

ALASKA LEGISLATURE

2149

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

Subject: FW: New York Times press article

Date: Mon, 13 Mar 2000 12:36:26 -0900

From: "Turner, Tom" <Tom_Turner@envircon.state.ak.us>

To: Bob Berto <bobb@ktn.net>, "Capt. Micheal Jones" <mikej@specialexpeditions.com>,

>

> The New York Times

> Tuesday, March 7, 2000

>

> Pollution by Cruise Ships Still a Problem, Report Says

> By DOUGLAS FRANTZ

>

> A report by Congressional investigators being released Tuesday
> shows that officials from the Coast Guard and the Justice
> Department are expressing concern about the effect on sensitive marine
> life of the millions of gallons of waste water being discharged legally by

> cruise ships at sea and in port.

>

> The concerns persist despite progress by ship owners in disposing of
> waste, the report says. The findings are part of an analysis of the
> industry's pollution record by the General Accounting Office, an
> investigative arm of Congress. The report was commissioned by
> Democratic Reps. John Dingell of Michigan and Henry Waxman of
> California.

>

> Most cruise ships using American ports fly foreign flags, and the report
> said there were 87 confirmed cases of foreign-registered cruise ships
> illegally discharging waste, oil, garbage and hazardous material from
> 1993 to 1998, the latest year for which figures are available. The number
> of cases declined to eight in 1997 and nine in 1998 from a high of 24 in
> 1994.

>

> The cruise companies were credited with helping to reduce the numbers
> through improved technology and a stronger commitment to eliminating
> illegal discharges, the report said. Public attention was focused on
> cruise
> ship pollution in 1998 and last year when Royal Caribbean Cruises
> International pleaded guilty to a fleetwide conspiracy to discharge waste
> illegally over several years.

>

> But federal officials cautioned that the decline might also be the result
> of
> fewer resources allocated by the Coast Guard, the primary regulatory
> agency, to detecting pollution. The decline has occurred as the number of
> cruise ships has grown dramatically.

>

> Miami has the highest concentration of cruise ships in the country, but
> the
> Coast Guard district there reduced the time spent monitoring
> environmental compliance by more than 50 percent from 1993 to 1998.

February 2000

MARINE POLLUTION

Progress Made to Reduce Marine Pollution by Cruise Ships, but Important Issues Remain



GAO

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Coast Guard officials expressed optimism that the steps the cruise ship industry has taken would address illegal discharges. The officials said the ISM Code, which all cruise ship companies were required to adopt as of July 1998, would likely result in a more systematic and comprehensive approach to stemming marine environmental pollution. In a larger sense, they said, they were not as concerned about pollution by the cruise ship industry as they were about pollution from other parts of the maritime industry, such as cargo ships and tankers. Similarly, a CMC official said that while CMC is critical of past illegal discharges by cruise ship companies, it has been supportive of the cruise ship industry's voluntary actions, including efforts to reduce the volume of plastics and other eventual waste items brought onboard and to recycle glass, aluminum, and other types of waste.

Justice officials said the cruise industry needed to create a culture of compliance. In their view, environmental compliance plans, such as those required under their plea agreements, can help create such a culture. They also said that to be effective, a plan must have the right elements, the company must take it seriously by encouraging compliance and the self-reporting of violations, and people must be designated who will ensure that the plan is implemented. Otherwise, the plan is just a document. They further noted that having an environmental compliance plan, agreeing to outside audits of the plan's implementation, and sharing the results are not only good business practices but can also be mitigating factors under Justice's sentencing guidelines. While having an environmental compliance plan, based on the ISM Code or other standards, does not guarantee the elimination of future marine pollution incidents, Justice officials said a company that adopts a plan—as a valued aspect of its corporate activity—is much less likely to see environmental problems recur.

Concerns About Emerging Issues and the Quality of Federal Oversight

Justice and CMC officials raised concerns about several issues that are emerging for certain types of wastes generated by cruise ships and need further attention. Justice also identified several areas that may warrant increased scrutiny by the Coast Guard and other cognizant agencies.

¹⁹Justice officials told us that their policy does not allow them to discuss ongoing investigations. As a result, we do not know whether any illegal discharge incidents by cruise ships are currently under investigation.

maintain. This suggests, according to Justice officials, that future inspections and investigations concerning this equipment should probe more thoroughly into its condition and evaluate the adequacy of equipment maintenance procedures.

- Falsifying oil record books. According to Justice officials, a number of cases suggest that owners or operators have routinely fabricated entries in their ship's oil record book to create the appearance of full compliance with MARPOL's discharge limitations. Justice officials believe that enhanced scrutiny of these logbooks on a periodic basis may be warranted and may also help encourage broader compliance.
- Recording shoreside disposal of garbage and sludge. Recent case experience has revealed that some ships were unable to produce any records documenting what should be periodic off-loadings and disposal of plastics and oily sludge from the ships to onshore disposal facilities, according to Justice officials. They believe that more frequent reviews and analysis of these records may identify violators and also deter other unlawful discharges.

Center for Marine Conservation's Concerns About Wastewater Discharges

A CMC official also expressed concern about gray water and black water discharges. "Black water" is the effluent wastewater from a vessel's onboard sewage system. CMC officials said that the annual discharge of millions of gallons of gray water and black water may harm ecologically sensitive areas, affecting such things as the long-term vitality of coral reefs.

Reports from recent third-party audits involving five ships of a large cruise ship company support the CMC official's concerns about black water. These reports noted that plastics from personal hygiene and other products (e.g., toothbrushes, plastic bottles, disposable razors, feminine hygiene products, etc.) were being flushed down toilets by passengers and entering the black water system. Once in the system, the plastics could be discharged into the sea with the black water because the ships' approved toilet vacuum system did not have screening devices to remove debris, according to the audit reports. The company involved is currently installing special filters to prevent plastics and other solid materials from being discharged into the sea, according to company officials. The audit reports also noted that untreated sewage was discharged at sea when onboard sewage systems were down for maintenance. Like gray water effluent, there is little, if any, oversight over the contents of black water before it is discharged into the ocean, according to Coast Guard officials. Coast Guard inspectors we talked with said they rarely have time during scheduled ship examinations to inspect sewage treatment equipment or filter systems to

Cruise Ship Companies Included in GAO's Review

Company name	Number of ships	Passenger capacity
Carnival Cruises	14	1,022-2,758
Celebrity Cruises ^a	5	1,660-2,262
Cunard ^b	5	116-1,750
Holland America Line ^c	8	1,214-1,494
International Shipping Partners ^d	16	490-2,044
Norwegian Cruise Line	11	800-2,032
Princess Cruises	10	640-2,600
Royal Caribbean International	11	1,961-2,772
Europa Cruises Corporation ^e	1	350
Tropicana Cruises ^f	1	500
La Cruise	1	450
Palm Beach Casino Line	1	800

^aThis company, while operating under the name of Celebrity Cruises, is owned by Royal Caribbean Cruises, Ltd.

^bThis company, while operating under the name of Cunard, is owned by Carnival Corporation.

^cThis company, while operating under the name of Holland America Line, is owned by Carnival Corporation.

^dInternational Shipping Partners (ISP) provides the day-to-day technical management and vessel operation for 16 cruise ships owned by 10 companies. Two of the companies ISP manages and operates ships for owned vessels that had illegal discharge violations cited by the Coast Guard between 1993-1998: Discovery Cruises and Premier Cruises. Premier Cruises merged with Dolphin Cruises, another company cited for illegal discharges, in 1993. ISP did not begin managing most of Premier's ships until 1997.

^eEuropa has four ships but currently operates only one; another is currently not operating, and the company has a contract with a third party to operate the other two ships.

^fTropicana is owned by Collins Companies, Greenville, SC. This ship is currently out of service.

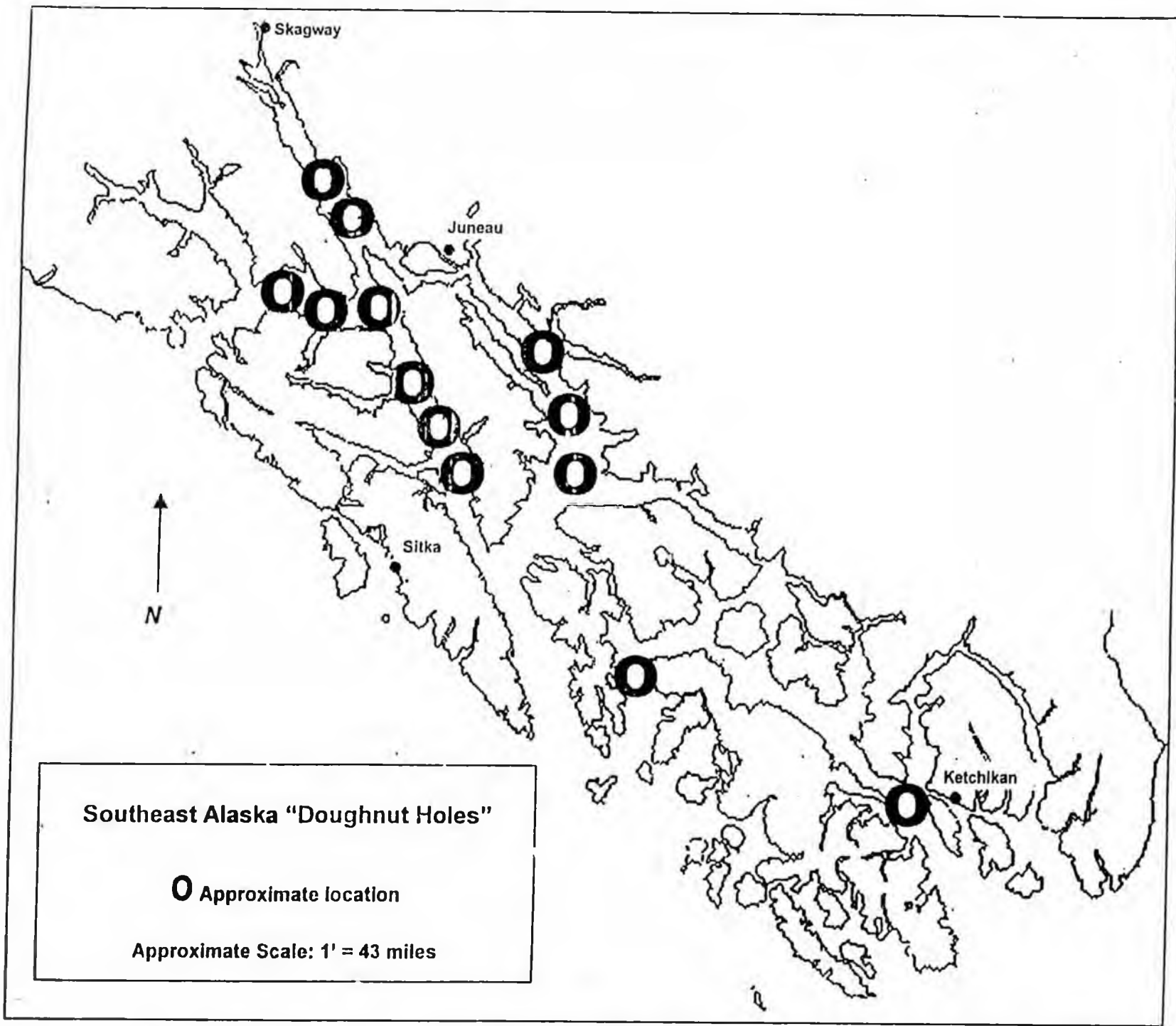


TABLE 1

SB 308: MONITORING AND REPORTING POLLUTANT RELEASE AND OFFLOADING IN ALASKA

Pollutant Category	[----- Reporting the Release of a Pollutant -----]						
	Date/Time	Location Lat/Long	Volume	Source	Intentional or Accidental	Identifiable EnvDamage	Efforts to Prevent Accidents
Hazardous Waste	x	x	x	x	x	x	x
Solid & Industrial Waste	x	x	x	x	x	x	x
Stack Emissions	Monthly	In Port					
Sewage	x	x	x	x	x	x	x
Graywater & other Wastewater	x	x	x	x	x	x	x
Medical Waste	x	x	x	x	x	x	x

[----- Additional Reporting Requirements -----]	
Hazardous Waste	Copy of manifest prepared under 42 USC 6921-6939 If offloaded w/out manifest: volume, source, location, destination of waste, reasons
Solid & Industrial Waste	If offloaded: weight, composition, location & destination Quantity processed onboard & explanation if processed waste released or offloaded
Stack Emissions	At least monthly measurements of visible emissions in port, or if equipped with continuous emission monitor the recordings while in AK waters
Sewage	Description of onboard treatment works, quantity processed onboard & explanation if treated waste released or offloaded
Graywater & other Wastewater	Location of offloading
Medical Waste	Description of any onboard treatment & manner/method of disposal if treatment or disposal in Alaska

NOTE: SB 308 requires monitoring of the various wastes in order to meet the above reporting obligations.

SB 308 Testimony
Gershon Cohen, Ph.D., Project Director
Campaign to Safeguard America's Waters
Earth Island Institute
Box 956, Haines, AK 99827
907-321-4121 gershon@seaknet.alaska.edu

Dear Mr. Chairman,

My name is Gershon Cohen. I have lived in S.E. Alaska for nearly 20 years. I am a National Project Director on water pollution issues for the Earth Island Institute.

SB 308 is one of several bills sponsored, at least in part, in response to the wake-up call of last summer. We were shocked to hear that members of the cruise ship industry had been routinely dumping toxic wastes into Alaskan waters. Hopefully those days are behind us. But we must now address what may in fact be a greater problem, the industry's legal discharge of polluted wastes.

For the past nine months cruise ship representatives have proclaimed their intent to adhere to all applicable pollution laws from now on. Unfortunately, this is not the commitment to environmental stewardship it would first appear. The key word is "applicable" – the cruise ship industry is well aware that it remains exempt from key U.S. laws and regulations that would otherwise govern their discharge of polluted wastestreams. It is because of these exemptions that coastal states such as Alaska must take on the responsibility of monitoring the release of ship wastes into public waters. Similar measures are being considered by the California legislature.

Despite the industry's abysmal past, huge gaps in the regulatory process will permit the industry's discharges to go essentially unmonitored again this season. SB 308 can play a critical role in closing the information gap.

We support the bill's three fundamental objectives: First, the requirement that a responsible party be identified for each ship at the beginning of every calendar year. Second, the requirement that ships submit a report monthly on the quantity, composition, and discharge location of their wastestreams and record visible air emissions while in port. And third, the required accounting of all hazardous and solid wastes offloaded for transport to licensed treatment facilities.

The need for this information is obvious. The average cruise ship in today's fleet is a floating city transporting more than 5,000 passengers and crew. According

to the Royal Caribbean Cruise Limited web site, a typical ship generates during every *one-week* voyage approximately:

- 1,000,000 gallons of graywater, (containing solvents, detergents, biocides, medical wastes and other miscellaneous pollutants poured down galley, cabin sink, and shower drains);
- 210,000 gallons of raw and treated sewage;
- 25,000 gallons of oily bilge water;
- 110 gallons of photo chemicals;
- 5 gallons of dry-cleaning waste (containing perchlorethylene);
- 10 gallons of used paints; and
- 5 gallons of expired chemicals.

There are many reasons for obtaining accurate information on cruise ship discharges, as would be required under SB 308.

- 1) At present, we have no idea if the wastes being released constitute a problem.
- 2) We don't know where they are discharging. According to International Law the ships can discharge their graywater tanks and treated sewage anywhere, as long as they are not tied to a dock.
- 3) This data could help identify which systems and ships are better at controlling pollution, which might in turn lead to the adoption of improved environmental management throughout the fleet.
- 4) The information would help establish a baseline from which we could make a variety of decisions in the future.

I believe that you will hear today that this legislation is unnecessary. Since December of 1999, numerous meetings have been held between DEC, the U.S. Coast Guard, EPA, members of the public, and the industry. One of the industry's goals for this effort has been the development of a self-monitoring plan that the industry hoped would preempt the need for a change in Alaska law or regulation. Last week the industry finally submitted its long awaited proposal. Despite repeated clear and specific requests from both the agencies and the public, the industry proposal "missed the boat". They offered to evaluate their wastestreams twice/ship during the entire summer for only sewage parameters, ignoring our concerns regarding the toxic components of the graywater. At the end of the last meeting the industry's

representative did verbally agree to a limited amount of graywater testing for toxics. But at this rate we will be lucky to have a monitoring protocol in place for the 2001 season, let alone for the 2000 season, which begins in the next few weeks.

Senate Bill 308 and House Bill 371 clearly and fairly initiate a process for getting the cruise ship industry to play by the same rules as everyone else who does business in Alaska. The oil, mining, seafood processing, and timber industries are all required to monitor and report the quantity and composition of their wastewater discharges to either a state or federal oversight agency every month.

These bills will not chase the cruise ships away. They simply recognize that both the industry and the public have needs. The industry needs Alaska as a destination. One would hope they recognize that without clean air and clean water it will no longer be the "Alaska" they sell to their clients. Alaskans need clean air and clean water, as well as an active economy. Fortunately, these needs are not incompatible.

Nevertheless, without even considering the industry's performance over the past decade, there remains no legitimate reason for allowing the industry to continue to circumvent the monitoring and reporting performed by all other industries operating in Alaska. Nothing less than our physical and economic health is at stake.

I respectfully urge you to pass this bill out of committee today, and to work expediently with your counterparts in the House to see that this bill becomes law before the end of this legislative session.

Thank you for this opportunity to comment.

Gershon Cohen, Ph.D.

SENATE FINANCE COMMITTEE

SIGN-IN

SB 308-MARINE PASSENGER VESSELS

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

Do you wish to testify? ___ Yes ___ No ___ Respond To Questions

NAME: JULI LUCKY Subject/Bill No: SB 308
 Co./Dept./Title: Staff, Sen Resources Phone: 465-4907
 Address: _____ Zip: _____

Do you wish to testify? Yes ^{- present bill} ___ No ___ Respond To Questions

NAME: Robert Reges Subject/Bill No: SB 308
 Co./Dept./Title: Citizen Member of Cruise Control Inc Phone: (907) 586-4958
 Address: 114 S Franklin St Juneau Zip: _____

Do you wish to testify? Yes ___ No Respond To Questions

NAME: JOE GELDHOF Subject/Bill No: AMENDMENT # 2 OF SB 308
 Co./Dept./Title: NAVY LEAGUE OF THE UNITED STATES Phone: 586-8193
 Address: 229 4th STREET JUNEAU AK Zip: 99801

Do you wish to testify? Yes No ___ Respond To Questions
 → ONLY RE AMENDMENT #2

SB

310

HFIN

FILE

**REPORTED OUT OF
FISCAL NOTE**

No. 7
Bill Version: SB 310
(S) Publish Date: 4-19-00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

Sizing Debt Service Schedule
 General Obligation
 Senate Bill 310

Fiscal Yr	Coupon Date	Zer Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvcRsv Int&Prln	CntgncyFnd Int&Prln	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
1	4/01/2001									
2	3/01/2001			7,509,427.49	7,509,427.49				7,509,427.49	
2	4/01/2002	N 4.780	6,240,000.00	6,896,413.00	13,136,413.00				13,136,413.00	20,645,840.49
3	3/01/2002			6,747,277.00	6,747,277.00				6,747,277.00	
3	4/01/2003	N 5.070	7,150,000.00	6,747,277.00	13,897,277.00				13,897,277.00	20,644,554.00
4	3/01/2003			6,566,024.50	6,566,024.50				6,566,024.50	
4	4/01/2004	N 5.660	7,510,000.00	6,566,024.50	14,076,024.50				14,076,024.50	20,642,049.00
5	3/01/2004			6,368,511.50	6,368,511.50				6,368,511.50	
5	4/01/2005	N 5.370	7,905,000.00	6,368,511.50	14,273,511.50				14,273,511.50	20,642,023.00
6	3/01/2005			6,156,262.25	6,156,262.25				6,156,262.25	
6	4/01/2006	N 5.460	8,330,000.00	6,156,262.25	14,486,262.25				14,486,262.25	20,642,524.50
7	3/01/2006			5,928,853.25	5,928,853.25				5,928,853.25	
7	4/01/2007	N 5.500	8,785,000.00	5,928,853.25	14,713,853.25				14,713,853.25	20,642,706.50
8	3/01/2007			5,687,265.75	5,687,265.75				5,687,265.75	
8	4/01/2008	N 5.540	9,270,000.00	5,687,265.75	14,957,265.75				14,957,265.75	20,644,531.50
9	3/01/2008			5,430,486.75	5,430,486.75				5,430,486.75	
9	4/01/2009	N 5.600	9,780,000.00	5,430,486.75	15,210,486.75				15,210,486.75	20,640,973.50
10	3/01/2009			5,156,646.75	5,156,646.75				5,156,646.75	
10	4/01/2010	N 5.630	10,330,000.00	5,156,646.75	15,486,646.75				15,486,646.75	20,643,293.50
11	3/01/2010			4,865,857.25	4,865,857.25				4,865,857.25	
11	4/01/2011	N 5.680	10,910,000.00	4,865,857.25	15,775,857.25				15,775,857.25	20,641,714.50
12	3/01/2011			4,556,013.25	4,556,013.25				4,556,013.25	
12	4/01/2012	N 5.740	11,530,000.00	4,556,013.25	16,086,013.25				16,086,013.25	20,642,026.50
13	3/01/2012			4,225,102.25	4,225,102.25				4,225,102.25	
13	4/01/2013	N 5.800	12,195,000.00	4,225,102.25	16,420,102.25				16,420,102.25	20,645,204.50
14	3/01/2013			3,871,447.25	3,871,447.25				3,871,447.25	
14	4/01/2014	N 5.880	12,900,000.00	3,871,447.25	16,771,447.25				16,771,447.25	20,642,894.50
15	3/01/2014			3,492,187.25	3,492,187.25				3,492,187.25	
15	4/01/2015	N 5.920	13,660,000.00	3,492,187.25	17,152,187.25				17,152,187.25	20,644,374.50
16	3/01/2015			3,087,851.25	3,087,851.25				3,087,851.25	
16	4/01/2016	N 5.980	14,470,000.00	3,087,851.25	17,557,851.25				17,557,851.25	20,645,702.50
17	3/01/2016			2,655,198.25	2,655,198.25				2,655,198.25	
17	4/01/2017	N 6.050	15,335,000.00	2,655,198.25	17,990,198.25				17,990,198.25	20,645,396.50
18	3/01/2017			2,191,314.50	2,191,314.50				2,191,314.50	
18	4/01/2018	N 6.110	16,260,000.00	2,191,314.50	18,451,314.50				18,451,314.50	20,642,629.00
19	3/01/2018			1,694,571.50	1,694,571.50				1,694,571.50	
19	4/01/2019	N 6.150	17,255,000.00	1,694,571.50	18,949,571.50				18,949,571.50	20,644,143.00
20	3/01/2019			1,163,980.25	1,163,980.25				1,163,980.25	
20	4/01/2020	N 6.160	18,315,000.00	1,163,980.25	19,478,980.25				19,478,980.25	20,642,960.50
21	3/01/2020			599,878.25	599,878.25				599,878.25	
21	4/01/2021	N 6.170	19,445,000.00	599,878.25	20,044,878.25		6,432.89		20,038,445.36	20,638,323.61
				237,575,000.00	175,295,298.45	412,870,298.45		6,432.89	412,863,865.60	412,863,865.60

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

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

FISCAL NOTE

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STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: SB 310
(S) Publish Date: 4-19-00

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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Prepared by Deven Mitchell, Debt Manager
 Division Treasury Division
 Approved by Wilson L. Condon
 Commissioner Department of Revenue
 Agency Department of Revenue

Phone 465-3750
 Date/Time April 19, 2000
 Date April 19, 2000

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Sizing Debt Service Schedule
 General Obligation
 Senate Bill 310

1

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

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

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

SB

310

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/00

FURTHER:

REPORTED OUT OF
SFC 4/19/00

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

DATE TURNED
IN TO OFFICE: 19 April 00

Finance Committee considered

SENATE BILL NO. 310

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

and recommends:

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

Senate Bill:

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

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

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

F/n forthcoming Dept. Revenue #			

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 310

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

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

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

Sizing Debt Service Schedule
 General Obligation
 Senate Bill 310

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

True Interest Cost (TIC)..... 5.9275207
 Net Interest Cost (NIC)..... 5.9558941

Arbitrage Yield Limit (AYL)..... 5.9275207
 Arbitrage Net Interest Cost (ANIC)..... 5.9564350

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

In correct final
Exchanged

CS FOR SENATE BILL NO. 310(FIN)

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

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

1 to read:

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

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

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

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

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

#8

STB

"Flooring"

#9

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

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

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

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

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

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

#5 +
#10

#6

1 to read:

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

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

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

13 PROPOSITION

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

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

18 Bonds Yes []

19 Bonds No []

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

Leman COMMITTEE
2000 COMMITTEE ACTION

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

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

PLEASE REPLY TO:

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

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

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

April 15, 2000

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

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

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

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

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

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

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

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

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

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

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

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


//
//
//

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

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By:



James L. Baldwin
Assistance Attorney General

JLB:mi

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

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

AMENDMENT

OFFERED IN SENATE FINANCE

BY: Sen. Adams

TO: SB 310

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

University of Alaska – Southeast
Egan Building Classroom Addition

Project Cost State Share
\$7,642,600

Phillips COMMITTEE
2000 COMMITTEE ACTION

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

AMENDMENT

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

OFFERED IN SENATE FINANCE

TO: SB 310

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

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

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

Renumber the following sections accordingly.

Leman COMMITTEE
2000 COMMITTEE ACTION

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

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

Amendment

TO: SB 310

Sponsor: Sen. Adams

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

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

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

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

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

Donley COMMITTEE
2000 COMMITTEE ACTION

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

SENATE FINANCE
COMMITTEE

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

Amendment

TO: SB 310

Sponsor: Sen. Adams

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

On page 4 after line 1 add the following project:

Yupiit Schools (ED 39)

Akiachak Elementary Replacement & Secondary Renovation 14,370,287

Phillips COMMITTEE
2000 COMMITTEE ACTION

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

Senate Finance Committee
Amendment to

Offered by Senator John Torgerson
April 15, 2000

SB 310 (FIN)

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

Delete all references to Ports and Harbors:

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

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

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

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

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

Explanation:

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

Adams COMMITTEE
2000 COMMITTEE ACTION

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

SENATE FINANCE
COMMITTEE

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

1-LS1618A.1

Cook
4/15/00

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: SB 310

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

Wilken COMMITTEE
2000 COMMITTEE ACTION

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

SENATE FINANCE
COMMITTEE

Amendment Number: #7

Bill Number: SB 310

Sponsor: ~~Loxon~~ ~~son~~ Date: 4/18/00

Offered by Senator John Ferguson Mindy

Senate Finance Committee
Amendment to

Offered by Senator John Ferguson Mindy
April 18, 2000

SB 310 (FIN)

Page 2, Lines 10-11

Delete

"to the Department of Transportation and Public Facilities"

Insert

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

Explanation:

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

Kelly COMMITTEE
2000 COMMITTEE ACTION

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

SENATE FINANCE
COMMITTEE #8
Amendment Number: #8
Bill Number: SB 310
Sponsor: Torvaldson Date: 4/18/00
Logged in by: Mindu

Senate Finance Committee
Amendment to

Offered by Senator John Torvaldson
April 18, 2000

SB 310 (FIN)

Page 3, Line 21-22

Delete

"Matanuska-Susitna Carpet Replacement (six schools)"

Insert

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

Flooring

Green COMMITTEE
2000 COMMITTEE ACTION

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

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

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

Adams COMMITTEE
2000 COMMITTEE ACTION

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

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



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

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

TO: Legal

NUMBER OF PAGES, INCLUDING COVER SHEET: 7

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

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

Thx, Mindy

ALASKA STATE SENATE
Senate Finance Committee

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

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

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

Re: SB 310 & SB 311

Tam,

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

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

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

Thanks.

Llewellyn (3710)

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

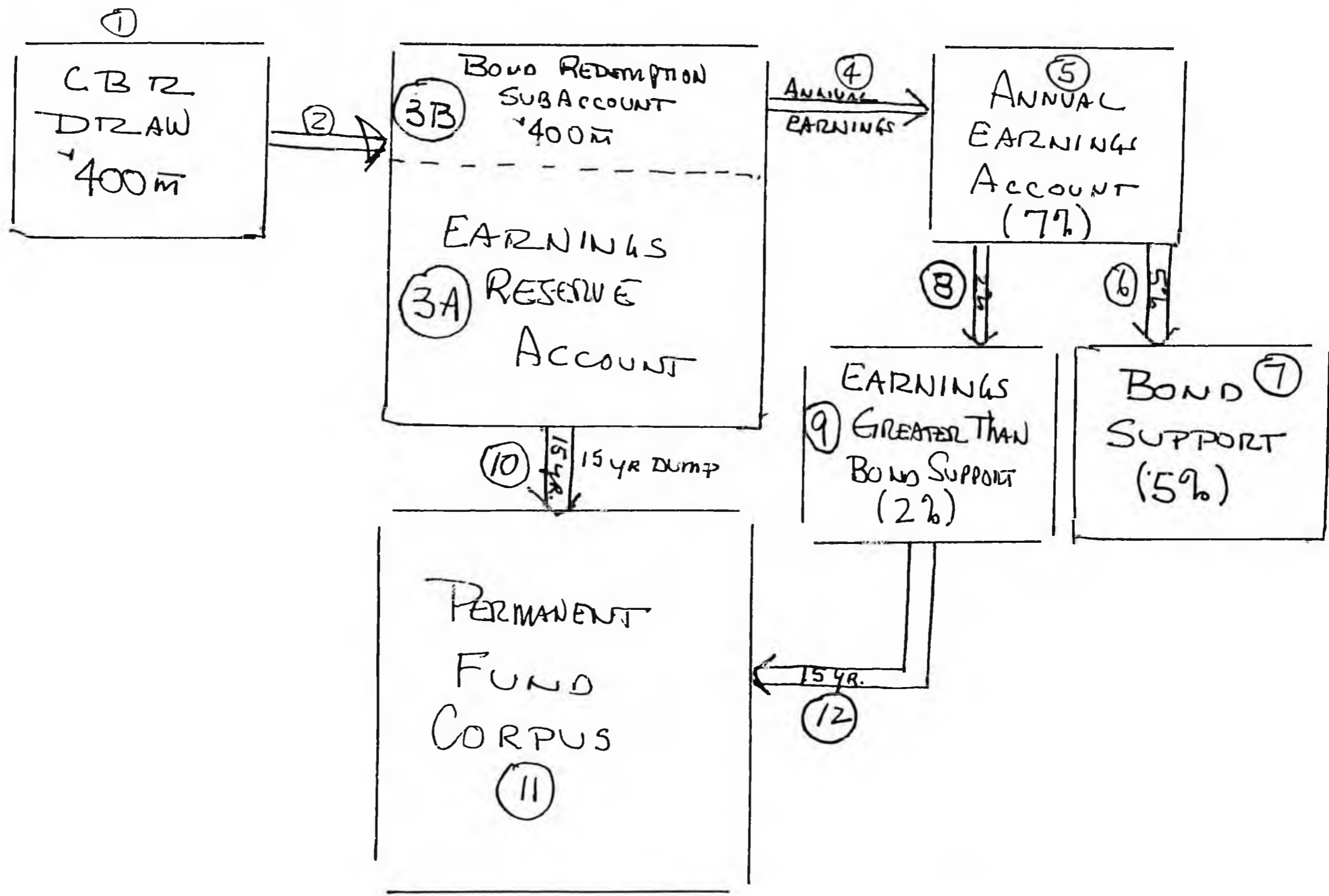
Deven, please prepare fiscal notes with attached amortization schedules for each of the following bills:

SB 310 Total bonds: _____

SB 311 Total bonds: _____

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

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



FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 310

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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

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

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

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

Prepared by Deven Mitchell, Debt Manager
 Division Treasury Division
 Approved by Wilson L. Condon
 Commissioner Department of Revenue

Phone 465-3750
 Date/Time April 15, 2000
 Date April 15, 2000

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

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

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

Sizing Debt Service Schedule
General Obligation
General Obligation

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

True Interest Cost (TIC).....	5.9275073	Arbitrage Yield Limit (AYL).....	5.9275073
Net Interest Cost (NIC).....	5.9558815	Arbitrage Net Interest Cost (ANIC).....	5.9564223

Prepared by: *Deren Mitchell*
 Prepared on: *04/15/2000 12:41 2:50J Rpt 14*
 Record ID: *ALASKA-2001-A MUNIDB*

SB

311

HFIN

FILE

WU
FISCAL NOTE

No. 1
Bill Version: SB 311
(S) Publish Date: 4-19-00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

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

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)	15.0	15.0				
Contractual (issuance cost/paying agent)	750.0	750.0	10.0	10.0	10.0	10.0
Supplies	1.0	1.0				
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	8,764.7	17,530.8	17,533.0	17,532.4	17,581.8
TOTAL OPERATING	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes \$201 million in general obligation bonds to fund Transportation capital projects. This fiscal note assumes there would be two series of bonds sold, one in the spring of 2001 and the second in the spring of 2002. However, final issuance amounts and timing will be determined by the State Bond Committee based on schedule and the need for capital.

Assuming a true interest cost of 5.93% (approximately 0.40% above current rates), and a 20-year term, annual debt service is approximately \$8.8 million in fiscal year 2002 and \$17.5 million in fiscal year 2003 and after. The projected \$766,000 in contractual expenses during fiscal years 2001 and 2002 from the general fund would be reimbursed by bond proceeds.

****NOTE:** There is additional analysis required to determine if projects identified in the legislation would be eligible for reimbursement from the FHWA, or the cost of those projects could be applied as "Soft state match" for future projects funded with FHWA receipts. As this information is developed this fiscal note will be revised.

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

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

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

Sizing Debt Service Schedule
General Obligation
Senate Bill 311

Fiscal Yr	Coupon Date	Zer Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvcRsv Int&Prln	CntgncyFnd Int&Prln	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
1	4/01/2001									
2	3/01/2001			6,377,546.27	6,377,546.27				6,377,546.27	
2	4/01/2002	N 4.780	5,295,000.00	5,856,930.25	11,151,930.25				11,151,930.25	17,529,478.52
3	3/01/2002			5,730,379.75	5,730,379.75				5,730,379.75	
3	4/01/2003	N 5.070	6,070,000.00	5,730,379.75	11,800,379.75				11,800,379.75	17,530,759.50
4	3/01/2003			5,576,505.25	5,576,505.25				5,576,505.25	
4	4/01/2004	N 5.260	6,380,000.00	5,576,505.25	11,956,505.25				11,956,505.25	17,533,010.50
5	3/01/2004			5,408,711.25	5,408,711.25				5,408,711.25	
5	4/01/2005	N 5.370	6,715,000.00	5,408,711.25	12,123,711.25				12,123,711.25	17,532,422.50
6	3/01/2005			5,228,413.50	5,228,413.50				5,228,413.50	
6	4/01/2006	N 5.460	7,075,000.00	5,228,413.50	12,303,413.50				12,303,413.50	17,531,827.00
7	3/01/2006			5,035,266.00	5,035,266.00				5,035,266.00	
7	4/01/2007	N 5.500	7,460,000.00	5,035,266.00	12,495,266.00				12,495,266.00	17,530,532.00
8	3/01/2007			4,830,116.00	4,830,116.00				4,830,116.00	
8	4/01/2008	N 5.540	7,870,000.00	4,830,116.00	12,700,116.00				12,700,116.00	17,530,232.00
9	3/01/2008			4,612,117.00	4,612,117.00				4,612,117.00	
9	4/01/2009	N 5.600	8,310,000.00	4,612,117.00	12,922,117.00				12,922,117.00	17,534,234.00
10	3/01/2009			4,379,437.00	4,379,437.00				4,379,437.00	
10	4/01/2010	N 5.630	8,775,000.00	4,379,437.00	13,154,437.00				13,154,437.00	17,533,874.00
11	3/01/2010			4,132,420.75	4,132,420.75				4,132,420.75	
11	4/01/2011	N 5.680	9,265,000.00	4,132,420.75	13,397,420.75				13,397,420.75	17,529,841.50
12	3/01/2011			3,869,294.75	3,869,294.75				3,869,294.75	
12	4/01/2012	N 5.740	9,795,000.00	3,869,294.75	13,664,294.75				13,664,294.75	17,533,589.50
13	3/01/2012			3,588,178.25	3,588,178.25				3,588,178.25	
13	4/01/2013	N 5.800	10,355,000.00	3,588,178.25	13,943,178.25				13,943,178.25	17,531,356.50
14	3/01/2013			3,287,883.25	3,287,883.25				3,287,883.25	
14	4/01/2014	N 5.880	10,955,000.00	3,287,883.25	14,242,883.25				14,242,883.25	17,530,766.50
15	3/01/2014			2,965,806.25	2,965,806.25				2,965,806.25	
15	4/01/2015	N 5.920	11,600,000.00	2,965,806.25	14,565,806.25				14,565,806.25	17,531,612.50
16	3/01/2015			2,622,446.25	2,622,446.25				2,622,446.25	
16	4/01/2016	N 5.980	12,285,000.00	2,622,446.25	14,907,446.25				14,907,446.25	17,529,892.50
17	3/01/2016			2,255,124.75	2,255,124.75				2,255,124.75	
17	4/01/2017	N 6.050	13,025,000.00	2,255,124.75	15,280,124.75				15,280,124.75	17,535,249.50
18	3/01/2017			1,861,118.50	1,861,118.50				1,861,118.50	
18	4/01/2018	N 6.110	13,810,000.00	1,861,118.50	15,671,118.50				15,671,118.50	17,532,237.00
19	3/01/2018			1,439,223.00	1,439,223.00				1,439,223.00	
19	4/01/2019	N 6.150	14,655,000.00	1,439,223.00	16,094,223.00				16,094,223.00	17,533,446.00
20	3/01/2019			988,581.75	988,581.75				988,581.75	
20	4/01/2020	N 6.160	15,555,000.00	988,581.75	16,543,581.75				16,543,581.75	17,532,163.50
21	3/01/2020			509,487.75	509,487.75				509,487.75	
21	4/01/2021	N 6.170	16,515,000.00	509,487.75	17,024,487.75				17,024,487.75	17,533,975.50
			201,765,000.00	148,875,498.52	350,640,498.52				350,640,498.52	350,640,498.52

True Interest Cost (TIC)..... 5.9275222 Arbitrage Yield Limit (AYL)..... 5.9275222
Net Interest Cost (NIC)..... 5.9558959 Arbitrage Net Interest Cost (ANIC)..... 5.9564366

Prepared by: Dawn Mitchell
Prepared on: 04/19/2000 7:50 9:50f Rpt 14
Record ID: ALASKA-2001-B :MUNIDB

**REPORTED OUT OF
FISCAL NOTE OF
HFC**

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: SB 311
(S) Publish Date: 4-19-00

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

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)	15.0	15.0				
Contractual (issuance cost/paying agent)	750.0	750.0	10.0	10.0	10.0	10.0
Supplies	1.0	1.0				
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	8,764.7	17,530.8	17,533.0	17,532.4	17,581.8
TOTAL OPERATING	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8

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	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes \$201 million in general obligation bonds to fund Transportation capital projects. This fiscal note assumes there would be two series of bonds sold, one in the spring of 2001 and the second in the spring of 2002. However, final issuance amounts and timing will be determined by the State Bond Committee based on schedule and the need for capital.

Assuming a true interest cost of 5.33% (approximately 0.40% above current rates), and a 20-year term, annual debt service is approximately \$8.8 million in fiscal year 2002 and \$17.5 million in fiscal year 2003 and after. The projected \$766,000 in contractual expenses during fiscal years 2001 and 2002 from the general fund would be reimbursed by bond proceeds.

****NOTE:** There is additional analysis required to determine if projects identified in the legislation would be eligible for reimbursement from the FHWA, or the cost of those projects could be applied as "Soft state match" for future projects funded with FHWA receipts. As this information is developed this fiscal note will be revised.

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

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

Sizing Debt Service Schedule
 General Obligation
 Senate Bill 311

Fiscal Yr	Coupon Date	Zer Cpn	Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvrRsv Int&Prln	CntgncyFnd Int&Prln	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
1	4/01/2001										
2	3/01/2001				6,377,546.27	6,377,546.27				6,377,546.27	
2	4/01/2002	N	4.780	5,295,000.00	5,856,930.25	11,151,930.25				11,151,930.25	17,529,476.52
3	3/01/2002				5,730,379.75	5,730,379.75				5,730,379.75	
3	4/01/2003	N	5.070	6,070,000.00	5,730,379.75	11,800,379.75				11,800,379.75	17,530,759.50
4	3/01/2003				5,576,505.25	5,576,505.25				5,576,505.25	
4	4/01/2004	N	5.260	6,380,000.00	5,576,505.25	11,956,505.25				11,956,505.25	17,533,010.50
5	3/01/2004				5,408,711.25	5,408,711.25				5,408,711.25	
5	4/01/2005	N	5.370	6,715,000.00	5,408,711.25	12,123,711.25				12,123,711.25	17,532,422.50
6	3/01/2005				5,228,413.50	5,228,413.50				5,228,413.50	
6	4/01/2006	N	5.460	7,075,000.00	5,228,413.50	12,303,413.50				12,303,413.50	17,531,827.00
7	3/01/2006				5,035,266.00	5,035,266.00				5,035,266.00	
7	4/01/2007	N	5.500	7,460,000.00	5,035,266.00	12,495,266.00				12,495,266.00	17,530,532.00
8	3/01/2007				4,830,116.00	4,830,116.00				4,830,116.00	
8	4/01/2008	N	5.540	7,870,000.00	4,830,116.00	12,700,116.00				12,700,116.00	17,530,232.00
9	3/01/2008				4,612,117.00	4,612,117.00				4,612,117.00	
9	4/01/2009	N	5.600	8,310,000.00	4,612,117.00	12,922,117.00				12,922,117.00	17,534,234.00
10	3/01/2009				4,379,437.00	4,379,437.00				4,379,437.00	
10	4/01/2010	N	5.630	8,775,000.00	4,379,437.00	13,154,437.00				13,154,437.00	17,533,874.00
11	3/01/2010				4,132,420.75	4,132,420.75				4,132,420.75	
11	4/01/2011	N	5.680	9,265,000.00	4,132,420.75	13,397,420.75				13,397,420.75	17,529,841.50
12	3/01/2011				3,869,294.75	3,869,294.75				3,869,294.75	
12	4/01/2012	N	5.740	9,795,000.00	3,869,294.75	13,664,294.75				13,664,294.75	17,533,589.50
13	3/01/2012				3,588,178.25	3,588,178.25				3,588,178.25	
13	4/01/2013	N	5.800	10,355,000.00	3,588,178.25	13,943,178.25				13,943,178.25	17,531,356.50
14	3/01/2013				3,287,883.25	3,287,883.25				3,287,883.25	
14	4/01/2014	N	5.880	10,955,000.00	3,287,883.25	14,242,883.25				14,242,883.25	17,530,766.50
15	3/01/2014				2,965,806.25	2,965,806.25				2,965,806.25	
15	4/01/2015	N	5.920	11,600,000.00	2,965,806.25	14,565,806.25				14,565,806.25	17,531,612.50
16	3/01/2015				2,622,446.25	2,622,446.25				2,622,446.25	
16	4/01/2016	N	5.980	12,285,000.00	2,622,446.25	14,907,446.25				14,907,446.25	17,529,892.50
17	3/01/2016				2,255,124.75	2,255,124.75				2,255,124.75	
17	4/01/2017	N	6.050	13,025,000.00	2,255,124.75	15,280,124.75				15,280,124.75	17,535,249.50
18	3/01/2017				1,861,118.50	1,861,118.50				1,861,118.50	
18	4/01/2018	N	6.110	13,810,000.00	1,861,118.50	15,671,118.50				15,671,118.50	17,532,237.00
19	3/01/2018				1,439,223.00	1,439,223.00				1,439,223.00	
19	4/01/2019	N	6.150	14,655,000.00	1,439,223.00	16,094,223.00				16,094,223.00	17,533,446.00
20	3/01/2019				988,581.75	988,581.75				988,581.75	
20	4/01/2020	N	6.160	15,555,000.00	988,581.75	16,543,581.75				16,543,581.75	17,532,163.50
21	3/01/2020				509,487.75	509,487.75				509,487.75	
21	4/01/2021	N	6.170	16,515,000.00	509,487.75	17,024,487.75				17,024,487.75	17,533,975.50
				201,765,000.00	148,875,498.52	350,640,498.52			350,640,498.52	350,640,498.52	

True Interest Cost (TIC).....	5.9275222	Arbitrage Yield Limit (AYL).....	5.9275222
Net Interest Cost (NIC).....	5.9558959	Arbitrage Net Interest Cost (ANIC).....	5.9564366

Prepared by:	Duen Mitchell
Prepared on:	04/19/2000 7:50 2.50f Rpt 14
Record ID:	ALASKA-2001-B :MUNIDB

SB

311

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 311

Revision Date/Time (Note if correction) _____ Dept. Affected Revenue
 Title Bonds: Ports and Harbors BFU Revenue Operations
 Component Treasury Division
 Sponsor Senate Finance Committee
 Requester Senate Rules Committee Component Serial No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)	15.0	15.0				
Contractual (issuance cost/paying agent)	750.0	750.0	10.0	10.0	10.0	10.0
Supplies	1.0	1.0				
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	8,764.7	17,530.8	17,533.0	17,532.4	17,581.8
TOTAL OPERATING	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	766.0	9,530.7	17,540.8	17,543.0	17,542.4	17,591.8

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes \$201 million in general obligation bonds to fund Transportation cap. projects. This fiscal note assumes there would be two series of bonds sold, one in the spring of 2001 and the second in the spring of 2002. However, final issuance amounts and timing will be determined by the State Bond Committee based on schedule and the need for capital.

Assuming a true interest cost of 5.93% (approximately 0.40% above current rates), and a 20-year term, annual debt service is approximately \$8.8 million in fiscal year 2002 and \$17.5 million in fiscal year 2003 and after. The projected \$766,000 in contractual expenses during fiscal years 2001 and 2002 from the general fund would be reimbursed by bond proceeds.

****NOTE:** There is additional analysis required to determine if projects identified in the legislation would be eligible for reimbursement from the FHWA, or the cost of those projects could be applied as "Soft state match" for future projects funded with FHWA receipts. As this information is developed this fiscal note will be revised.

Prepared by Deven Mitchell, Debt Manager
 Division Treasury Division
 Approved by Wilson L. Condon
 Commissioner Department of Revenue
 Agency

Phone 465-3750
 Date/Time April 19, 2000
 Date April 19, 2000

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

Sizing Debt Service Schedule
 General Obligation
 Senate Bill 311

Fiscal Yr	Coupon Date	Zer Cpn	Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvcRsv Int&Prin	CntgncyFnd Int&Prin	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
1	4/01/2001										
2	4/01/2001				6,377,546.27	6,377,546.27				6,377,546.27	
2	4/01/2002	N	4.780	5,295,000.00	5,856,930.25	11,151,930.25				11,151,930.25	17,529,476.52
3	4/01/2002				5,730,379.75	5,730,379.75				5,730,379.75	
3	4/01/2003	N	5.070	6,070,000.00	5,730,379.75	11,800,379.75				11,800,379.75	17,530,759.50
4	4/01/2003				5,576,505.25	5,576,505.25				5,576,505.25	
4	4/01/2004	N	5.260	6,380,000.00	5,576,505.25	11,956,505.25				11,956,505.25	17,533,010.50
5	4/01/2004				5,408,711.25	5,408,711.25				5,408,711.25	
5	4/01/2005	N	5.370	6,715,000.00	5,408,711.25	12,123,711.25				12,123,711.25	17,532,422.50
6	4/01/2005				5,228,413.50	5,228,413.50				5,228,413.50	
6	4/01/2006	N	5.460	7,075,000.00	5,228,413.50	12,303,413.50				12,303,413.50	17,531,827.00
7	4/01/2006				5,035,266.00	5,035,266.00				5,035,266.00	
7	4/01/2007	N	5.500	7,460,000.00	5,035,266.00	12,495,266.00				12,495,266.00	17,530,532.00
8	4/01/2007				4,830,116.00	4,830,116.00				4,830,116.00	
8	4/01/2008	N	5.540	7,870,000.00	4,830,116.00	12,700,116.00				12,700,116.00	17,530,232.00
9	4/01/2008				4,612,117.00	4,612,117.00				4,612,117.00	
9	4/01/2009	N	5.600	8,310,000.00	4,612,117.00	12,922,117.00				12,922,117.00	17,534,234.00
10	4/01/2009				4,379,437.00	4,379,437.00				4,379,437.00	
10	4/01/2010	N	5.630	8,775,000.00	4,379,437.00	13,154,437.00				13,154,437.00	17,533,874.00
11	4/01/2010				4,132,420.75	4,132,420.75				4,132,420.75	
11	4/01/2011	N	5.680	9,265,000.00	4,132,420.75	13,397,420.75				13,397,420.75	17,529,841.50
12	4/01/2011				3,869,294.75	3,869,294.75				3,869,294.75	
12	4/01/2012	N	5.740	9,795,000.00	3,869,294.75	13,664,294.75				13,664,294.75	17,533,589.50
13	4/01/2012				3,588,178.25	3,588,178.25				3,588,178.25	
13	4/01/2013	N	5.800	10,355,000.00	3,588,178.25	13,943,178.25				13,943,178.25	17,531,356.50
14	4/01/2013				3,287,883.25	3,287,883.25				3,287,883.25	
14	4/01/2014	N	5.880	10,955,000.00	3,287,883.25	14,242,883.25				14,242,883.25	17,530,766.50
15	4/01/2014				2,965,806.25	2,965,806.25				2,965,806.25	
15	4/01/2015	N	5.920	11,600,000.00	2,965,806.25	14,565,806.25				14,565,806.25	17,531,612.50
16	4/01/2015				2,622,446.25	2,622,446.25				2,622,446.25	
16	4/01/2016	N	5.980	12,285,000.00	2,622,446.25	14,907,446.25				14,907,446.25	17,529,892.50
17	4/01/2016				2,255,124.75	2,255,124.75				2,255,124.75	
17	4/01/2017	N	6.050	13,025,000.00	2,255,124.75	15,280,124.75				15,280,124.75	17,535,249.50
18	4/01/2017				1,861,118.50	1,861,118.50				1,861,118.50	
18	4/01/2018	N	6.110	13,810,000.00	1,861,118.50	15,671,118.50				15,671,118.50	17,532,237.00
19	4/01/2018				1,439,223.00	1,439,223.00				1,439,223.00	
19	4/01/2019	N	6.150	14,655,000.00	1,439,223.00	16,094,223.00				16,094,223.00	17,533,446.00
20	4/01/2019				988,581.75	988,581.75				988,581.75	
20	4/01/2020	N	6.160	15,555,000.00	988,581.75	16,543,581.75				16,543,581.75	17,532,163.50
21	4/01/2020				509,487.75	509,487.75				509,487.75	
21	4/01/2021	N	6.170	16,515,000.00	509,487.75	17,024,487.75				17,024,487.75	17,533,975.50
				201,765,000.00	148,875,498.52	350,640,498.52				350,640,498.52	350,640,498.52

True Interest Cost (TIC).....	5.9275222	Arbitrage Yield Limit (AYL).....	5.9275222
Net Interest Cost (NIC).....	5.9558959	Arbitrage Net Interest Cost (ANIC).....	5.9564366

Prepared by: Deven Mitchell
 Prepared on: 04/19/2000 7:50 2.50f Rpt 14
 Record ID: ALASKA-2001-B :MUNIDB

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 311		
Amendment	CS "H" as amended		
Motion	Report Out		
<u>Motion by</u>			
<u>Objection by</u>			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent			
<u>MOTION</u> Pass			

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 311		
Amendment	ES		
Motion	amend CS "H" motion to adopt		
<u>Motion by</u>	D		
<u>Objection by</u>	H		
Removed			
Second Objection by			
<u>Committee Member</u>	Y	Vote	N
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green			✓
Senator Randy Phillips	✓		
Senator Dave Donley	✓		
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	3		
Nay	6		
Absent			
<u>MOTION</u> FAIL			

Grant to muni for road
improvements

Pg 3 line 8

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 311		
Amendment	CS "H"		
Motion	adopt as work draft		
<u>Motion by</u>			
<u>Objection by</u>			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Randy Phillips			✓
Senator Dave Donley			✓
Senator Loren Leman			✓
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	36		
Nay	3		
Absent			
<u>MOTION</u>		Pass	

Donley COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 811		
Amendment	Rescind action		
Motion	to Report from Committee		
<u>Motion by</u>	P		
<u>Objection by</u>	PH		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Dave Donley			✓
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green	✓		
Senator Randy Phillips			✓
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent	1		
<u>MOTION</u>		PASS	

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/00

FURTHER:

REPORTED OUT OF
SFC 41500

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

DATE TURNED
IN TO OFFICE: 15 April 00

Finance Committee considered

SENATE BILL NO. 311

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

and recommends:

- be replaced with _____ CS SB 311 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s) CS
- adopt Letter of Intent by _____
- further referral to the _____ Committee
- Forth coming

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<u>Gary White</u>	✓	<u>Lyle Green</u>	✓		
		<u>Alan D. Jensen</u>	✓		
		<u>Don Doney</u>	✓		
		<u>Gary White</u>	✓		
		<u>Al Adams</u>	X		
Co-Chair: <u>[Signature]</u>	✓	Co-Chair:			
Co-Chair:		Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Senate Finance Committee
Amendment to

SB 311 (FIN)

Offered by Senator John Torgerson
April 15, 2000

SENATE FINANCE
COMMITTEE #1
Amendment Number: #1
Bill Number: SB 311
Sponsor: Torgerson Date: 4/15/00
Logged In By: Jamie

Delete Page 2, Line 31
 Kake <404,000>

Delete all references to total bonds amount of \$32,000,312

Sited on
Page 1, Line 9
Page 2, Line 8
Page 3, Line 5
And Page 4, Lines and 6

And insert total bonds amount of \$31,596,312

Sited on
Page 1, Line 9
Page 2, Line 8
Page 3, Line 5
And Page 4, Lines and 6

Make all technical adjustments to reflect the deleted project and the new total bonds amount.

Explanation:

This amendment removes the matching funds from the bond project list because Kake's match is funded in SB 192, the capital budget bill.

Kelly COMMITTEE
2000 COMMITTEE ACTION

Bill Number <u>B311</u>			
Amendment <u>#1</u>			
Motion			
<u>Motion by</u> <u>JA</u>			
<u>Objection by</u>			
Removed			
Second Object. on by			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Dorley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u> <u>16 00: - Passed</u>			

Senate Finance Committee
Amendment to

Offered by Senator John Torgerson
April 15, 2000

SB 311 (FIN)

SENATE FINANCE
COMMITTEE

Amendment Number: # 2

Bill Number: SB 311

Sponsor: Torgerson Date: 4/15/00

Logged In By: Mindy

Page 3, Lines 9-10

Delete "the amount of \$112,001 or as much of that amount as is found necessary"

Insert "an amount equal to one percent of the principal amount of the bonds, or as much of that amount as is found necessary,"

Green COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 311		
Amendment	#2		
Motion			
<u>Motion by</u>	JA		
<u>Objection by</u>			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u> 1/2 obj. Passed.			

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

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

7 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The amount
8 of \$32,000,312 is appropriated from the "port and harbor projects fund" to the Department of
9 Transportation and Public Facilities to be allocated among the following projects in the
10 amounts listed subject to reallocation between projects in accordance with AS 37.07.080(e):

11			PROJECT COST
12	ED	PROJECT NAME	STATE SHARE
13		<u>PORTS AND HARBORS</u>	
14		HARBORS TRANSFER PLAN	
15	1	Ketchikan	\$ 7,000,000
16	2	Petersburg	3,300,000
17	3 - 4	Juneau Area Harbors	
18		Auke Bay Harbor	492,325 ⁰⁰⁰
19		Douglas Dock/Harbor	1,241,421 ⁰⁰⁰
20		Taku Harbor	38,566 ⁰⁰⁰
21	5	Klawock	860,000
22	7 - 9	Seldovia	2,500,000
23	35	Whittier	1,835,600
24		Valdez	3,013,500
25		Cordova	4,337,800
26	38	Nome	1,000,000
27		CORPS OF ENGINEERS MATCH	
28		Program Formulation	100,000
29	1	Ketchikan Harbor Study	200,000
30	2	Wrangell	500,000
31	5	Kake	404,000

Amended #3

SENATE BILL NO. 311

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

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/15/00

Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

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

7 **GENERAL OBLIGATION BONDS.** For the purpose of paying the state cost of port
8 and harbor capital projects, general obligation bonds of the state in the principal amount of
9 not more than \$32,000,312, if authorized by the qualified voters of the state, shall be issued
10 and sold. The full faith, credit, and resources of the state are pledged to the payment of the
11 principal of and interest and redemption premium, if any, on the bonds. The bonds shall be
12 issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

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

1		Metlakatla - Tamgass	850,000	
2	6	Ouzinkie	1,300,000	Amendment
3	7 - 9	Seward Harbor Expansion	2,925,000	#3
4	40	Perryville Harbor Feasibility	<u>102,100</u>	adjust
5		TOTAL	5,322,000,312	accordingly

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

8 STATE BOND COMMITTEE. If the issuance of the bonds is authorized by the
9 qualified voters of the state, the amount of \$112,001 or as much of that amount as is found
10 necessary is appropriated from the general fund of the state to the state bond committee to
11 carry out the provisions of this Act and to pay expenses incident to the sale and issuance of
12 the bonds authorized in this Act. The amounts expended from the appropriation authorized
13 by this section shall be reimbursed to the general fund from the proceeds of the sale of the
14 bonds authorized by this Act.

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

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

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

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

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

31 BALLOT QUESTION. The question whether the bonds authorized in this Act are to