Region Schools	
Manokotak School Replacement	\$ 14,689,464
Pribilof Island - St. George School Remodel	\$ 4,385,970
	\$ 165,803,767

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

*Tarnell*

# ARIMAX

FINANCIAL ADVISORS INC.

April 6, 2000

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Chief Executive Officer  
Alaska Housing Finance Corporation  
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Anchorage, Alaska 99504

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*(over)*

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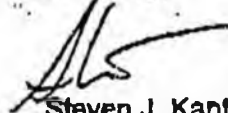
**California Counties.** Several major counties are proceeding with their tobacco securitization plans.

- On April 23, 2000, the Board of Supervisors of the County of **Sacramento** will address the County's recommendation to securitize its share of the tobacco revenues.
- The County of **Los Angeles** is beginning to draft a proposal to securitize its share of tobacco revenues.
- The County of **Orange** has received approval to draft a plan for securitization.

Two counties in New York, Erie County and Monroe County, announced their intention of proceeding with a tobacco securitization transaction.

This is just a partial list of entities considering tobacco securitization financings. We will continue to update you as we receive additional information. Please call me if you have any questions. Thank you.

Sincerely,



Steven J. Kantor  
President

---

505 PARK AVENUE, 14<sup>TH</sup> FLOOR, NEW YORK, NY 10022-1106  
TEL: 212.935.7882 FAX: 212.935.9268

# HOUSE BILL 281 TOBACCO BOND PROJECT LIST

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Mat-Su Schools	
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Pribilof Island - St. George School Remodel	\$ 4,385,970
	\$ 165,803,767

# HOUSE BILL 281 TOBACCO BOND PROJECT LIST

## UNIVERSITY

<u>Project Name</u>	<u>Project Cost</u>
University of Alaska - Southeast	
Deferred Maintenance	\$ 684,774
Renewal & Replacement	\$ 687,200
Code Compliance	\$ 315,880
Avtec - Seward	
Student Housing	\$ 4,200,000
University of Alaska - Anchorage	
Consortium Library	\$ 36,000,000
Deferred Maintenance	\$ 1,570,000
Renewal & Replacement	\$ 2,500,000
Code Compliance	\$ 150,000
Mat-Su Ortner Building Replacement	\$ 685,000
University of Alaska - Fairbanks	
Deferred Maintenance	\$ 19,455,406
Renewal & Replacement	\$ 1,600,000
Code Compliance	\$ 4,143,648
	<u>\$ 71,991,908</u>

## PORTS and HARBORS

### HARBORS TRANSFER PLAN

<u>Project Name</u>	<u>Project Cost</u>
Ketchikan	\$ 7,000,000
Petersburg	\$ 3,300,000
Juneau Area Harbors	
Auke Bay Harbor	\$ 492,325
Douglas Dock / Harbor	\$ 1,241,421
Taku Harbor	\$ 38,566
Klawock	\$ 860,000
Seldovia	\$ 2,500,000
Whittier	\$ 1,835,600
Valdez	\$ 3,013,500
Cordova	\$ 4,337,800
Nome	\$ 1,000,000

### CORPS OF ENGINEERS MATCH

<u>Project Name</u>	<u>Project Cost</u>
Program Formulation	\$ 100,000
Ketchikan Harbor Study	\$ 200,000
Wrangell	\$ 500,000
Kake	\$ 404,000
Metlakatla - Tamgass	\$ 850,000
Ouzinkie	\$ 1,300,000
Seward Harbor Expansion	\$ 2,925,000
Perryville Harbor Feasibility	\$ 102,100
	<u>\$ 32,000,312</u>

GRAND TOTAL

\$ 269,795,987

1-LS1201\Y

Ford

4/18/00

**CS FOR HOUSE BILL NO. 281(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to the financing of construction of public school facilities,  
2 facilities for the University of Alaska, and facilities for ports and harbors;  
3 authorizing the commissioner of revenue to sell the right to receive a portion of  
4 the anticipated revenue from a certain tobacco litigation settlement to the Alaska  
5 Housing Finance Corporation; authorizing the issuance of bonds by the Alaska  
6 Housing Finance Corporation with proceeds to finance public school construction,  
7 facilities for the University of Alaska, and facilities for ports and harbors;  
8 providing for the creation of subsidiary corporations of the Alaska Housing  
9 Finance Corporation for the purpose of financing or facilitating the financing of  
10 public school construction, facilities for the University of Alaska, and facilities for  
11 ports and harbors; relating to the annual public school construction and major  
12 maintenance grant application and approval process; and providing for an effective

1 date."

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

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

5 **INTENT.** It is the intent of the legislature that the sale of a portion of the revenue  
6 derived from tobacco settlement litigation described under sec. 3(a) of this Act result in funding  
7 of \$1,400,000<sup>annually</sup> for smoking education and cessation programs administered by the state.

8 \* **Sec. 2.** AS 18.56 is amended by adding a new section to read:

9 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create  
10 subsidiary corporations for the purpose of financing or facilitating the financing of  
11 school construction, facilities for the University of Alaska, or facilities for ports and  
12 harbors. A subsidiary corporation created under this section may be incorporated  
13 under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the  
14 corporation to a subsidiary created under this section. A subsidiary created under this  
15 section may borrow money and issue bonds as evidence of that borrowing and has all  
16 the powers of the corporation that the corporation grants to it. Unless otherwise  
17 provided by the corporation, the debts, liabilities, and obligations of a subsidiary  
18 corporation created under this section are not the debts, liabilities, or obligations of the  
19 corporation.

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

22 **SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE.** (a) The  
23 commissioner of revenue is authorized to sell to the Alaska Housing Finance Corporation the  
24 right to receive all but \$1,400,000<sup>annually</sup> of the revenue derived from the settlement of State of  
25 Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915CI (Alaska Super. 1997).

26 (b) The proceeds of the sale of the right to receive revenue sold under (a) of this  
27 section are anticipated to be \$269,000,000.

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

30 **BOND AUTHORIZATION AND PROVISIONS.** (a) Notwithstanding the limitation

1 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation or a  
 2 subsidiary corporation created under AS 18.56.086 is authorized to issue revenue bonds in  
 3 principal amounts sufficient to acquire the right to receive revenue described in sec. 3 of this  
 4 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance  
 5 Corporation and the commissioner of revenue. The bonds may be special, limited obligations  
 6 of the Alaska Housing Finance Corporation or of the subsidiary corporation secured solely by  
 7 the right to receive revenue sold to the Alaska Housing Finance Corporation under sec. 3 of  
 8 this Act, and the Alaska Housing Finance Corporation or the subsidiary corporation may  
 9 include in agreements with the bondholders a pledge of the right to receive that revenue and  
 10 the promise of the state to honor that pledge.

11 (b) Subject to agreements with bondholders and appropriation as described in (c) of  
 12 this section, the Alaska Housing Finance Corporation shall make the proceeds of the bonds  
 13 issued under (a) of this section available to the

14 (1) Department of Education and Early Development to pay for expenditures  
 15 described in (c)(1) of this section, including reimbursement to the Department of Education  
 16 and Early Development for the expenditures;

17 (2) University of Alaska to pay for expenditures described in (c)(2) of this  
 18 section, including reimbursement to the University of Alaska for the expenditures; and

19 (3) Department of Transportation and Public Facilities to pay for expenditures  
 20 described in (c)(3) of this section, including reimbursement to the Department of  
 21 Transportation and Public Facilities for the expenditures.

22 (c) Subject to appropriation, the proceeds of bonds issued under (a) of this section  
 23 shall be used by the

24 (1) Department of Education and Early Development to pay for construction,  
 25 renovation, and improvement of public elementary and secondary schools as follows:

26 PROJECT

27 Petersburg - Fascia/Soffit Repair/Replacement	\$ 112,960
28 Kake City - Kake Elementary School Addition	2,237,460
29 Juneau Schools	
30 Auke Bay Elementary Roof Replacement	653,842
31 Marie Drake Roof Replacement	599,501

1	Harborview Elementary Gym Roof Replacement	106,604
2	High School Heating/Ventilation	65,303
3	High School Auxiliary Gym Floor Replacement	109,386
4	Floyd Dryden School Gym Floor	108,236
5	Gastineau Elementary Heating Coil Replacement	133,053
6	Floyd Dryden Middle School Renovation	3,629,683
7	Kodiak Island Schools	
8	Peterson Elementary Addition	756,000
9	Kodiak High School	1,106,875
10	Kenai/Soldotna Schools	
11	McNeil Elementary Wastewater Plant	225,300
12	Kenai Central High School Reinsulate Exterior Walls	367,648
13	Anchorage Schools	
14	Bartlett High School, Phase I	3,500,000
15	Eagle River/Chugiak High School	14,563,500
16	East High School, Phase I	7,295,400
17	Service High School, Phase I	4,998,000
18	Wendler Middle School, Phase I	4,231,500
19	Denali Elementary, Replacement	8,211,000
20	District Wide Projects/Major Maintenance	11,730,600
21	Matanuska-Susitna Schools	
22	Matanuska-Susitna - Fire Alarm System - Five Schools	620,648
23	Matanuska-Susitna - Colony High School Septic System	159,416
24	Matanuska-Susitna - Fuel Tank Replacement	126,261
25	Matanuska-Susitna - Fire Sprinklers and Piping (3)	1,381,770
26	Matanuska-Susitna - Boiler/Heater Replacement	221,051
27	- Four Schools	
28	Matanuska-Susitna - Carpet Replacement - six schools	423,507
29	Fairbanks North Star Borough Schools	
30	District Wide Projects/Major Maintenance	750,000
31	Lower Yukon - Pilot Station School Replacement	17,654,003

1	Lower Yukon - Kotlik School Replacement	17,910,901
2	Kashunamiut - Chevak School Replacement	28,272,551
3	Northwest Arctic Schools	
4	Ambler K-12 Improvements	924,586
5	Kiana K-12 Improvements	1,395,000
6	Bering Strait Schools	
7	Elim School, Phase III	12,146,788
8	Southwest Region Schools	
9	Manokotak School Replacement	14,689,464
10	Pribilof Island - St. George School Remodel	<u>4,385,970</u>
11	TOTAL	\$165,803,767
12	(2) University of Alaska to pay for construction and renovation of university	
13	facilities as follows:	
14	PROJECT	
15	University of Alaska - Southeast	
16	Deferred Maintenance	\$ 684,774
17	Renewal and Replacement	687,200
18	Code Compliance	315,880
19	University of Alaska - AVTEC Seward	
20	Student Housing	4,200,000
21	University of Alaska - Anchorage	
22	Consortium Library	36,000,000
23	Deferred Maintenance	1,570,000
24	Renewal and Replacement	2,500,000
25	Code Compliance	150,000
26	Matanuska-Susitna Ortner Building Replacement	685,000
27	University of Alaska - Fairbanks	
28	Deferred Maintenance	19,455,406
29	Renewal and Replacement	1,600,000
30	Code Compliance	<u>4,143,648</u>
31	TOTAL	\$71,991,908

1 (3) Department of Transportation and Public Facilities to pay for construction  
2 and renovation of port and harbor facilities as follows:

3	PROJECT	
4	Ketchikan	\$ 7,000,000
5	Petersburg	3,300,000
6	Juneau Area Harbors	
7	Auke Bay Harbor	492,325
8	Douglas Dock/Harbor	1,241,421
9	Taku Harbor	38,566
10	Klawock	860,000
11	Seldovia	2,500,000
12	Whittier	1,835,600
13	Valdez	3,013,500
14	Cordova	4,337,800
15	Nome	1,000,000
16	CORPS OF ENGINEERS MATCH	
17	Program Formulation	100,000
18	Ketchikan Harbor Study	200,000
19	Wrangell	500,000
20	Kake	404,000
21	Metlakatla - Tamgass	850,000
22	Ouzinkie	1,300,000
23	Seward Harbor Expansion	2,925,000
24	Perryville Harbor Feasibility	<u>102,100</u>
25	TOTAL	\$32,000,312
26	GRAND TOTAL	\$269,795,987

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

29       SUSPENSION OF STATUTORY SCHOOL CONSTRUCTION AND MAJOR  
30 MAINTENANCE GRANT APPLICATION PROCESS. The provisions of AS 14.11.005,  
31 14.11.007, 14.11.011, 14.11.013, 14.11.015, and 14.11.016 are suspended in regard to the

1 public school construction, renovation, and improvement projects described under sec. 4(c)(1)  
2 of this Act.

3 \* Sec. 6. Section 5 of this Act is repealed July 1, 2002.

4 \* Sec. 7. Section 5 of this Act takes effect immediately under AS 01.10.070(c).

5 \* Sec. 8. Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2000.

**CS FOR HOUSE BILL NO. 281(FIN)**

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**Offered:  
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1 "An Act relating to the financing of construction of public school facilities,  
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10	Kodiak High School	1,106,875
11	Kenai/Soldotna Schools	
12	McNeil Elementary Wastewater Plant	125,300
13	Kenai Central High School Reinsulate Exterior Walls	367,648
14	Soldotna High School Roofing Replacement	644,014
15	Anchorage Schools	
16	Bartlett High School, Phase I	3,500,000
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3	Northwest Arctic Schools	
4	Ambler K-12 Improvements	924,586
5	Kiana K-12 Improvements	1,395,000
6	Bering Strait Schools	
7	Elim School, Phase III	12,146,788
8	Southwest Region Schools	
9	Manokotak School Replacement	14,689,464
10	Pribilof Island - St. George School Remodel	<u>4,385,970</u>
11	TOTAL	\$165,597,781

12           (2) University of Alaska to pay for construction and renovation of university  
13 facilities as follows:

14	PROJECT	
15	University of Alaska - Southeast	
16	Deferred Maintenance	\$ 1,687,854
17	University of Alaska - AVTEC Seward	
18	Student Housing	4,200,000
19	University of Alaska - Anchorage	
20	Consortium Library	36,000,000
21	Deferred Maintenance	4,220,000
22	Matanuska-Susitna Ortner Building Replacement	685,000
23	University of Alaska - Fairbanks	
24	Deferred Maintenance	<u>25,199,054</u>
25	TOTAL	\$71,991,908

26           (3) Department of Transportation and Public Facilities to pay for construction  
27 and renovation of port and harbor facilities as follows:

28	PROJECT	
29	Ketchikan	\$ 7,000,000
30	Petersburg	3,300,000
31	Juneau Area Harbors	

1	Auke Bay Harbor	492,325
2	Douglas Dock/Harbor	1,241,421
3	Taku Harbor	38,566
4	Klawock	860,000
5	Seldovia	2,500,000
6	Whittier	1,835,600
7	Valdez	3,013,500
8	Cordova	4,337,800
9	Nome	1,000,000
10	CORPS OF ENGINEERS MATCH	
11	Program Formulation	100,000
12	Ketchikan Harbor Study	200,000
13	Wrangell	500,000
14	Kake	404,000
15	Metlakatla - Tamgass	850,000
16	Ouzinkie	1,300,000
17	Seward Harbor Expansion	2,925,000
18	Perryville Harbor Feasibility	<u>102,100</u>
19	TOTAL	\$32,000,312
20	GRAND TOTAL	\$269,590,001

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

23 SUSPENSION OF STATUTORY SCHOOL CONSTRUCTION AND MAJOR  
24 MAINTENANCE GRANT APPLICATION PROCESS. The provisions of AS 14.11.005,  
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29 \* Sec. 7. Section 5 of this Act takes effect immediately under AS 01.10.070(c).

30 \* Sec. 8. Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2000.

# HOUSE BILL 281 TOBACCO BOND PROJECT LIST

## SCHOOLS

<u>Project Name</u>	<u>Project Cost</u> <u>State Share</u>
Petersburg - Fascia/Soffit Repr/Replace Juneau Schools	\$ 112,960
Auke Bay Elem Roof Replacement	\$ 653,842
Marie Drake Roof Replacement	\$ 599,501
Harborview Elem Gym Roof Replacement	\$ 106,604
High School Heating/Ventilation	\$ 65,303
High School Aux Gym Floor Replacement	\$ 109,386
Floyd Dryden Sch Gym Floor	\$ 108,236
Gastineau Elem Heating Coil Replacement	\$ 133,053
Floyd Dryden Middle School Renovation	\$ 3,629,683
Kake City - Kake Elementary School Addition Kodiak Island Schools	\$ 2,237,460
Peterson Elem Addition	\$ 756,000
Kodiak High School	\$ 1,106,875
Kenai/ Soldotna Schools	
McNeil Elem Wastewater Plant	\$ 225,300
Kenai Central High School Reinsulate Ext Walls	\$ 367,648
Anchorage Schools	
Bartlett High School, Phase I	\$ 3,500,000
Eagle River/Chugiak High School	\$ 14,563,500
East High School, Phase I	\$ 7,295,400
Service High School, Phase I	\$ 4,998,000
Wendler Middle School, Phase I	\$ 4,231,500
Denali Elementary, Replacement	\$ 8,211,000
District Wide Projects/ Major Maintenance	\$ 11,730,600
Mat-Su Schools	
Mat-Su - Fire Alarm Sys - 5 schools	\$ 620,648
Mat-Su - Colony High School Septic Sys	\$ 159,416
Mat-Su - Fuel Tank Replace	\$ 126,261
Mat-Su Fire Sprinklers & Piping (3 )	\$ 1,381,770
Mat-Su Boiler/Heater Replace (4 schools)	\$ 221,051
Mat-Su Carpet Replace (6 schools)	\$ 423,507
Fairbanks - North Star Borough Schools	
Districtwide Major Maintenance	\$ 750,000
Lwr Yukon - Pilot Station School Replacement	\$ 17,654,003
Northwest Arctic Schools	
Ambler K-12 Improvements	\$ 924,586
Kiana K-12 Improvements	\$ 1,395,000
Kashunamiut - Chevak School Replacement	\$ 28,272,551
Lwr Yukon - Kotlik School Replacement	\$ 17,910,901
Elim School Phase III	\$ 12,146,788
Southwest Region Schools	
Manokotak School Replacement	\$ 14,689,464
Pribilof Island - St. George School Remodel	\$ 4,385,970
	<u>\$ 165,803,767</u>

# HOUSE BILL 281 TOBACCO BOND PROJECT LIST

## UNIVERSITY

<u>Project Name</u>	<u>Project Cost</u>
University of Alaska - Southeast	
Deferred Maintenance	\$ 684,774
Renewal & Replacement	\$ 687,200
Code Compliance	\$ 315,890
Avtec - Seward	
Student Housing	\$ 4,200,000
University of Alaska - Anchorage	
Consortium Library	\$ 36,000,000
Deferred Maintenance	\$ 1,570,000
Renewal & Replacement	\$ 2,500,000
Code Compliance	\$ 150,000
Mat-Su Ortner Building Replacement	\$ 685,000
University of Alaska - Fairbanks	
Deferred Maintenance	\$ 19,455,406
Renewal & Replacement	\$ 1,600,000
Code Compliance	\$ 4,143,648
	<u>\$ 71,991,908</u>

## PORTS and HARBORS

### HARBORS TRANSFER PLAN

<u>Project Name</u>	<u>Project Cost</u>
Ketchikan	\$ 7,000,000
Petersburg	\$ 3,300,000
Juneau Area Harbors	
Auke Bay Harbor	\$ 492,325
Douglas Dock / Harbor	\$ 1,241,421
Taku Harbor	\$ 38,566
Klawock	\$ 860,000
Seldovia	\$ 2,500,000
Whittier	\$ 1,835,600
Valdez	\$ 3,013,500
Cordova	\$ 4,337,800
Nome	\$ 1,000,000

### CORPS OF ENGINEERS MATCH

<u>Project Name</u>	<u>Project Cost</u>
Program Formulation	\$ 100,000
Ketchikan Harbor Study	\$ 200,000
Wrangell	\$ 500,000
Kake	\$ 404,000
Metlakatla - Tamgass	\$ 850,000
Ouzinkie	\$ 1,300,000
Seward Harbor Expansion	\$ 2,925,000
Perryville Harbor Feasibility	\$ 102,100
	<u>\$ 32,000,312</u>

GRAND TOTAL

\$ 269,795,987

WOHLFORTH, VASSAR, JOHNSON & BRECHT

A PROFESSIONAL CORPORATION

JULIA J. BRECHT  
CERVELIA RAWLS BRUNNING  
CYNTHIA L. CARLEWISS  
ROBERT M. JOHNSON  
BRADLEY S. MEYER  
KENNETH S. VASSAR  
MARSHALL T. WHITE  
ERICA S. WOHLFORTH

ATTORNEYS AT LAW

900 WEST 8TH AVENUE, SUITE 600  
ANCHORAGE, ALASKA 99501-3040

TELEPHONE  
907.570.4591  
FACSIMILE  
907.570.6033

April 19, 2000

Daniel R. Fauske  
Chief Executive Officer/Executive Director  
Alaska Housing Finance Corporation  
4300 Boniface Parkway  
Anchorage, Alaska 99504

Re: Tobacco Settlement Legislation; Our File No. 3598.0001

Dear Mr. Fauske:

At your request, we have reviewed various drafts of legislation (the "Legislation") under consideration at the Second Session of the Twenty-First Alaska Legislature to authorize the Commissioner of Revenue to sell to AHFC the right to receive all or a part of the settlement proceeds (the "Assets") to be derived from a certain settlement among various tobacco companies and the State of Alaska along with other States (the "Settlement"). The Legislation contemplates that AHFC will pay approximately \$269,000,000 for the purchase of the Assets. AHFC will pay for the Assets using proceeds of bonds (the "Bonds") to be issued by AHFC. The proceeds will be made available to pay costs of various State projects; the application of those proceeds to payment of those costs is stated in the Legislation to be subject to appropriation.

You have asked whether we believe that any of the drafts we have reviewed create a dedicated fund problem under Article IX, Section 7, of the Alaska Constitution. We do not.

There is no provision of the Alaska Constitution which prevents the State from selling or otherwise disposing of its assets. The right to receive payments under the terms of the Settlement is an asset. AHFC is a public corporation of the State with a legal existence independent of and separate from the State and with sufficient legal power to acquire the Assets from the State. The sale of the Assets to AHFC separates those assets from the State's assets generally and frees them to be pledged to bondholders by AHFC. The dedicated fund prohibition does not apply to these assets or to the pledge by AHFC of its assets to bondholders.

Daniel R. Fauske  
Alaska Housing Finance Corporation  
Re: Tobacco settlement legislation  
April 19, 2000  
Page 2

We would come to this conclusion absent any bonding issues. However, the anticipated bonding confirms the conclusion. The Alaska Constitution, at Article IX, Section 11, specifically contemplates that the State and public corporations of the State have the power to issue revenue bonds. Revenue bonds are bonds that are secured by a pledge of a particular flow of revenues. If the revenue flow cannot be pledged to the payment of the revenue bonds (which is the case if the pledge were considered to be a prohibited dedication of funds), then this section of the State constitution would be meaningless.

For these reasons, we conclude that the Legislation will not violate the Alaska Constitution's dedicated fund prohibition.

Sincerely,

WOHLFORTH, VASSAR,  
JOHNSON & BRECHT

*Marshall J. White*  
for Kenneth E. Vassar

To: Alaska State Legislature Finance Committec

From: Kodiak High School Student Body

Joey Hutcherson

Curtis Mortenson

Lee Ann Schmelzenbach

Date: April 19, 2000

Subject: IMPORTANT DOCUMENTS FOR HSB 281

Memo:

Please give a copy to each member of the Finance Committee. Hard copies are to follow and will be in the hands of Senator Mackie and Representative Austerman.

Thank you for all of your support. If you need to contact any of us, you may call Kodiak High School at 1-(907)-486-9211, or contact Joey Hutcherson at 1-(907)-486-9409.

April 19, 2000

**Dear Senator Mackle and Representative Austerman:**

**We, the student body of Kodiak High School, are writing to you, the State of Alaska Legislature, in support of House Bill 281. This Bill is important to the safety and well-being of the students and faculty at our school. Our education is being disrupted due to the deterioration water has caused to our facility. The roof of Kodiak High School poses a threat to the safety of students, decreases our school morale, and continues to be hazardous to classroom equipment, flooring, and our fire alarm system.**

**In all schools, safety is of the utmost importance. Students should be able to attend school without their health and safety being at risk. In our school, the severe water leaks make it unsafe to travel through wet hallways. In several places throughout our building, water damaged ceiling tiles have fallen on the heads of both students and faculty. Wet, slick tile floors make crowded passing periods dangerous for everyone. Buckets that are placed in order to catch water dripping from the ceiling also obstruct hallway movement; therefore becoming a potential fire hazard. Although we are all very aware of the slick areas in our school, we feel that it is only a matter of time before someone is seriously hurt.**

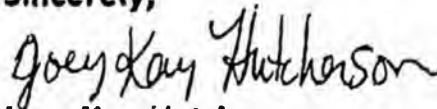
**The leaking problem in Kodiak High School also has the potential to damage expensive equipment such as computer hardware, utility wiring, and most importantly, our fire alarm system. One of the worst portions of our roof is directly above the Drafting CAD lab. This lab contains over \$50,000 of equipment and is in great risk of being severely damaged by the water leaks. Another concern is with the damage that is caused to our wiring system. This system includes our electricity, telephone, and fire alarm wiring. All of these are essential to every day school functions.**

**Our flooring is a financial and safety issue also related to our roof. Much of the carpeting in our school has been safely placed over asbestos tiling. As the water destroys various sections of our carpet, we'll be forced to follow through with asbestos abatement to remove and replace it. This is an expensive and dangerous project that can be avoided. Asbestos is located both under our water-logged carpet and is bound in the matrix of our roof.**

We hope that you will support House Bill 281. This bill is important to the safety of students and faculty at Kodiak High School. It is important to us, the student body of Kodiak High School, that all students throughout the state are able to attend a school with a safe learning environment. Please support funding for maintenance to school facilities such as ours.

Thank you for all the hard work you do for us.

Sincerely,



Joey Kay Hutcherson  
Former Student Body President

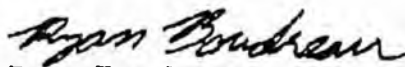


Curtis Mortenson  
Junior Class Vice President

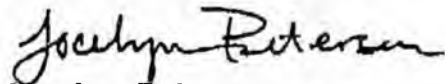


Lee Ann Schmelzenbach  
Student Body Public Relations Officer

Approved by Kodiak High School Student Government on April 19, 2000.



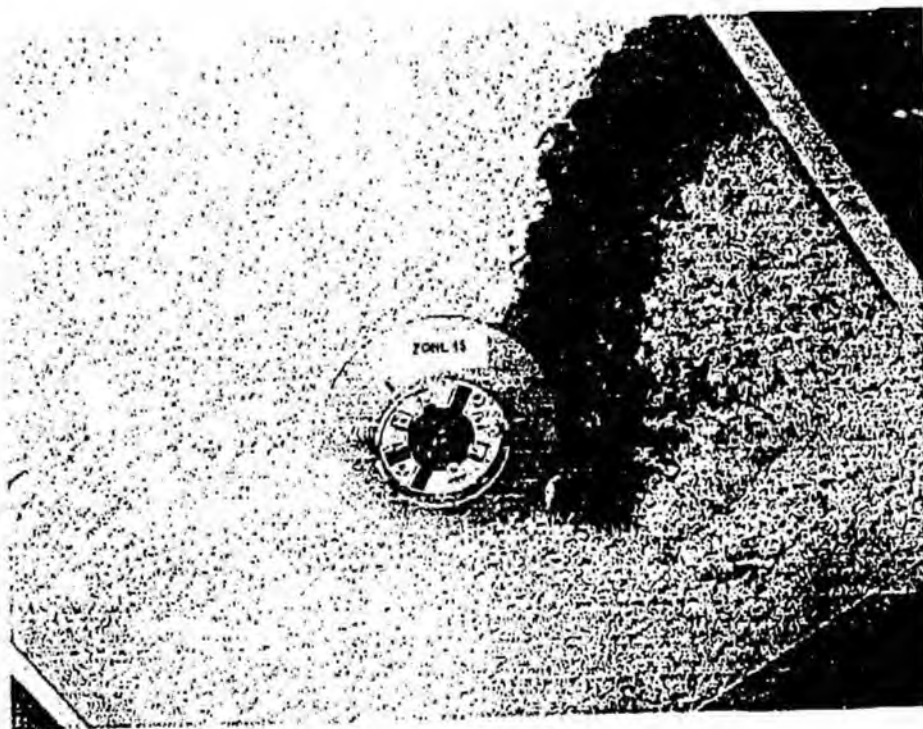
Ryan Boudreau  
Student Body President



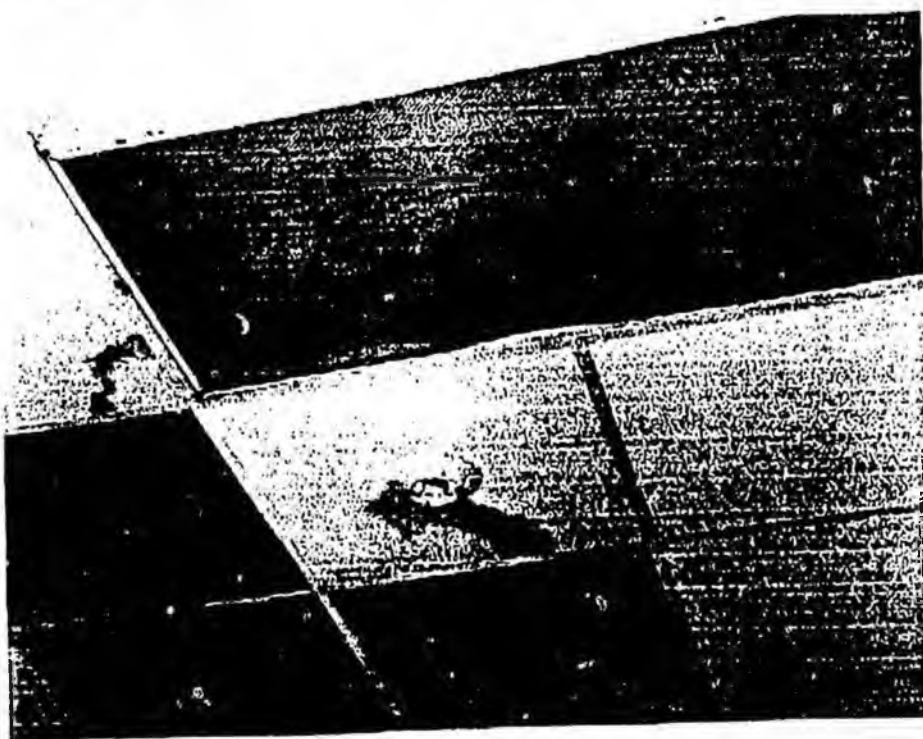
Jocelyn Peterson  
Student Body Secretary

CC: Alaska State Legislature Finance Committee Members  
Superintendent Betty Walters

Photo Attachments

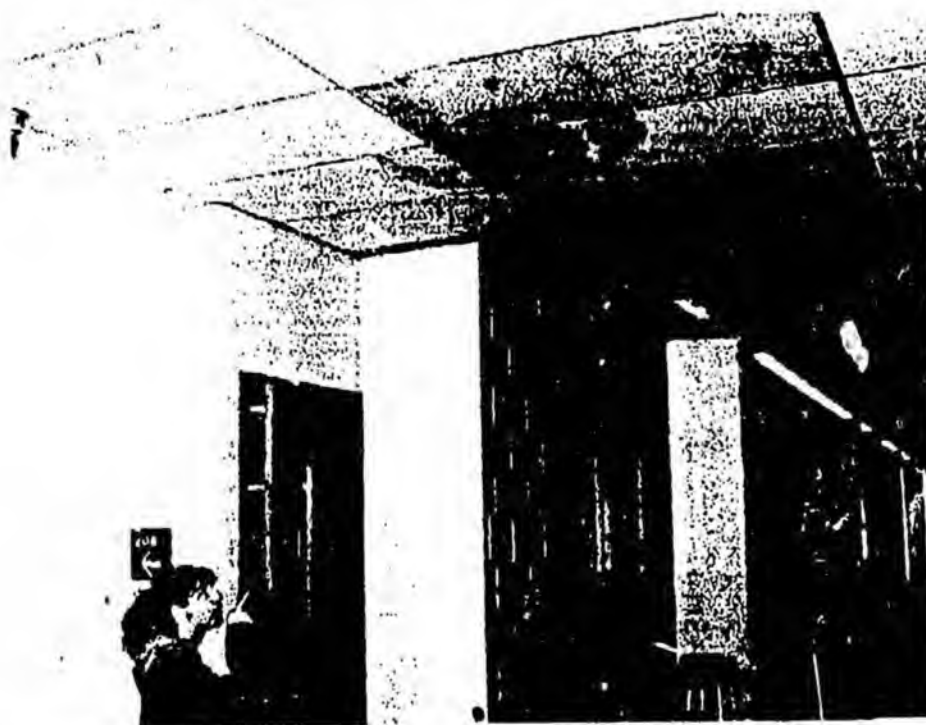


Water dripped into this fire alarm in the freshman hallway.



Water damage to this light fixture is also close to a fire alarm.

**Balcony ceiling outside of English class.**

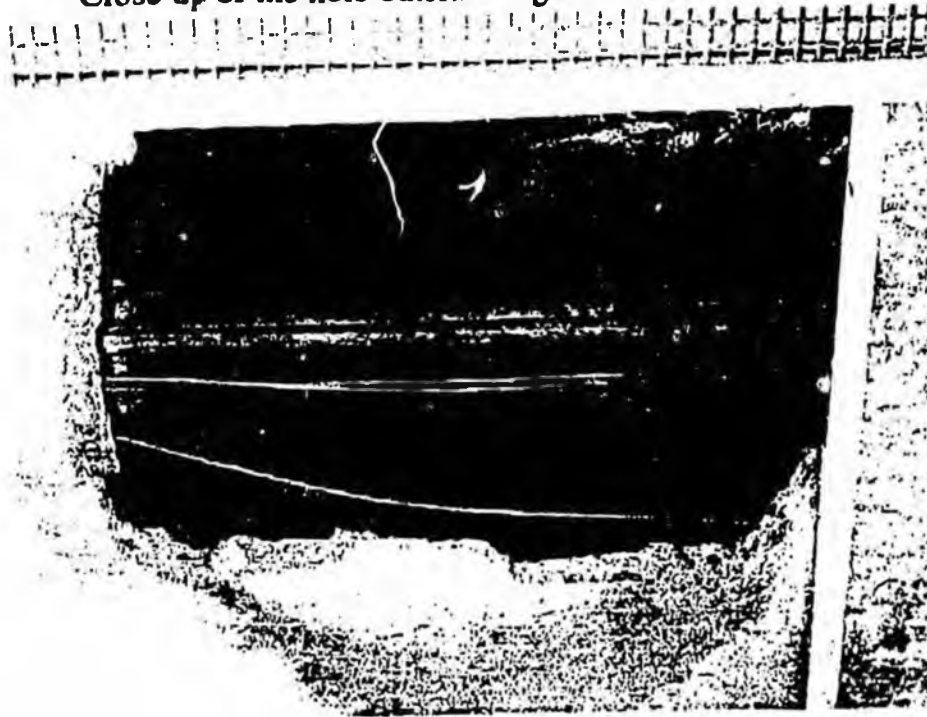


**Leak and ceiling tile with bucket to**

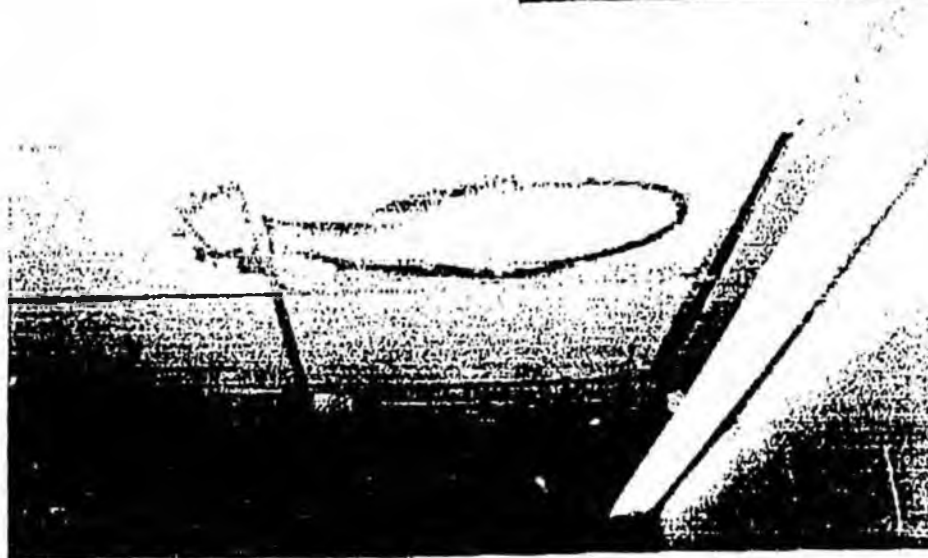
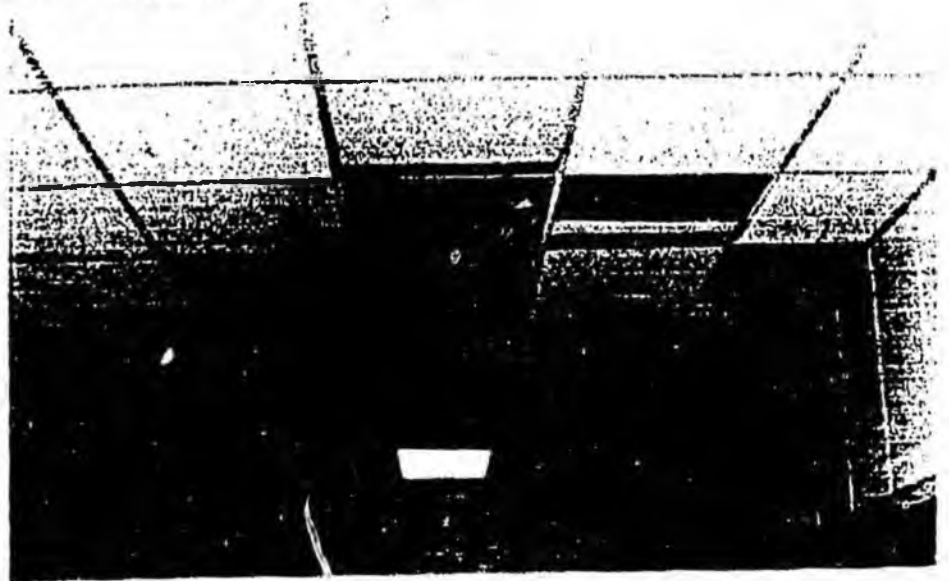


**Water stains on wall from leak.**

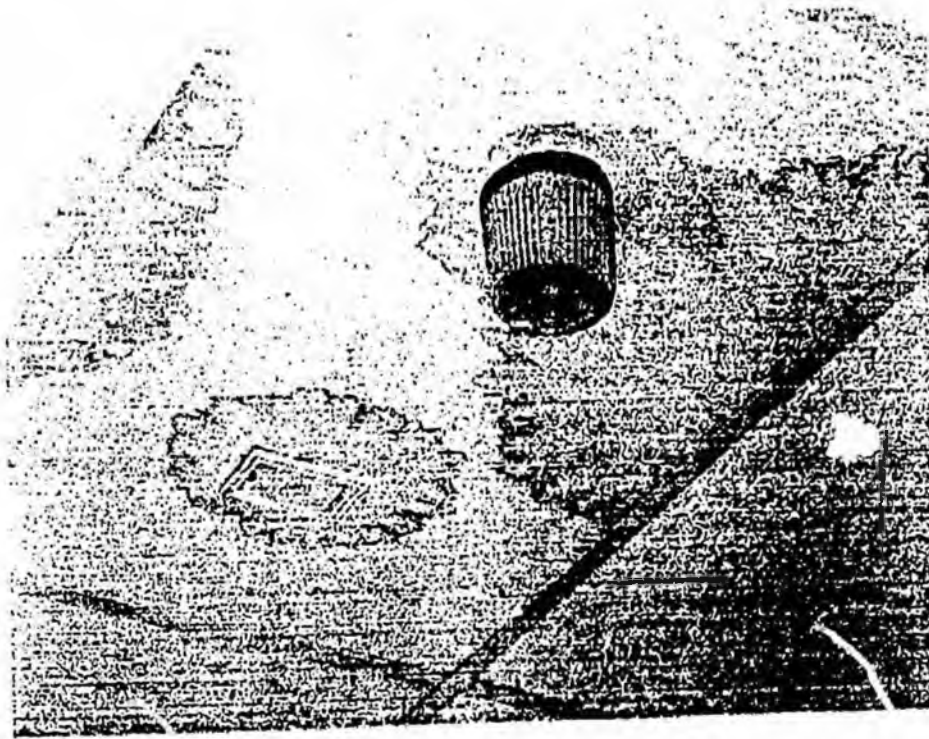
Close up of the hole outside English classroom.



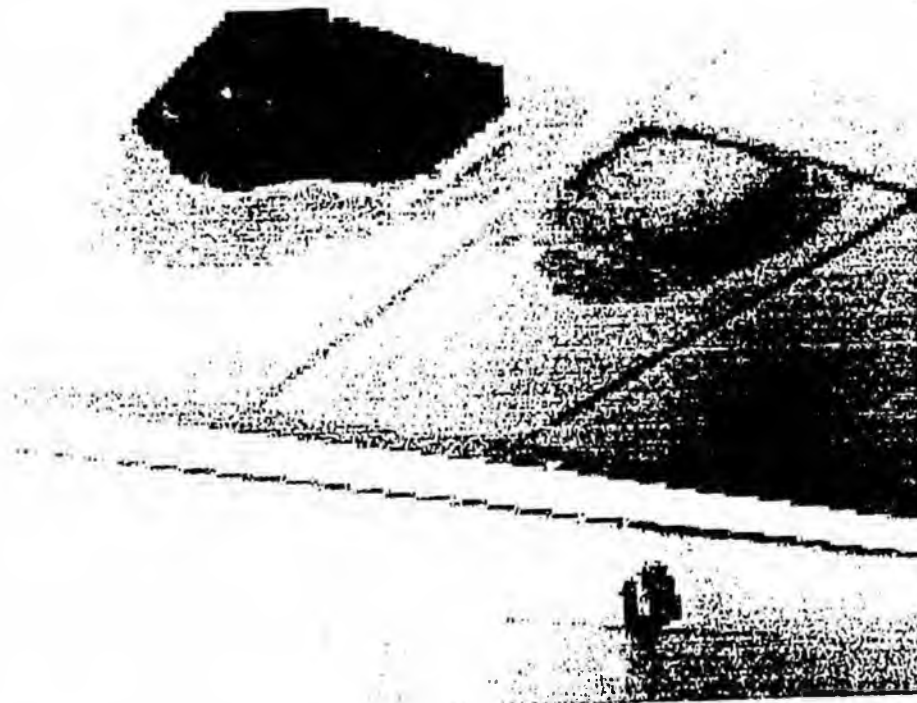
Freshman Hallway ceiling after fallen tiles were removed.



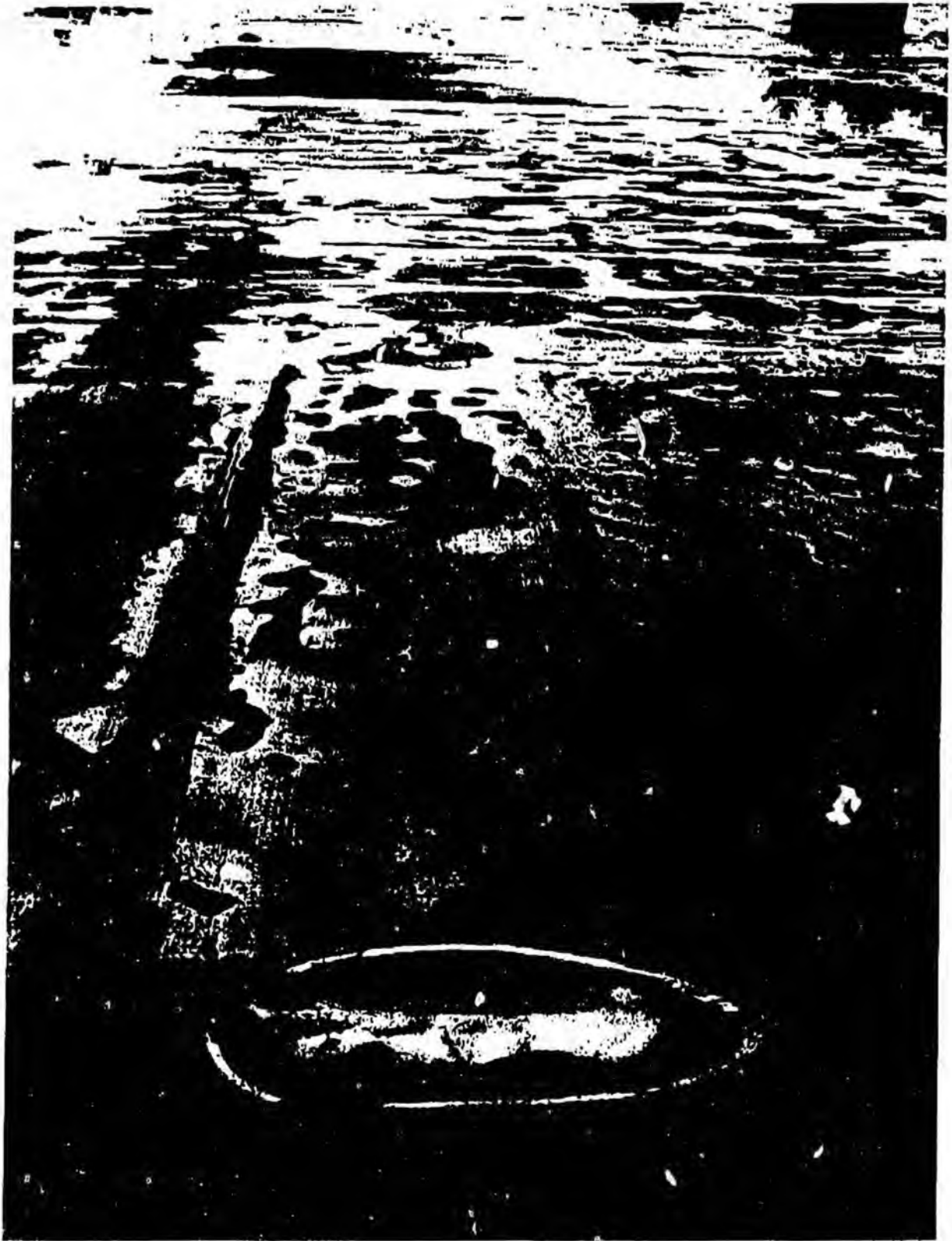
Bulging tile outside of one set of the gym doors.

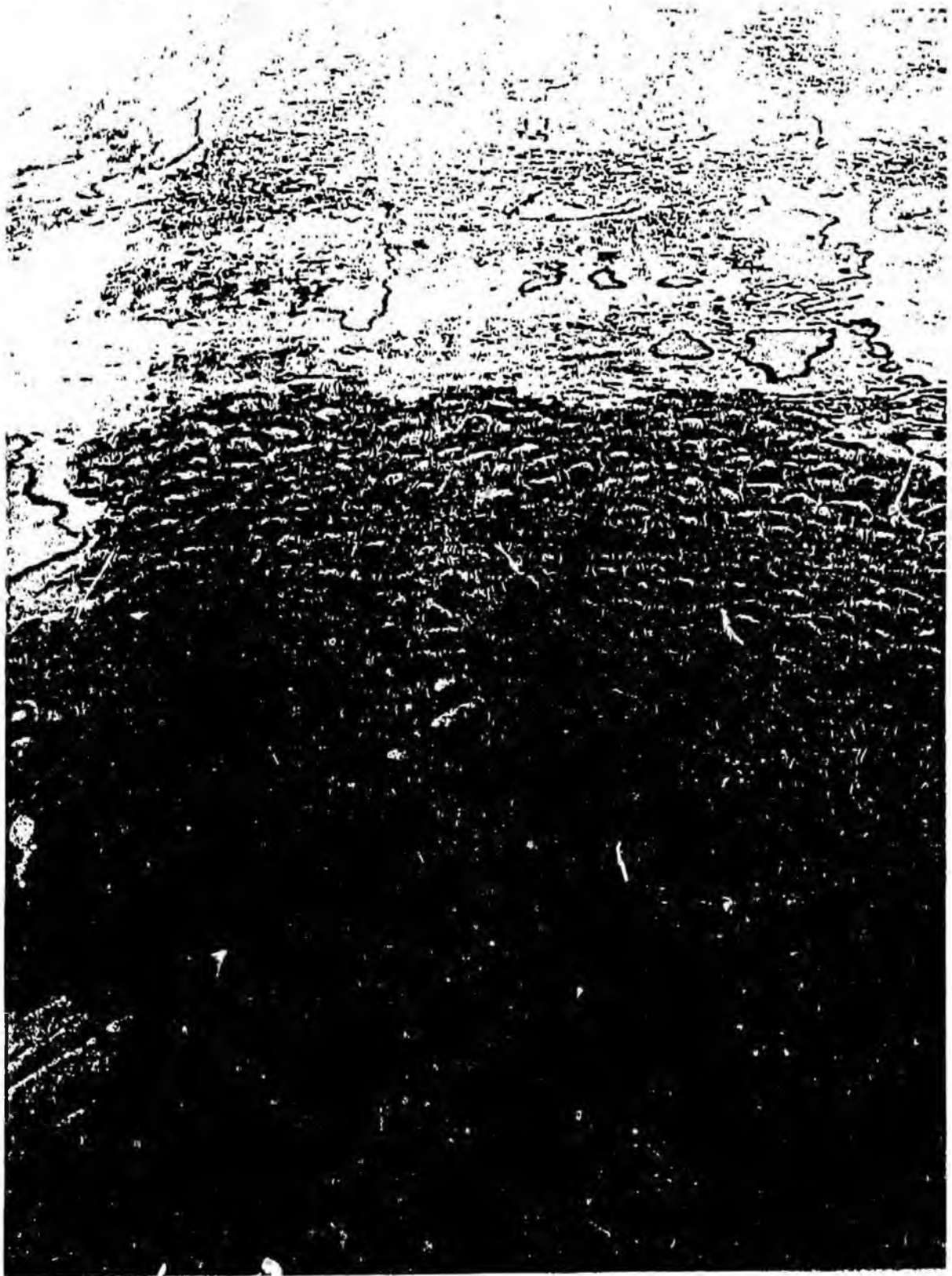


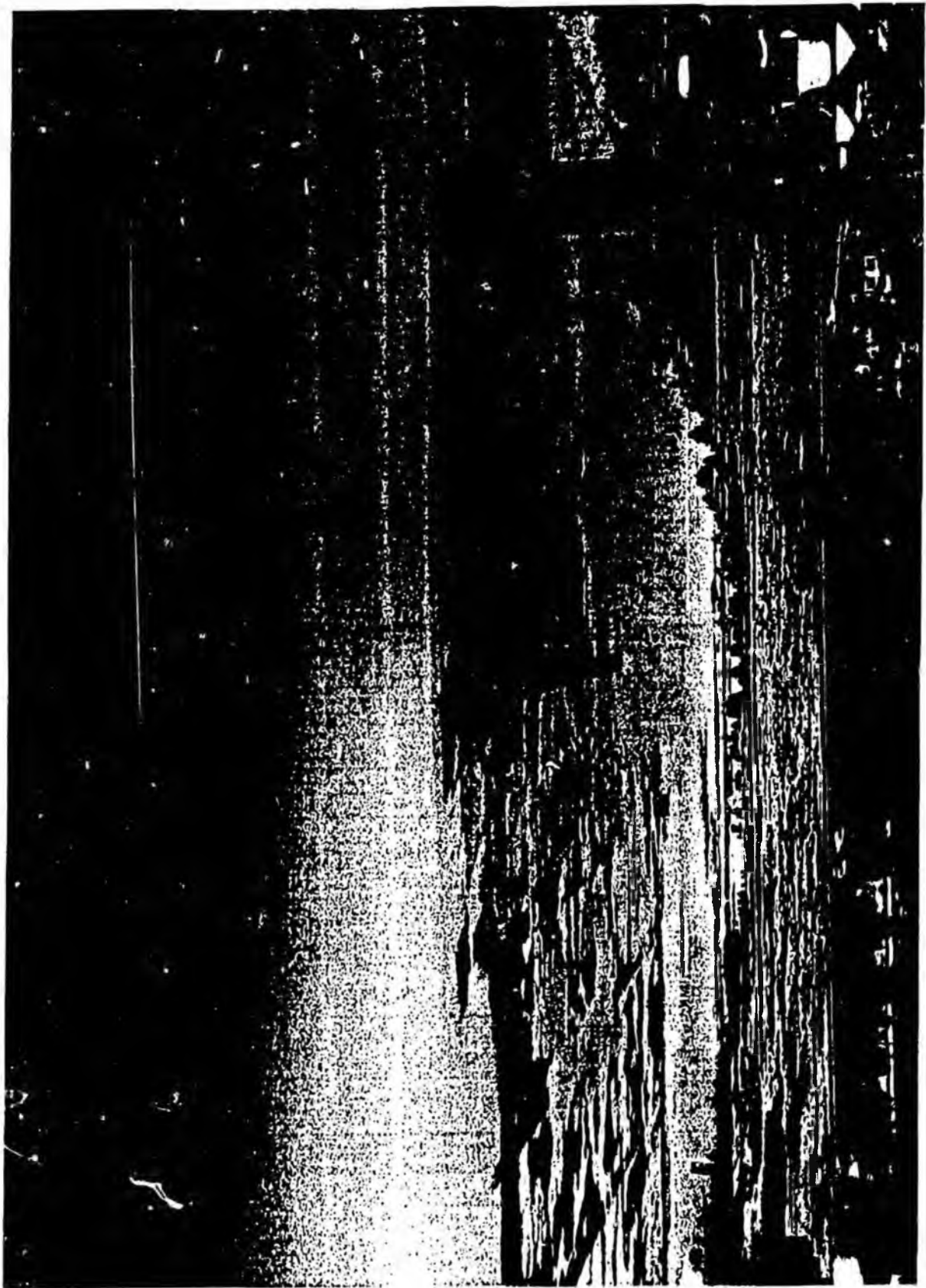
**Water damage around light and light-fixture in front of main doors located by main office.**

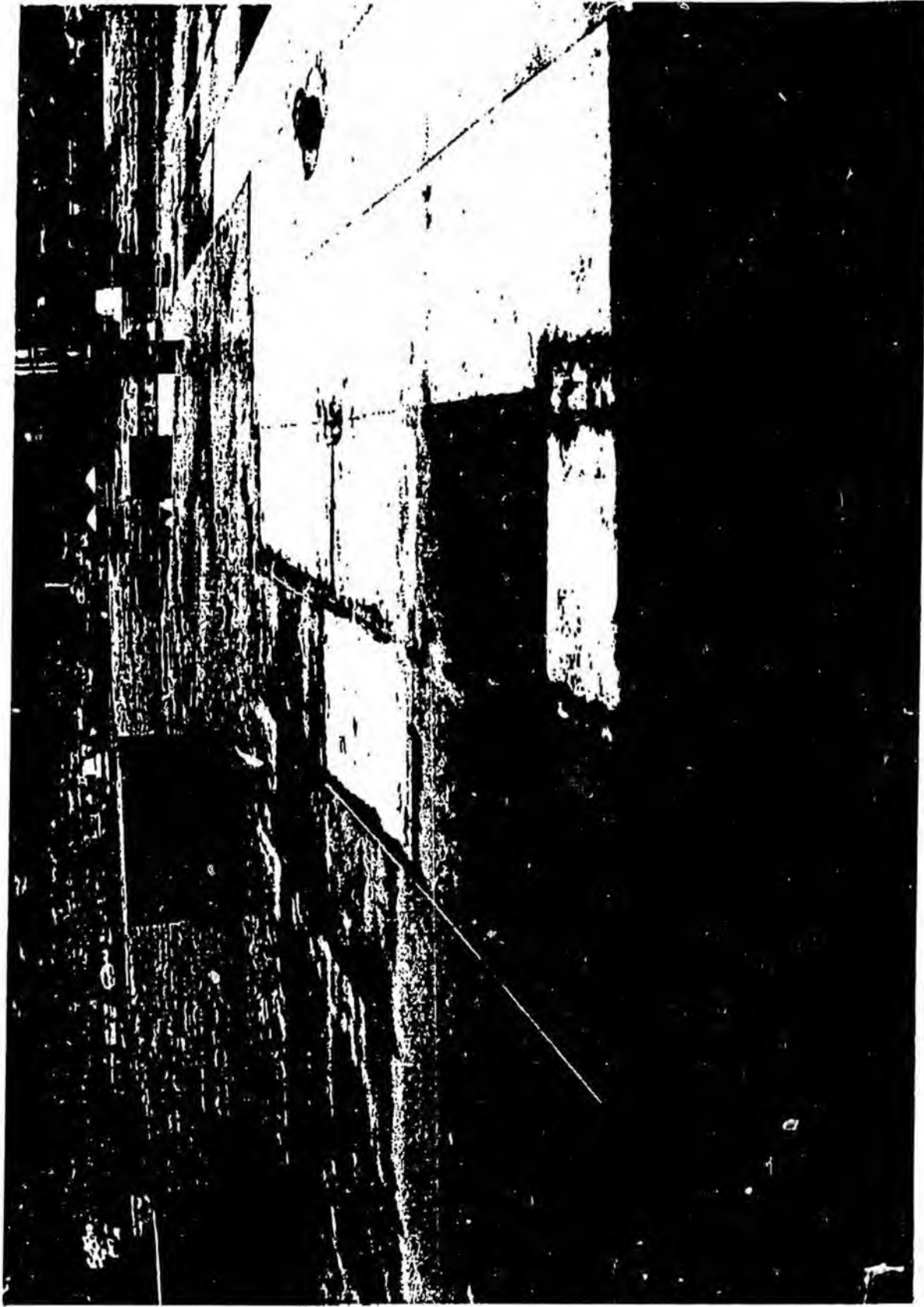


**Hole in ceiling tile in front of doors that go from our auditorium foyer to main high school foyer. students must pass under this hole when attending choir, band or drama classes.**









# HOUSE BILL 281 TOBACCO BOND PROJECT LIST

## SCHOOLS

<u>Project Name</u>	<u>Project Cost</u> <u>State Share</u>
Petersburg - Fascia/Soffit Repr/Replace Juneau Schools	\$ 112,960
Auke Bay Elem Roof Replacement	\$ 653,842
Marie Drake Roof Replacement	\$ 599,501
Harborview Elem Gym Replacement	\$ 106,604
High School Heating/Ventilation	\$ 65,303
High School Aux Gym Floor Replacement	\$ 109,386
Floyd Dryden Sch Gym Floor	\$ 108,236
Gastineau Elem Heating Coil Replacement	\$ 133,053
Floyd Dryden Middle School Renovation	\$ 3,629,683
Kake City - Kake Elementary School Addition	\$ 2,237,460
Kodiak Island Schools	
Peterson Elem Addition	\$ 756,000
Kodiak High School	\$ 1,106,875
Kenai/ Soldotna Schools	
McNeil Elem Wastewater Plant	\$ 125,300
Kenai Central High School Reinsulate Ext Walls	\$ 367,648
Soldotna High School Roofing Replacement	\$ 644,014
Anchorage Schools	
Bartlett High School, Phase I	\$ 3,500,000
Eagle River/Chugiak High School	\$ 14,563,500
East High School, Phase I	\$ 7,295,400
Service High School, Phase I	\$ 4,998,000
Wendler Middle School, Phase I	\$ 4,231,500
Denali Elementary, Replacement	\$ 8,211,000
District Wide Projects/ Major Maintenance	\$ 11,730,600
Mat-Su Schools	
Mat-Su - Fire Alarm Sys - 5 schools	\$ 620,648
Mat-Su - Colony High School Septic Sys	\$ 159,416
Mat-Su - Fuel Tank Replace	\$ 126,261
Mat-Su Fire Sprinklers & Piping (3 )	\$ 1,381,770
Mat-Su Boiler/Heater Replace (4 schools)	\$ 221,051
Mat-Su Carpet Replace (6 schools)	\$ 423,507
Lwr Yukon - Pilot Station School Replacement	\$ 17,654,003
Northwest Arctic Schools	
Ambler K-12 Improvements	\$ 924,586
Kiana K-12 Improvements	\$ 1,395,000
Kashunamiut - Chevak School Replacement	\$ 28,272,551
Lwr Yukon - Kotlik School Replacement	\$ 17,910,901
Elm School Phase III	\$ 12,146,788
Southwest Region Schools	
Manokotak School Replacement	\$ 14,689,464
Pribilof Island - St. George School Remodel	\$ 4,385,970
	<u>\$ 165,597,781</u>

Rev

## HOUSE BILL 281 TOBACCO BOND PROJECT LIST

### UNIVERSITY

<u>Project Name</u>	<u>Project Cost</u>
University of Alaska - Southeast Deferred Maintenance	\$ 1,687,854
Avtec - Seward Student Housing	\$ 4,200,000
University of Alaska - Anchorage Consortium Library	\$ 36,000,000
Deferred Maintenance	\$ 4,220,000
Mat-Su Ortner Building Replacement	\$ 685,000
University of Alaska - Fairbanks Deferred Maintenance	\$ 25,199,054
	\$ 71,991,908

### PORTS and HARBORS

#### HARBORS TRANSFER PLAN

<u>Project Name</u>	<u>Project Cost</u>
Ketchikan	\$ 7,000,000
Petersburg	\$ 3,300,000
Juneau Area Harbors	
Auke Bay Harbor	\$ 492,325
Douglas Dock / Harbor	\$ 1,241,421
Taku Harbor	\$ 38,566
Klawock	\$ 867,000
Seidovia	\$ 2,500,000
Whittier	\$ 1,835,600
Valdez	\$ 3,013,500
Cordova	\$ 4,337,800
Nome	\$ 1,000,000

#### CORPS OF ENGINEERS MATCH

<u>Project Name</u>	<u>Project Cost</u>
Program Formulation	\$ 100,000
Ketchikan Harbor Study	\$ 200,000
Wrangell	\$ 500,000
Kake	\$ 404,000
Metlakatla - Tamgass	\$ 850,000
Ouzinkie	\$ 1,300,000
Seward Harbor Expansion	\$ 2,925,000
Perryville Harbor Feasibility	\$ 102,100
	\$ 32,000,312

GRAND TOTAL

\$ 269,590,001