

ALASKA LEGISLATURE

2204

HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002

20 2-17

Date: 10/01/2001
 Delivered: 10/01/2001

Sizing Debt Service Schedule
 DuC
 F&S Lab

1

Fiscal Yr	Coupon Date	Zer Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbl Svc	Cap Int	Debt Svc Rev Int & Prln	Contingency Fnd Int & Prln	Net Semi-Annl Dbl Svc	Net Fiscal Dbl Svc
2	1/15/2002									
3	1/15/2002			662,538.93	602,988.93				662,988.93	
3	1/15/2003	N 5.370	165,000.00	420,204.25	585,204.25				585,204.25	1,248,193.18
4	1/15/2003			415,774.00	415,774.00				415,774.00	
4	1/15/2004	N 5.620	420,000.00	415,774.00	835,774.00				835,774.00	1,251,548.00
5	1/15/2004			403,972.00	403,972.00				403,972.00	
5	1/15/2005	N 5.470	440,000.00	403,972.00	843,972.00				843,972.00	1,247,944.00
6	1/15/2005			391,938.00	391,938.00				391,938.00	
6	1/15/2006	N 5.510	465,000.00	391,938.00	856,938.00				856,938.00	1,248,876.00
7	1/15/2006			379,127.25	379,127.25				379,127.25	
7	1/15/2007	N 6.550	490,000.00	379,127.25	869,127.25				869,127.25	1,248,254.50
8	1/15/2007			365,529.75	365,529.75				365,529.75	
8	1/15/2008	N 5.570	520,000.00	365,529.75	885,529.75				885,529.75	1,251,059.50
9	1/15/2008			351,047.75	351,047.75				351,047.75	
9	1/15/2009	N 5.530	550,000.00	351,047.75	901,047.75				901,047.75	1,252,095.50
10	1/15/2009			335,565.25	335,565.25				335,565.25	
10	1/15/2010	N 5.680	580,000.00	335,565.25	915,565.25				915,565.25	1,251,130.50
11	1/15/2010			319,093.25	319,093.25				319,093.25	
11	1/15/2011	N 5.740	610,000.00	319,093.25	929,093.25				929,093.25	1,248,186.50
12	1/15/2011			301,586.25	301,586.25				301,586.25	
12	1/15/2012	N 5.880	645,000.00	301,586.25	940,586.25				940,586.25	1,248,172.50
13	1/15/2012			282,623.25	282,623.25				282,623.25	
13	1/15/2013	N 5.900	685,000.00	282,623.25	967,623.25				967,623.25	1,250,240.50
14	1/15/2013			262,415.75	262,415.75				262,415.75	
14	1/15/2014	N 5.980	725,000.00	262,415.75	987,415.75				987,415.75	1,249,831.50
15	1/15/2014			240,702.00	240,702.00				240,702.00	
15	1/15/2015	N 6.080	770,000.00	240,702.00	1,010,702.00				1,010,702.00	1,251,404.00
16	1/15/2015			217,371.00	217,371.00				217,371.00	
16	1/15/2016	N 6.140	815,000.00	217,371.00	1,032,371.00				1,032,371.00	1,249,742.00
17	1/15/2016			192,350.50	192,350.50				192,350.50	
17	1/15/2017	N 6.200	865,000.00	192,350.50	1,057,350.50				1,057,350.50	1,249,701.00
18	1/15/2017			165,535.50	165,535.50				165,535.50	
18	1/15/2018	N 6.260	920,000.00	165,535.50	1,085,535.50				1,085,535.50	1,251,071.00
19	1/15/2018			136,739.50	136,739.50				136,739.50	
19	1/15/2019	N 6.300	980,000.00	136,739.50	1,116,739.50				1,116,739.50	1,253,479.00
20	1/15/2019			105,869.50	105,869.50				105,869.50	
20	1/15/2020	N 6.350	1,040,000.00	105,869.50	1,145,869.50				1,145,869.50	1,251,739.00
21	1/15/2020			72,849.50	72,849.50				72,849.50	
21	1/15/2021	N 6.380	1,105,000.00	72,849.50	1,177,849.50				1,177,849.50	1,250,699.00
22	1/15/2021			37,600.00	37,600.00				37,600.00	
22	1/15/2022	N 6.400	1,175,000.00	37,600.00	1,212,600.00			1,018.33	1,211,581.67	1,249,181.87
			13,965,000.00	11,034,571.16	23,003,573.16			1,018.33	23,002,554.83	23,002,554.83

True Interest Cost (TIC)..... 6.1152810 Arbitrage Yield Limit (AYL)..... 6.1152816
 Net Interest Cost (NIC)..... 6.2629858 Arbitrage Net Interest Cost (ANIC)..... 6.2629858

= \$1,250,231/2 Av.
 34 ↓ 1,250,000.

Prepared by: Dawn Mitchell
 Prepared on: 11/20/2006 15:29:50 Fri 11
 Report ID: DEC-2001-U :MUNDO

PROJECT BUDGET		
PROJECT NAME: DEC Food Safety Laboratory - ANCHORAGE		Date Budget Prepared: 12/6/00
PROJECT NO: 54814		Budget Revision: After Concepts
DOT&F MANAGER: Mr. Tanaka PB (269-0824)		Client Concurrence: _____
CLIENT AGENCY: Dept. of Environmental Conservation		(signature & date)
CONTACT: Bert Hartley (269-7662) FAX 269-7654		
Palmer Lab, Dick Barrett (743-3236)		
STATE OF PROJECT:		
<input type="checkbox"/> Startup <input checked="" type="checkbox"/> Programming <input type="checkbox"/> Schematic Design <input type="checkbox"/> Design Development <input type="checkbox"/> Constr. Document <input type="checkbox"/> Bid Period <input type="checkbox"/> Award <input type="checkbox"/> Constr. (<input type="checkbox"/> % Complete) <input type="checkbox"/> Closeout		
DESIGN PHASE:	BUDGET	COMMENTS:
Design Fees	5928,329	Consulting fees for design
Design A/E Contingency	3161,529	Allowance for design amendments
Design Administration Bldg	376,238	DOT&F project management
Right-of-way (NB)	512,000	Acquire land interests, easements
Utilities	330,000	Utility permits, assessments
Environmental (NB)	314,000	Investigations and reports
Technical Services (NB)	88,000	Advertise and award contract
Technical Services	330,000	Plan sets reproduction costs
Pre-Award Audit (NB)	81,500	Audit prior to contract award
MOA Plan Reviews	333,730	Plan review fees
Misc. Meetings	323,000	Public meetings, P&S, UDC presentations
ICAP Design Phase (NB)	326,710	2% for DOT administration
DESIGN PHASE TOTAL	21,362,200	
CONSTRUCTION PHASE:	BUDGET	COMMENTS:
Construction Contract	38,310,000	20,500 sq. Type I FF&S, utilities, access
Bidding Contingency	3249,300	12 bidding contingency
Change Order Reserve	8831,000	10% change order reserve
Subtotal for Construction Contract	49,390,300	
A/E Bid/Constr. Assistance	3224,600	Partial bld. construction assistance by A/E
Special Inspection	360,000	per 1987 UBC
Site Clearing	310,000	prevention of migratory bird nesting
Gener. Administration	8330,443	DOT&F construction administration, inspection
Amwork, AS 35.27.020	591,300	1% for Act per ASCA
Group of Furnishing, Fixtures, Equip (FFE)	81,372,138	Type II FF&S budget per DEC
Legal (NB)	57,800	Contract reviews and protests
Concurrent Review (NB)	13,000	Project review and closeout
Project Contingency	3415,300	3% of constr costs for scope creep, unknowns
ICAP Construction Phase (NB)	8218,000	2% for DOT administration
Bio Safety Level 3 (BSL3) Features	3262,400	Complete design and construct cost to convert micro area to BSL3
CONSTRUCTION PHASE TOTAL	512,402,500	
TOTAL DOT&F BUDGET	513,764,700	COMMENTS: Assume site on DMVA pad. Costs are adjusted from 2/14/00 estimate based on refinement of conceptual design. Budget items determined ineligible for Certificates of Participation (COPs) are identified (NB).
PROJECT FINANCING	3100,000	
TOTAL PROJECT BUDGET	513,964,700	
(NB) BUDGET ITEMS	3310,310	
BOND ELIGIBLE BUDGET	513,654,390	

Section 12, ch. 37, SLA 1993 provides: "LEASE EXTENSIONS AUTHORIZED. (a) Notwithstanding AS 36.30, the Department of Administration, the University of Alaska, the legislature, and the court system may extend for up to a maximum extension of five years a real property lease that is entered into under AS 36.30, including procedures and regulations adopted under AS 36.30.005(c) and 36.30.020 — 36.30.030, and that is in existence on the effective date of this section if a minimum cost savings of

"(1) 10 percent can be achieved on the rent due under the lease; or

"(2) five percent can be achieved on the rent due under the lease and the lessor agrees to make modifications of the leased real property to bring the real property into compliance with the requirements of 42 U.S.C. 12101 — 12213 (Americans with Disabilities Act of 1990).

"(b) The cost savings under (a) of this section shall be calculated on the remaining term of the lease and

any renewals, including extensions allowed under (a) of this section.

"(c) The Department of Administration, the University of Alaska, the Alaska Court System, and the Legislative Affairs Agency shall submit a quarterly report to the Legislative Budget and Audit Committee detailing the leases extended and the cost savings achieved under (a) — (b) of this section. The first report is due July 1, 1994, and must cover the period from the effective date of this section through March 31, 1994. The subsequent reports shall be made October 1, 1994, January 2, 1995, and April 1, 1995."

Under § 14, ch. 37, SLA 1993, § 12(a) and (b) are repealed December 31, 1994 and § 12(c) is repealed April 1, 1995.

Opinions of attorney general. — Equipment-lease financing is covered by the procurement code and the statutory requirement of legislative approval Sept. 17, 1987 Op. Att'y Gen.

NOTES TO DECISIONS

Lease-purchase agreement between Department of Natural Resources and Alaska Court System. — This section (prior to June 7, 1994), § 38.05.035, and § 12, ch. 75, SLA 1994, provided the Department of Natural Resources with authority to enter into a lease-purchase agreement with Alaska Court System for the purchase of a building. Carr-Gottstein Properties v. State, 899 P.2d 136 (Alaska 1995).

Funds placed in escrow for the renovation of a building that was the subject of a lease-purchase agreement between the Department of Natural Resources and Alaska Court System did not constitute unrestricted "program receipts" for deposit in the state treasury and did not violate Alaska Const., art. IX, § 13. Carr-Gottstein Properties v. State, 899 P.2d 136 (Alaska 1995).

Sec. 36.30.083. Lease extensions authorized. (a) Notwithstanding any other provision of this chapter, the department, the Board of Regents of the University of Alaska, the legislative council, or the court system may extend, for up to a maximum extension of 10 years, a real property lease that is entered into under this chapter including procedures and regulations adopted under AS 36.30.005(c), 36.30.020, and 36.30.030 and has at least six months remaining under the lease term, if a minimum cost savings of

→(1) 15 percent can be achieved on the rent due under the lease; or

(2) 10 percent can be achieved on the rent due under the lease and the lessor agrees to make modifications of the leased real property to bring the real property into compliance with the requirements of 42 U.S.C. 12101 — 12213 (Americans with Disabilities Act of 1990).

(b) The cost savings under (a) of this section shall be calculated on the remaining term of the lease and any renewals, including extensions allowed under (a) of this section.

(c) The department, the University of Alaska, the court system, and the Legislative Affairs Agency shall submit individually an annual report to the Legislative Budget and Audit Committee detailing the leases extended and the cost savings achieved by that entity under (a) or (b) of this section. Reports are due August 31 of each year. (§ 11 ch 137 SLA 1996)

Effective dates. — Section 53, ch. 137, SLA 1996, makes this section effective July 9, 1996, in accordance with AS 01.10.070(c).

Editor's notes. — Section 52, ch. 137, SLA 1996

provides that "[n]otwithstanding AS 36.30.083(c), enacted by § 11 of this Act, the first lease extension report under AS 36.30.083(c) is due August 31, 1997, and must cover fiscal year 1997."

Sec. 36.30.085. Lease-purchase agreements. (a) To perform its duties and statutory functions, the department, the Board of Regents of the University of Alaska, the

legislative court department, the into a lease-purchase agreement with the legislative court system.

(b) When entering into a lease-purchase agreement with the supreme court system:

(1) in addition to the convenience, plan of acquisition or irrevocable agreement is likely.

(2) whether the agreement is likely to be approved by the legislature.

(c) A lease-purchase agreement that:

(1) may not be approved by the legislature.

(2) must provide for the convenience of the legislature.

(d) If the department enters into or enters into a lease-purchase agreement with the Board of Regents of the University of Alaska, the legislature. The

(1) anticipated cost savings.

(2) anticipated cost savings.

(3) total lease cost.

(e) The department may not enter into the agreement if:

(f) The provisions of the agreement:

(1) related to the purchase agreement.

(2) by the University of Alaska fees or university.

(g) In this section:

(1) "full term" is defined within this section.

(2) "lease-purchase agreement" is defined in AS 36.30.094; am §§ 2, 3

Effect of amendments effective May 25, 1996. Sections (b) and (e) are amended by paragraphs (b)(1) and (b)(2).

Cited in Carr-Gottstein Properties v. State, 899 P.2d 136 (Alaska 1995).

Sec. 36.30.090.

Sec. 36.30.095.

council, or the supreme court may enter into lease-purchase agreements. The department, the Board of Regents, the legislative council, or the supreme court may enter into a lease-purchase agreement only if the department, the Board of Regents, the legislative council, or the supreme court is the lessee under the agreement.

When evaluating proposals to acquire or improve real property under a lease-purchase agreement, the department, the Board of Regents, the legislative council, or the supreme court shall consider

(a) In addition to lease costs, the life cycle costs, function, indoor environment, public appearance, planning, design, appearance, and location of the real property proposed for acquisition or improvement; and

(b) Whether acquisition or improvement of the real property by lease-purchase agreement is likely to be the least costly means to provide the space.

(c) A lease-purchase agreement

(1) may not provide for a period of occupancy under the full term of the lease-purchase agreement that is greater than 40 years;

(2) must provide that lease payments made by the department, the Board of Regents, the legislative council, or the supreme court are subject to annual appropriation.

(d) If the department, Board of Regents, legislative council, or supreme court intends to enter into or renew a lease-purchase agreement for real property, the department, Board of Regents, legislative council, or supreme court shall provide notice to the legislature. The notice must include the

(1) anticipated total construction, acquisition, or other costs of the project;

(2) anticipated annual amount of the rental obligation; and

(3) total lease payments for the full term of the lease-purchase agreement.

(e) The department, the Board of Regents, the legislative council, or the supreme court

may not enter into a lease-purchase agreement to acquire or improve real property unless the agreement has been approved by the legislature by law.

(f) The provisions of (d) and (e) of this section do not apply to a lease-purchase agreement

(1) related to the refinancing of an outstanding balance owing on an existing lease-purchase agreement; or

(2) by the University of Alaska if the lease-purchase agreement is secured by student fees or university receipts as defined in AS 14.40.491.

(g) In this section,

(1) "full term of the lease-purchase agreement" includes all renewal options that are defined within the lease-purchase agreement;

(2) "lease-purchase agreement" includes a lease-financing agreement. (§ 7 ch 75 SLA 1994; am §§ 2, 3 ch 36 SLA 1995)

Effect of amendments. — The 1995 amendment, effective May 25, 1995, inserted "or improve" in subsections (b) and (e) and "or improvement" in paragraphs (b)(1) and (b)(2).

Effective dates. — Section 13, ch. 75, SLA 1994 makes this section effective June 7, 1994, in accordance with AS 01.10.070(c).

NOTES TO DECISIONS

Cited in Carr-Gottstein Properties v. State, 899 P2d 136 (Alaska 1995).

Sec. 36.30.090. Delivery of supplies. [Repealed, § 48 ch 137 SLA 1996.]

Sec. 36.30.095. Procurement of paper. [Repealed, § 48 ch 137 SLA 1996.]

AS 36.30.083(c), earliest lease extension due August 31, 1997.

uties and statute of Alaska, the

TUDOR RD.

DMVA/DOTP



4/11/01

Representative Lancaster:

Here is what I hope is the last bit of information you are waiting to get from me regarding the proposed Seafood and Food Safety Lab.

- ◆ A Spatial Relationships Diagram prepared by Livingston Sloan. It is not an official floor plan per se but Tom Livingston explains it shows the relative relationship between the different areas. They've included the estimated sq. footages of each lab, and it is color coded so you can tell the administrative space (in blue) from the lab space (in yellows) at a glance. In the meeting I had with them last Friday (the 6th), we were able to reduce the administrative space so the total lab size is approximately 19,660. Since this reduction in sq. ft. is in the administrative side, it won't result in a huge reduction in construction costs but they are working on what that reduction would be. I should have that by next week.
- ◆ Information from Livingston Sloan that shows the total Gross Square Footage and the Net Square Footage of both the current lab and the proposed lab, broken down between lab space and administrative space. In this way, we can compare apples to apples since, as I told you, the real growth in the new lab is in those areas that support the ventilation, electrical and mechanical. That's not to say the other "usable" parts of the lab aren't proposed to be bigger. I hope you've had a chance to see the video tape of our current lab I sent to Mike Tibbles in Representative Williams' office. Clearly, our current lab spaces are too small.
- ◆ A comparison we tried to do between our current lab, the proposed lab, and Oregon and Washington. I send this information with a great deal of hesitation because the Oregon and Washington labs aren't exactly like ours, they don't do exactly the same things in the same quantities, and they have a different mix of services that use various lab spaces. I've gone ahead and included the email we got from Washington because they explain pretty well the exact problem we ran into.










Finally, in the hearing, you had asked me about what help we might be able to get from FDA. They don't have anyone who can help us but there is a gentleman, John Wiskerchen, who managed the FDA laboratory for nearly 20 years, and who has gone on to private practice as a consultant. In part, his work covers laboratory design. We used him to do the evaluation of the Public Health Lab to see if our lab could be located within that facility (I gave you a copy of that report). We were able to hire him to do a review of the design. Since he's familiar with our lab and its functions, as well as the actual test methods used, it seemed he was a good choice for an independent third party review since FDA could not fulfill that role.

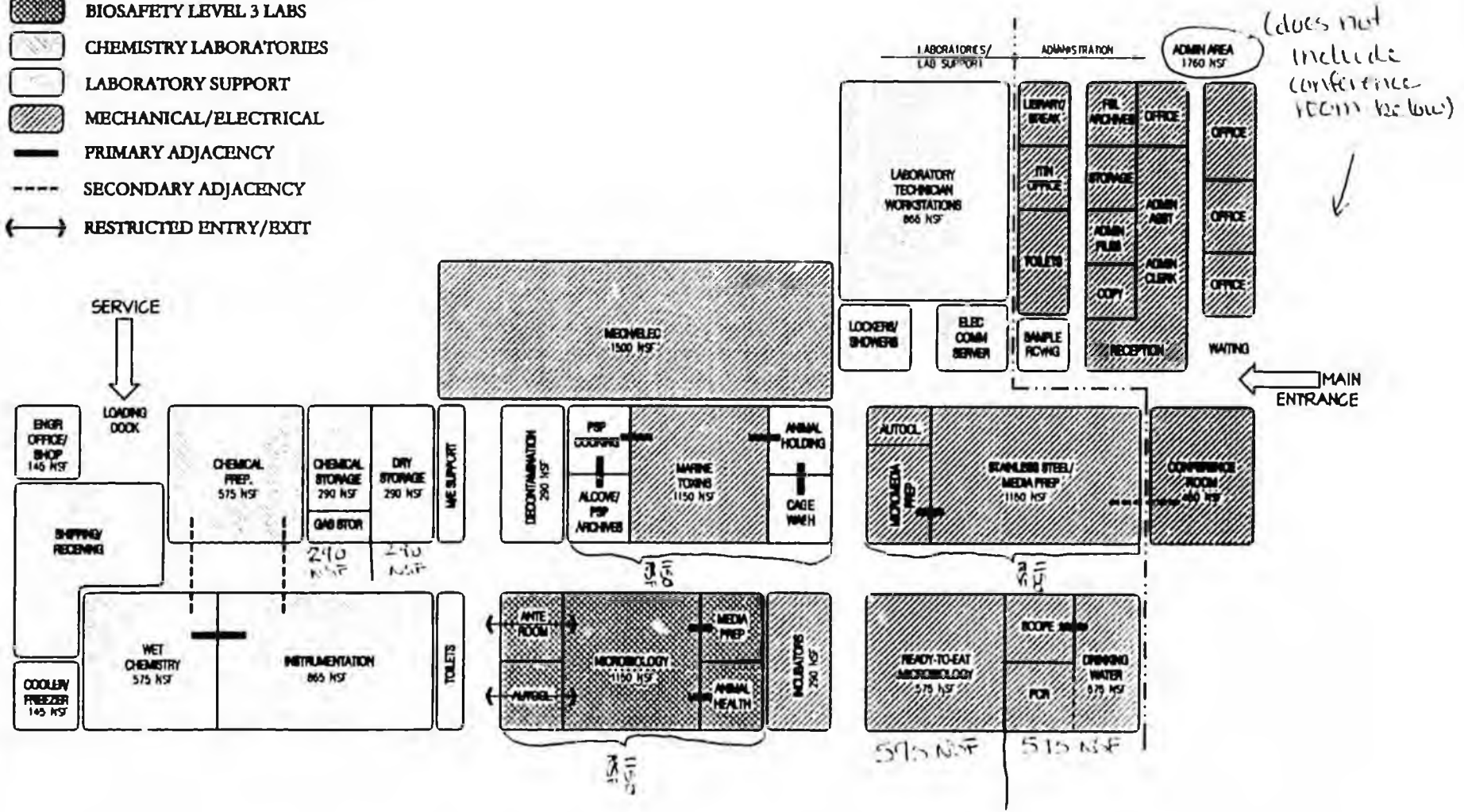
Thank you again for taking the time to look into the facility in depth. If you need anything else, please send me an email as I will be out of the office (but will check email).


Janice Adair

Seafood & Food Safety Laboratory

Spatial Relationships Diagram

-  ADMINISTRATION
-  MICROBIOLOGY LABORATORIES
-  BIOSAFETY LEVEL 3 LABS
-  CHEMISTRY LABORATORIES
-  LABORATORY SUPPORT
-  MECHANICAL/ELECTRICAL
-  PRIMARY ADJACENCY
-  SECONDARY ADJACENCY
-  RESTRICTED ENTRY/EXIT



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Representative Ken Lancaster 'District 8

April 12, 2001

MEMORANDUM

To: Representative Eldon Mulder, Co-chairman
Representative Bill Williams, Co-chairman
House Finance Committee

From: Representative Ken Lancaster

Subject: Department of Environmental Conservation, Division of Environmental Health,
Seafood and Food Safety Laboratory, Cost and Location,

Per your request, I have conducted a fact finding mission to help determine the reasonable cost for the proposed DEC Seafood and Food Safety Laboratory.

The cost per square foot for a laboratory is high, when compared to an office building, or warehouse. This is do impart to the fact that laboratories require a more powerful heating, ventilating, air conditioning, (HVAC) system. This system must not only move more air (minimum 10 to 12 air exchanges per hour) but also pressurizes parts of the building. This pressurization is very important as it keeps that area of the building not used for testing completely separated environmentally from pathogens used in the test area. In addition, higher requirement for lights, power distribution system and special construction to facilitate cleaning is required in this type of complex.

I have made informal inquires with several architectural engineer's firms and based on that have concluded that \$400.00 per square foot, less equipment, is a fair and reasonable cost.

The location also makes good, logical sense. With the building built in Anchorage, at the Tudor Road location, it would help develop a State campus setting. This concept could make for cost saving in the future, by allowing for the combining of services, building maintenance, snow removal, etc.

The proximity to a major airport, and the availability of ground transportation, should better serve the people of the State of Alaska in conducting business with the lab.

I have enclosed three reports prepared by Livingston Slone, Inc for your information; Laboratory Cost Factors, Laboratory Plan Efficiency, and a Timeline for Seafood and Food Safety Laboratory Replacement. This information helps explain the process that the Department went through, in addition to cost factors.

Should you require more information or have any question, please fell free to contact me.

MEMORANDUM


Department of Administration
Division of General Services
vern_jones@admbn.state.ak.us

STATE OF ALASKA

Phone Number: 465-2250
FAX Number: 465-2189
TDD Number: 465-2209

TO: Janice Adair
Director
Division of Environmental Health
Department of Environmental
Conservation

DATE: April 18, 2001

FROM: Vern Jones 
Chief Procurement Officer

SUBJECT: Palmer Seafood Safety Lab
Lease #2359

This is in response to your inquiry regarding the Seafood Safety Lab in Palmer. Lease #2359 with Astro Enterprises has a current expiration date of December 31, 2001. The State has options to extend the lease for two more years. If both of those options are exercised, the lab could occupy this building through December 31, 2003*. After that date, your agency would have no legal authority to remain in this facility.

The only way in which the lab could remain in the facility past December 31, 2003 is if an emergency procurement is authorized per AS 36.30.310. Such authorization would be valid only for the time necessary to secure replacement lab space through a competitive sealed bidding or competitive sealed proposals process per our procurement code. Such an extension would be subject to the lessor's approval and negotiation of lease terms and conditions. Your agency has an obligation to prevent non-competitive procurements whenever possible. I urge you to take the steps necessary to avoid an emergency procurement for this lab.

* Upon verifying the expiration date in our lease file, I realized that this is different than the date that we discussed on previous occasions. I apologize if my office provided incorrect information or contributed to a miscommunication regarding this lease.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF ENVIRONMENTAL HEALTH
DIRECTOR'S OFFICE
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501
<http://www.state.ak.us/dec/deh>

Telephone: (907) 269-7644

Fax: (907) 269-7654

e-mail: Janice_Adair@envircon.state.ak.us

April 19, 2001

The Honorable Eldon Mulder
The Honorable Bill Williams
Co-Chairmen, House Finance Committee
Juneau, AK 99801

FOR HAND DELIVERY

Re: HB 51, Seafood and Food Safety Laboratory

Dear Representatives Mulder and Williams:

On April 3, I sent you a letter that answered several of the questions that were raised during the House Finance Committee hearing on the above-referenced bill. One of the questions, which was one you had posed, Representative Mulder, was what part of the proposed lab could be deleted if the bond package was reduced.

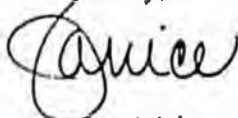
Since sending that letter, and in order to answer some questions that had been raised by Representative Lancaster in his detailed review of this proposal, I have had a lengthy meeting with Livingston Slone. Based on that meeting, I believe we could reduce the administrative space by about 840 sq. ft. by eliminating a small conference room, one office and by reducing the size of the public waiting area. Such a square footage reduction would reduce the construction costs by \$200,000.

Recognizing that my familiarity with lab design is significantly less than with office design, we contracted with the former head of the FDA's Seattle District laboratory to review that aspect of the building. A copy of his review is enclosed. His bottom line conclusion is that the design concept and space allocations for the analytical functions are appropriate for the variety of analyses done at this laboratory.

Finally, in working with Vern Jones with General Services on our ability to extend the current lease, we discovered an error in some of the information I relied upon in providing information to you. We had been initially advised that our current lease with all available extensions would expire on December 31, 2002. Vern has since confirmed that the last extension runs through December 31, 2003. A copy of his memo to me is also enclosed. This does not change the need for this legislation this year, but does give us a better chance of having the new facility completed before the current lease expires for good.

As always, please don't hesitate to contact me if you have any further questions.

Sincerely,



Janice Adair
Director

Enclosures:

- ◆ Review of the Proposed Seafood and Food Safety Lab Design by John Wiskerchen
- ◆ Memorandum dated April 18, 2001 from Vern Jones

cc: The Honorable Ken Lancaster (w/enclosures)
Brad Pierce, OMB (w/enclosures)

Safe Food, Safe Water, Healthy Communities

Review of the Proposed Seafood and Food Safety Lab Design

Introduction

The Department of Environmental Conservation contracted with me to review the programming/concept design prepared by Livingston/Stone (2/22/01) for the Seafood and Food Safety Laboratory. In the review, I looked at the design to determine if it meets the needs of the laboratory as well as space allocation. My background includes 19 years as Laboratory Director of the U.S. Food and Drug Administration Laboratory in Bothell, WA. I retired Jan 1, 2000. As Laboratory Director, I was involved in the design and construction of the FDA Lab in Bothell and am currently a consultant to FDA in the design and construction of a FDA Regional Laboratory in Irvine, CA. In addition, I consult with the pharmaceutical industry on meeting FDA requirements including facility design.

Review Findings

My overall impression of the design concept of the laboratory is that it has captured the flexibility and adaptability needed to meet the current diversity of work as well as the program changes of the future. The modular layout will permit the flexibility that is needed to handle minor changes in program needs. A modular addition can be attached to the main corridor, if a major expansion is needed, for new programs. Additional utilities can be added to the existing systems. This design should meet the Laboratory's needs for many years.

In reviewing the proposed program/concept design of the DEC Seafood and Food Safety Lab several important concepts are presented that effect the size of the laboratory. The variety of work done by the Lab along with the dedicated space required to do the analyses accurately and precisely has a dramatic effect on increasing the size of the laboratory. The laboratory has a number of small programs that require less than 1 FTE but because of the uniqueness of the testing required the space must be dedicated. Some examples of specific space requirements are chemical preparation, media preparation, marine toxins, animal microbiology, seafood and food microbiology, drinking water, and wet chemistry. The dedicated space is required to avoid cross contamination that could result in false positives or false negatives in microbiological analyses or inaccurate results in chemical analyses. For example, food microbiology and animal microbiology should not be done in the same laboratory. Chemical determinations should not be done in a microbiology laboratory or vice versa. Despite a small staff, the programs covered by the DEC lab are extensive as illustrated by the following list:

- ❖ Certify in-state laboratories for microbiological analysis of drinking water. (EPA Certified)
- ❖ Conduct product and growing water sampling required by the National Shellfish Sanitation Program (NSSP) to ensure that bivalve shellfish can be marketed. (FDA Certified)

- ❖ Routinely test commercial bivalve shellfish for marine toxins including paralytic shellfish poison (FDA certified), and domoic acid.
- ❖ Analyze finished seafood and general food products for pathogenic bacterial contamination.
- ❖ Analyze fish for five toxic metals – mercury, chromium, cadmium, arsenic and methyl mercury as per the EPA fish advisory program.
- ❖ Evaluate and randomly sample finfish for chemical and bacterial contaminants and parasites.
- ❖ Perform animal testing required to maintain USDA brucellosis certification. (USDA certified)
- ❖ Test for equine infectious anemia in horses intended for interstate or international shipment or entered in state fairs or other special events. (USDA certified)
- ❖ Evaluate raw and finished dairy products for bacterial contamination, antibiotics, and pasteurization (FDA certified).

The usual recommended net square feet/analyst for laboratories cannot be applied to the DEC laboratory because of the special space requirements for the variety of work. In addition, there are minimum requirements no matter the size of the laboratory with regards to safety. There are special separation requirements for solvent, chemical and gas cylinder storage. The staff size requires the analysts to do multiple tasks but to be efficient, effective and accurate they need dedicated space. The proposed design addresses these needs very effectively. The DEC laboratory has program requirements that I doubt are duplicated anywhere in the United States.

Conclusion

The proposed programming/concept design by Livingston-Stone for the State of Alaska DEC Seafood and Food Safety Laboratory captures the flexibility and adaptability of the space to meet the current diversity of work as well as program changes in the future. The variety of work and the need for dedicated space for some of the programs has resulted in the net square feet/analyst being higher than a typical laboratory. The normal space efficiencies cannot be achieved with the large variety of work and small number of analysts. I agree with the design concept and space allocations for the analytical functions as shown in the proposal. This design proposal should meet the needs of the Laboratory for many years. It is a well thought out design.

John Wiskerchen 4/19/01
John Wiskerchen
Consultant

MEMORANDUM

*Department of Administration
Division of General Services
vern_jones@admin.state.ak.us*

STATE OF ALASKA

Phone Number: 465-2250
FAX Number: 465-2189
TDD Number: 465-2205

TO: Janice Adair
Director
Division of Environmental Health
Department of Environmental
Conservation

DATE: April 18, 2001

FROM: Vern Jones
Chief Procurement Officer

SUBJECT: Palmer Seafood Safety Lab
Lease #2359

This is in response to your inquiry regarding the Seafood Safety Lab in Palmer. Lease #2359 with Astro Enterprises has a current expiration date of December 31, 2001. The State has options to extend the lease for two more years. If both of those options are exercised, the lab could occupy this building through December 31, 2003*. After that date, your agency would have no legal authority to remain in this facility.

The only way in which the lab could remain in the facility past December 31, 2003 is if an emergency procurement is authorized per AS 36.30.310. Such authorization would be valid only for the time necessary to secure replacement lab space through a competitive sealed bidding or competitive sealed proposals process per our procurement code. Such an extension would be subject to the lessor's approval and negotiation of lease terms and conditions. Your agency has an obligation to prevent non-competitive procurements whenever possible. I urge you to take the steps necessary to avoid an emergency procurement for this lab.

* Upon verifying the expiration date in our lease file, I realized that this is different than the date that we discussed on previous occasions. I apologize if my office provided incorrect information or contributed to a miscommunication regarding this lease.



MEMORANDUM

To: All Finance Committee Members

From: Representative Ogan

Date: April 23, 2001

Re: HB 51 / Seafood Lab

My staff has contacted Janice Adair and she has agreed to work with the Valley Delegation to arrive at a viable alternative that accomplishes the following goals.

1. Move the seafood testing portion of the lab closer to tidewater and be placed in a more affordable facility than the one proposed.
2. To leave those functions other than seafood in the Valley where they have always been located.
3. To find a way obtain a more affordable, reasonably sized facility, with an acceptable per square foot cost.

The legislature should reduce the amount of funds available to a reasonable per square foot cost, and charge the Department to make that amount work.

We should not get into the business of designing or amending Laboratory floor plans.

We should also not expect an Architectural firm to suggest changes that reduces their profit. If we are to rely on expertise it should be non-prejudiced with experience in reviewing such facilities.

Since the present facility and virtually all the employees are within my District, I am counting on members to encourage Ms. Adair to work with our delegation and help us emerge with an alternative that we can support.

I respectfully ask that any action on this project be accomplished within the integrity and protocol that surrounds matters negatively affecting another member's District and constituents. I am sure we can come to an agreement if we all get together and make the effort.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 51
(H) Publish Date: 1/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: An Act related to entry into and financing of a BRU: Leases
lease purchase for a seafood/food safety lab. Component: Leases
Sponsor: Rules
Requester: Governor Component Number: 81

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services:						
Travel						
Contractual	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill would authorize financing and construction of a new laboratory facility that would replace the current leased location in Palmer. The Division will execute a lease purchase agreement for the lease purchase of a new seafood and food safety laboratory in Anchorage.

Lease savings would begin mid way through (January) FY2005 when we anticipate occupying the new facility. The specific lease and current costs are shown on the attached page. Annual costs for the Palmer lease in FY2001 are budgeted in the Department of Administration's (DOA) Leases component as \$98.0 of General Funds and in the Department of Environmental Conservation's operating budget and paid to DOA via a \$17.7 RSA. Future years estimated lease savings have been adjusted to reflect the January occupancy date and probable Consumer Price Index adjustments.

Costs for the design, construction, acquisition and construction contract compliance are not included in this fiscal note as those costs and associated work will be borne by other state departments.

Prepared by: Chris Parce, Director Phone (907)465-2250
Division: Division of General Services Date/Time 12/13/00 1pm
Approved by: Commissioner Jim Duncan Date 12/13/00
Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

Fiscal Note
 State of Alaska
 2001 Legislative Session

Current Palmer Laboratory Lease

Lease #	Location	Property	Sq Ft	FY2001 Cost per Year (Annual)	Annual RSA Amount	Net FY2001 DOA Budget (Annual)	*Estimated FY2005 DOA Reduction (1/2 year)	*Estimated FY2006 DOA Reduction (Annual)	*Estimated '2007 DOA Reduction (Annual)
2359	Palmer	Palmer Lab	9,252	115,710	17,697	98,013	54,924	113,692	117,671

*Adjusted annually by the probable Consumer Price Index.

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 2
 Bill Version: HB 51
 (H) Publish Date: 01/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservatio
 Title: Seafood/Food Safety Lab Facility Construction BRU: Environmental Health
 Component: Laboratory Services
 Sponsor: Rules Committee
 Requester: Governor Component Number: 2065

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual				97.8	178.1	184.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	97.8	178.1	184.0

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

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF				97.8	178.1	184.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	97.8	178.1	184.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current Food Safety Laboratory has operated in a leased facility in Palmer for over 30 years. The facility is now inadequate for current lab operations. In addition the lease will soon expire with no opportunity for long term renewal. The bill would authorize financing and construction of a new Seafood and Food Safety Laboratory to be operated by the Department of Environmental Conservation (DEC).

The Department of Administration (DOA) pays the current lease costs for the lab. DEC reimburses DOA for a portion of these costs through an RSA. DEC will directly pay for all of the utilities and maintenance costs for the new building. These new costs are shown in the contractual line. Annual lease savings partially offset these new utility and maintenance costs as shown on the attached chart.

We expect to begin occupying the building in January 2005, therefore the costs shown for 2005 are for half a year.

Prepared by: Janice Adair, Director Phone (907) 269-7644
 Division: Division of Environmental Health Date/Time 12/13/00 3:00PM
 Approved by: Kurt Fredriksson Date 12/13/00
 Agency: Department of Environmental Conservation

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

Bill NO. _____

**FISCAL NOTE
STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Line Item Description	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Contractual Line 300					
* (Operating Expenses)					
Utilities (estimated) DEC will incur costs for utilities at the new facility starting mid - 2005. Utility costs at the existing leased facility are included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$52,965	\$105,930	\$110,040
Building Maintenance (estimated) DEC will incur costs for building maintenance at the new facility starting mid - 2005. Maintenance costs at the existing leased facility are also included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$54,800	\$92,700	\$95,160
* (Lease Savings - Palmer Lab) DEC portion of current lease paid to DOA/GS through a RSA, will no longer be required after completion of the new facility.			(\$9,916)	(\$20,527)	(\$21,245)
Total Contractual:	\$0	\$0	\$97,849	\$178,103	\$183,955

* Adjusted annually by the probable Consumer Price Index.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 51
 (H) Publish Date: 01/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Bonding: Food Safety Lab Facility Construction BRU: Revenue Operations
 Component: Treasury
 Sponsor: Rules Committee
 Requester: Governor Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	10.0					
Contractual	8.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	1,224.0	1,223.0	1,220.0	1,221.0	1,225.0
TOTAL OPERATING	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes the issuance of \$13,855,000 in Certificates of Participation for the construction of a seafood and food safety laboratory to be operated by the Department of Environmental Conservation.

Assuming an interest cost of 6.12% (approximately 0.75% above current rates), and a 20-year term, the annual debt service payment would be approximately \$1.22 million beginning in fiscal year 2003 with a total repayment of approximately \$24.4 million.

It is possible that the State Bond Committee might prefer to shorten the term on these bonds by two to five years to maintain a higher credit rating on the bonds. In this event, the required annual payments could increase by as much as \$200,000 per year but total repayment would be reduced by as much as \$3.1 million.

Prepared by: Deven Mitchell, Debt Manager
 Division: Treasury Division
 Approved by: Larry Peralta, Deputy Commissioner
 Agency: Department of Revenue

Phone 465-3750
 Date/Time Dec 7, 2000
 Date Dec. 8, 2000

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1
 Bill Version: RB 51
 (H) Publish Date: 1/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An Act related to entry into and financing of a BRU: Leases
lease purchase for a seafood/food safety lab. Component: Leases
 Sponsor: Rules
 Requester: Governor Component Number: 81

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
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Other (Specify Type)						
TOTAL	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill would authorize financing and construction of a new laboratory facility that would replace the current leased location in Palmer. The Division will execute a lease purchase agreement for the lease purchase of a new seafood and food safety laboratory in Anchorage.

Lease savings would begin mid way through (January) FY2005 when we anticipate occupying the new facility. The specific lease and current costs are shown on the attached page. Annual costs for the Palmer lease in FY2001 are budgeted in the Department of Administration's (DCA) Leases component as \$98.0 of General Funds and in the Department of Environmental Conservation's operating budget and paid to DOA via a \$17.7 RSA. Future years estimated lease savings have been adjusted to reflect the January occupancy date and probable Consumer Price Index adjustments.

Costs for the design, construction, acquisition and construction contract compliance are not included in this fiscal note as those costs and associated work will be borne by other state departments.

Prepared by: Chris Parce, Director Phone (907)465-2250
 Division: Division of General Services Date/Time 12/13/00 1pm
 Approved by: Commissioner Jim Duncan Date 12/13/00
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

Fiscal Note
State of Alaska
2001 Legislative Session

Current Palmer Laboratory Lease

Lease #	Location	Property	Sq Ft	FY2001 Cost per Year (Annual)	Annual RSA Amount	Net FY2001 DOA Budget (Annual)	*Estimated FY2005 DOA Reduction (1/2 year)	*Estimated FY2005 DOA Reduction (Annual)	*Estimated FY2007 DOA Reduction (Annual)
2359	Palmer	Palmer Lab	9,252	115,710	17,697	98,013	54,924	113,692	117,671

*Adjusted annually by the probable Consumer Price Index.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 51
 (H) Publish Date: 01/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservatio
 Title: Seafood/Food Safety Lab Facility Construction BRU: Environmental Health
 Component: Laboratory Services
 Sponsor: Rules Committee
 Requester: Governor Component Number: 2065

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual				97.8	178.1	184.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
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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				97.8	178.1	184.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	97.8	178.1	184.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current Food Safety Laboratory has operated in a leased facility in Palmer for over 30 years. The facility is now inadequate for current lab operations. In addition the lease will soon expire with no opportunity for long term renewal. The bill would authorize financing and construction of a new Seafood and Food Safety Laboratory to be operated by the Department of Environmental Conservation (DEC).

The Department of Administration (DOA) pays the current lease costs for the lab. DEC reimburses DOA for a portion of these costs through an RSA. DEC will directly pay for all of the utilities and maintenance costs for the new building. These new costs are shown in the contractual line. Annual lease savings partially offset these new utility and maintenance costs as shown on the attached chart.

We expect to begin occupying the building in January 2005, therefore the costs shown for 2005 are for half a year.

Prepared by: Janice Adair, Director Phone (907) 269-7644
 Division: Division of Environmental Health Date/Time 12/13/00 3:00PM
 Approved by: Kurt Fredriksson Date 12/13/00
 Agency: Department of Environmental Conservation

For distribution information, call the Governor's Legislative Office

**FISCAL NOTE
STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Line Item Description	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Contractual Line 300					
* (Operating Expenses)					
Utilities (estimated) DEC will incur costs for utilities at the new facility starting mid - 2005. Utility costs at the existing leased facility are included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$52,965	\$105,930	\$110,040
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* (Lease Savings - Palmer Lab) DEC portion of current lease paid to DOA/GS through a RSA, will no longer be required after completion of the new facility.			(\$9,916)	(\$20,527)	(\$21,245)
Total Contractual:	\$0	\$0	\$97,849	\$178,103	\$183,955

* Adjusted annually by the probable Consumer Price Index.

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 3
 Bill Version: HB 51
 (H) Publish Date: 01/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Bonding: Food Safety Lab Facility Construction BRU: Revenue Operations
 Component: Treasury
 Sponsor: Rules Committee
 Requester: Governor Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	10.0					
Contractual	8.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	1,224.0	1,223.0	1,220.0	1,221.0	1,225.0
TOTAL OPERATING	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes the issuance of \$13,655,000 in Certificates of Participation for the construction of a seafood and food safety laboratory to be operated by the Department of Environmental Conservation.

Assuming an interest cost of 6.12% (approximately 0.75% above current rates), and a 20-year term, the annual debt service payment would be approximately \$1.22 million beginning in fiscal year 2003 with a total repayment of approximately \$24.4 million.

It is possible that the State Bond Committee might prefer to shorten the term on these bonds by two to five years to maintain a higher credit rating on the bonds. In this event, the required annual payments could increase by as much as \$200,000 per year but total repayment would be reduced by as much as \$3.1 million.

Prepared by: Deven Mitchell, Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time Dec. 7, 2000
 Approved by: Larry Persily, Deputy Commissioner Date Dec. 8, 2000
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CS HB 51 (FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title: Seafood / Food Safety Lab

Dept. Affected: Revenue
 BRU: Revenue Operations
 Component: Treasury

Sponsor: Rules Committee
 Requester: House Finance Committee

Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	10.0					
Contractual	8.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		1,009.4	1,007.6	1,010.7	1,012.4	1,007.8
TOTAL OPERATING	18.0	1,016.4	1,014.6	1,017.7	1,019.4	1,014.8

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

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF	18.0	1,016.4	1,014.6	1,017.7	1,019.4	1,014.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	18.0	1,016.4	1,014.6	1,017.7	1,019.4	1,014.8

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 This legislation authorizes the issuance of \$11,600,000 in Certificates of Participation, plus the use of \$870,000 in investment earnings on the bond proceeds during construction and \$310,000 in state General Fund dollars to pay for the construction of a seafood and food safety laboratory.

Investment earnings projections on this project are based on cash flows provided by the Department of Transportation and Public Facilities and require a rate of return of 4.1% to realize sufficient earnings for full project funding. Although the assumptions that have been used are conservative, to the extent funds are spent more quickly than anticipated or the investment return is less than 4.1% the project may require additional funding for completion.

Assuming an interest cost of 5.83% (approximately 0.50% above current rates), and a 20-year term, the annual debt service payment will be approximately \$1.0 million beginning in fiscal year 2003 with a total repayment of just under \$20.2 million.

Prepared by: Devan Mitchell, State Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time April 27, 2001, 5 p.m.
 Approved by: Larry Parsley, Deputy Commissioner Date 04/27/2001
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CS HB 51 (FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to entry into and financing of a BRU: Leases
lease purchase for a seafood/food safety lab..." Component: Leases
 Sponsor: (H) Rules for Governor
 Requester: ((H) Finance Component Number: 81

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

CAPITAL EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007

CHANGE IN REVENUES ()	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

POSITIONS	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 The bill would authorize financing and construction of a new laboratory facility that would replace the current leased location in Palmer. The Division will execute a lease purchase agreement for the lease purchase of a new seafood and food safety laboratory in Anchorage.
 Lease savings would begin mid way through (January) FY2005 when we anticipate occupying the new facility. The specific lease and current costs are shown on the attached page. Annual costs for the Palmer lease in FY2001 are budgeted in the Department of Administration's (DOA) Leases component as \$98.0 of General Funds and in the Department of Environmental Conservation's operating budget and paid to DOA via a \$17.7 RSA. Future years estimated lease savings have been adjusted to reflect the January occupancy date and probable Consumer Price Index adjustments.
 Costs for the design, construction, acquisition and construction contract compliance are not included in this fiscal note as these costs and associated work will be borne by other state departments.

Prepared by: Chris Paros, Director Phone 465-2250
 Division: Division of General Services Date/Time April 27, 2001
 Approved by: Jim Duncan, Commissioner Date 4/27/01
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ANALYSIS: CS HB 51 (FIN) - continued.

Current Palmer Laboratory Lease

Lease #	Location	Property	Sq Ft	FY2001	Annual RSA Amount	Net	*Estimated	*Estimated	*Estimated
				Cost per Year (Annual)		FY2001 DOA Budget (Annual)	FY2005 DOA Reduction (1/2 year)	FY2006 DOA Reduction (Annual)	FY2007 DOA Reduction (Annual)
2359	Palmer	Palmer Lab	8,252	115,710	17,697	98,013	54,924	113,692	117,671

*Adjusted annually by the probable Consumer Price Index.

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 2
 Bill Version: HB 51
 (H) Publish Date: 01/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservatio
 Title: Seafood/Food Safety Lab Facility Construction BRU: Environmental Health
 Component: Laboratory Services
 Sponsor: Rules Committee
 Requester: Governor Component Number: 2065

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual				97.8	178.1	184.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	97.8	178.1	184.0

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF				97.8	178.1	184.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	97.8	178.1	184.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current Food Safety Laboratory has operated in a leased facility in Palmer for over 30 years. The facility is now inadequate for current lab operations. In addition the lease will soon expire with no opportunity for long term renewal. The bill would authorize financing and construction of a new Seafood and Food Safety Laboratory to be operated by the Department of Environmental Conservation (DEC).

The Department of Administration (DOA) pays the current lease costs for the lab. DEC reimburses DOA for a portion of these costs through an RSA. DEC will directly pay for all of the utilities and maintenance costs for the new building. These new costs are shown in the contractual line. Annual lease savings partially offset these new utility and maintenance costs as shown on the attached chart.

We expect to begin occupying the building in January 2005, therefore the costs shown for 2005 are for half a year.

Prepared by: Janice Adair, Director Phone (907) 269-7644
 Division: Division of Environmental Health Date/Time 12/13/00 3:00PM
 Approved by: Kurt Fredriksson Date 12/13/00
 Agency: Department of Environmental Conservation

For distribution information, call the Governor's Legislative Office

**FISCAL NOTE
STATE OF ALASKA
2007 LEGISLATIVE SESSION**

Line Item Description	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Contractual Line 300					
* (Operating Expenses)					
Utilities (estimated) DEC will incur costs for utilities at the new facility starting mid - 2005. Utility costs at the existing leased facility are included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$52,965	\$105,930	\$110,040
Building Maintenance (estimated) DEC will incur costs for building maintenance at the new facility starting mid - 2005. Maintenance costs at the existing leased facility are also included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$54,800	\$92,700	\$95,160
* (Lease Savings - Palmer Lab) DEC portion of current lease paid to DOA/GS through a RSA, will no longer be required after completion of the new facility.			(\$9,916)	(\$20,527)	(\$21,245)
Total Contractual:	\$0	\$0	\$97,849	\$178,103	\$183,955

* Adjusted annually by the probable Consumer Price Index.

CS FOR HOUSE BILL NO. 51(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act giving notice of and approving the entry into and the issuance of certificates of**
2 **participation for a lease-purchase agreement for a seafood and food safety laboratory**
3 **facility; relating to the use of certain investment income for certain construction costs;**
4 **and providing for an effective date."**

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

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

8 **INTENT.** It is the intent of the legislature that the amount of money to be used for the
9 construction and equipping of a new seafood and food safety laboratory facility is
10 \$12,788,000. Of that amount, it is the intent of the legislature that

11 (1) \$11,500,000 shall come from the proceeds of the certificates of
12 participation to be issued by the state bond committee under sec. 2 of this Act;

13 (2) \$878,000 shall come from the investment income earned on the proceeds
14 of the sale of the certificates of participation described in sec. 2 of this Act; and

1 (3) \$310,000 shall come from the general fund for nonbondable costs.

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

4 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
5 PURCHASE AGREEMENT. (a) Subject to annual appropriation, the Department of
6 Administration is authorized to enter into a lease-purchase agreement for a seafood and food
7 safety laboratory facility to be constructed under the lease-purchase agreement and to be
8 operated by the Department of Environmental Conservation.

9 (b) The state bond committee is authorized to provide for the issuance of certificates
10 of participation in one or more series in the aggregate principal amount of \$11,600,000 for the
11 construction of a seafood and food safety laboratory facility under the lease-purchase
12 agreement authorized in (a) of this section. The remaining balance of the construction and
13 equipping costs shall be paid from the other money sources described in sec. 1 of this Act,
14 including investment income of \$878,000 earned on the proceeds of the sale of the certificates
15 of participation. The estimated total cost of construction, acquisition, and other costs of the
16 project is \$12,788,000. The estimated annual amount of rental obligations under the lease-
17 purchase agreement is \$1,000,000. The estimated total lease payments for the full term of the
18 lease-purchase agreement is \$20,400,000. In this subsection, "cost of construction" includes
19 credit enhancement and underwriting expenses, rating agency fees, bond counsel fees,
20 financial advisor fees, printing fees, advertising fees, capitalized interest, and interest earnings
21 used for lease payments.

22 (c) The state bond committee may contract for credit enhancement, underwriting,
23 credit ratings, bond counsel, financial advisor, printing, advertising, and trustee services that
24 the committee considers necessary in financing the project described in this section.

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

27 APPROVAL OF AGREEMENT. Section 2 of this Act constitutes the approval
28 required by AS 36.30.085.

29 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 234 (FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Bonds to Fund Public Facilities BRU: Revenue Operations
 Component: Treasury
 Sponsor: House Finance Committee
 Requester: House Finance Committee Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel (Marketing & Selling Bonds)						
Contractual (Trustee/Paying Agent)	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service						
TOTAL OPERATING	50.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts (FHWA)						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Project Fund Investment Earnings						
TOTAL	50.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Devon Mitchell, State Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time: 04/27/2001, 3 p.m.
 Approved by: Larry Persily, Deputy Commissioner Date: 04/27/2001
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

Department of Revenue Fiscal Note and Bill Analysis
CS HB 234 (FINANCE) – April 27, 2001

BOND ISSUE

This legislation authorizes the Department of Revenue to sell 60% of the state's portion of the Master Tobacco Settlement Agreement to the Northern Tobacco Securitization Corporation (a subsidiary of the Alaska Housing Finance Corporation) in exchange for the bond proceeds NTSC is able to generate (less the costs of issuing the bonds and funding the debt service reserve).

Proceeds to the state from the sale to the NTSC of 40% of the state's share of the tobacco settlement will provide funding of at least \$127,529,127 for capital projects after funding a debt service reserve and costs of issuance. This portion of the sale will be a tax-exempt issuance, with an anticipated term of approximately 22 years but with the ability to extend the term to a maximum of over 30 years if revenues are lower than forecast. To the extent that there are residual settlement revenues following the repayment of these bonds, those revenues will revert to the state upon final payment of the bonds.

Proceeds of the remaining 20% of the tobacco settlement will provide funding of at least \$63,635,075 to fund a smoking education and cessation account at the NTSC, with funds from that account available for annual appropriation by the legislature. This portion of the sale will be a taxable issuance with an anticipated term of approximately 20 years, with the ability to extend the term to a maximum of over 30 years. To the extent there are residual settlement revenues following the repayment of these bonds, those revenues will revert to the state upon final payment of the bonds.

FISCAL NOTE COSTS

The \$50,000 in contractual expenses will cover legal and financial services for negotiating the sale of the settlement proceeds.

HB

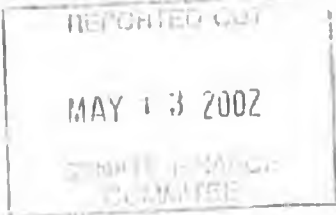
51

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/01



FURTHER:

DATE TURNED IN TO OFFICE: 13 May 2002

Finance Committee considered CS FOR HOUSE BILL NO. 51(FIN)

HB 51 LEGISLATIVE APPROVAL OF SEAFOOD/FOOD SAFETY LAB

"An Act giving notice of and approving the entry into and the issuance of certificates of participation for a lease-purchase agreement for a seafood and food safety laboratory facility; relating to the use of certain investment income for certain construction costs; and providing for an effective date."

and recommends:

- be replaced with 5 CS CS HB 51 (FIN)
- adopt previous CS CS forthcoming ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

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

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

*forthcoming
f/n's*

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
COCHAIR:				
COCHAIR: <i>[Signature]</i>			<input checked="" type="checkbox"/>	



**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: SCS CS HB 51 (FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to entry into and finan BRU Leases
of a lease purchase for a seafood Component Leases
 Sponsor: (H)Rules for Governor
 Requester: (S)Finance Component No. 81

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type - do not abbreviate)						
TOTAL	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill would authorize financing and construction of a new laboratory facility that would replace the current leased location in Palmer. The Division will execute a lease purchase agreement for the lease purchase of a new seafood and food safety laboratory in Anchorage.

Lease savings would begin mid way through (January) FY2005 when we anticipate occupying the new facility. The specific lease and current costs are shown on the attached page. Annual costs for the Palmer lease in FY2001 are budgeted in the Department of Administration's (DOA) Leases component as \$98.0 of General Funds and in the Department of Environmental Conservation's operating budget and paid to DOA via a \$17.7 RSA. Future years estimated lease savings have been adjusted to reflect the January occupancy date and probable Consumer Price Index adjustments.

Costs for the design, construction, acquisition and construction contract compliance are not included in this fiscal note as those costs and associated work will be borne by other state departments.

Prepared by: Chris Parco, Director
 Division: Division of General Services
 Approved by: Jim Duncan, Commissioner
 Agency: Department of Administration

Phone: 465-2250
 Date/Time: 5/13/02 5:45 PM
 Date: 5/13/2002

FISCAL NOTE

MAY 13 2002

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CSHB 51 (FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
 Title: Seafood/Food Safety Lab Facility Construction BRU: Environmental Health
 Component: Laboratory Services
 Sponsor: Rules
 Requester: Senate Finance Component No.: 2056

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	97.8	178.1	184.0	190.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	97.8	178.1	184.0	190.0

CAPITAL EXPENDITURES	11,705.8					
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	97.8	178.1	184.0	190.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1163 Certificates of Participation	11,595.8	0.0	0.0	0.0	0.0	0.0
1173 Misc. Earnings	110.0	0.0	0.0	0.0	0.0	0.0
TOTAL	11,705.8	0.0	97.8	178.1	184.0	190.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

POSITIONS	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The current Food Safety Laboratory has operated in a leased facility in Palmer for over 30 years. The facility is now inadequate for current lab operations. In addition the lease will soon expire with no opportunity for long term renewal. This bill would authorize financing and construction of a new Seafood and Food Safety Laboratory to be operated by the Department of Environmental Conservation (DEC).

The Department of Administration (DOA) pays the current lease costs for the lab. DEC reimburses DOA for a portion of these costs through an RSA. DEC will directly pay all the utilities and maintenance costs for the new building. These new costs are shown in the contractual line. Annual lease savings partially offset these new utility and maintenance costs as shown on the attached page.

Prepared by: Janica Adair
 Division: Environmental Health
 Approved by: Kurt Fredriksson - Deputy Commissioner
 Agency: Department of Environmental Conservation

Phone: (907) 269-7644
 Date/Time: 5/13/02 2:45 PM
 Date: 5/13/2002

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

BILL NO. CSHB 51 (FIN)

ANALYSIS CONTINUATION

**FISCAL NOTE
STATE OF ALASKA
2002 LEGISLATIVE SESSION**

<u>Line Item Description</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Contractual Line 300					
* (Operating Expenses)					
Utilities (estimated) DEC will incur costs for utilities at the new facility starting mid - 2005. Utility costs at the existing leased facility are included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.		\$52,965	\$105,930	\$110,040	\$114,310
Building Maintenance (estimated) DEC will incur costs for building maintenance at the new facility starting mid - 2005. Maintenance costs at the existing leased facility are also included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.		\$54,800	\$92,700	\$95,160	\$97,680
(Lease Savings - Palmer Lab) DEC portion of current lease paid to DOA/GS through a RSA, will no longer be required after completion of the new facility.		(\$9,916)	(\$20,527)	(\$21,245)	(\$21,990)
Total Contractual:	\$0	\$97,849	\$178,103	\$183,955	\$190,000

* Adjusted annually by the probable Consumer Price Index.

REPORTED OUT

FISCAL NOTE

MAY 13 2002

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SCSCSHB51(FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____ Revenue _____
 Title Legislative Approval BRU Revenue Operations
of Seafood / Food Safety Lab Component Treasury
 Sponsor House Rules Committee
 Requester Senate Rules Committee Component No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel	10.0					
Contractual	8.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		923.8	921.6	919.9	925.7	923.0
TOTAL OPERATING	18.0	930.8	928.6	926.9	932.7	930.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	18.0	930.8	928.6	926.9	932.7	930.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	18.0	930.8	928.6	926.9	932.7	930.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes the issuance of \$11,595,900 in bonds for the construction and financing of a seafood and food safety laboratory to be operated by the Department of Environmental Conservation.

Assuming an interest cost of 4.96% (approximately the current rate), and a 20-year term, the annual debt service payment would be approximately \$924,000 beginning in fiscal year 2004 with a total repayment of approximately \$18.5 million. The cost of issuance, estimated at \$200,000, are included in the project budget.

It is possible that the State Bond Committee might prefer to shorten the term on these bonds by two to five years to maintain a higher credit rating on the bonds. In this event, the required annual payments could increase by as much as \$200,000 per year but total repayment would be reduced by as much as \$3.1 million.

Prepared by: Devon Mitchell, State Debt Manager
 Division: Treasury Division
 Approved by: Larry Persily, Deputy Commissioner
 Agency: Department of Revenue

Phone: 465-3750
 Date/Time: 5/13/02 4:14 PM
 Date: 5/13/2002

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

3 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
4 PURCHASE AGREEMENT. (a) Subject to annual appropriation, the Department of
5 Administration is authorized to enter into a lease-purchase agreement for a seafood and food
6 safety laboratory facility to be constructed under the lease-purchase agreement and to be
7 operated by the Department of Environmental Conservation.

8 (b) The state bond committee is authorized to provide for the issuance of certificates
9 of participation in one or more series in the aggregate principal amount of \$11,595,800 for the
10 construction of a seafood and food safety laboratory facility under the lease-purchase
11 agreement authorized in (a) of this section. The remaining balance of the construction and
12 equipping costs shall be paid from investment income of \$110,000 earned on the proceeds of
13 the sale of the certificates of participation. The estimated total cost of construction,
14 acquisition, and other costs of the project is \$11,705,800. The estimated annual amount of
15 rental obligations under the lease-purchase agreement is \$913,000. The estimated total lease
16 payments for the full term of the lease-purchase agreement is \$18,525,000. In this subsection,
17 "cost of construction" includes credit enhancement and underwriting expenses, rating agency
18 fees, bond counsel fees, financial advisor fees, printing fees, advertising fees, capitalized
19 interest, and interest earnings used for lease payments.

20 (c) The state bond committee may contract for credit enhancement, underwriting,
21 credit ratings, bond counsel, financial advisor, printing, advertising, and trustee services that
22 the committee considers necessary in financing the project described in this section.

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

25 APPROVAL OF AGREEMENT. Section 2 of this Act constitutes the approval
26 required by AS 36.30.085.

27 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

March 1, 2003

SENATE FINANCE COMMITTEE
5 /13/ 2002 COMMITTEE ACTION

Bill Number	HB 51		
Amendment	#1		
Motion	A		
Motion by	Ward		
Objection by	No objections		
Removed			
Second Objection by			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Senator Olson			
Senator Ward			
Senator Wilken			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
MOTION	PASSED		

Our Proof

OKed ~~for~~ same 5/13/02 22-GH1012AL

SENATE CS FOR CS FOR HOUSE BILL NO. 51(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act giving notice of and approving the entry into and the issuance of certificates of
2 participation for a lease-purchase agreement for a seafood and food safety laboratory
3 facility; relating to the use of certain investment income for certain construction costs;
4 and providing for an effective date."

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

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

8 INTENT. It is the intent of the legislature that the amount of money to be used for the
9 construction and equipping of a new seafood and food safety laboratory facility is
10 \$11,705,800. Of that amount, it is the intent of the legislature that

11 (1) \$11,595,800 shall come from the proceeds of the certificates of
12 participation to be issued by the state bond committee under sec. 2 of this Act; and

13 (2) \$110,000 shall come from the investment income earned on the proceeds
14 of the sale of the certificates of participation described in sec. 2 of this Act.

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

3 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
4 PURCHASE AGREEMENT. (a) Subject to annual appropriation, the Department of
5 Administration is authorized to enter into a lease-purchase agreement for a seafood and food
6 safety laboratory facility to be constructed under the lease-purchase agreement and to be
7 operated by the Department of Environmental Conservation.

8 (b) The state bond committee is authorized to provide for the issuance of certificates
9 of participation in one or more series in the aggregate principal amount of \$11,595,800 for the
10 construction of a seafood and food safety laboratory facility under the lease-purchase
11 agreement authorized in (a) of this section. The remaining balance of the construction and
12 equipping costs shall be paid from investment income of \$110,000 earned on the proceeds of
13 the sale of the certificates of participation. The estimated total cost of construction,
14 acquisition, and other costs of the project is \$11,705,800. The estimated annual amount of
15 rental obligations under the lease-purchase agreement is \$913,000. The estimated total lease
16 payments for the full term of the lease-purchase agreement is \$18,525,000. In this subsection,
17 "cost of construction" includes credit enhancement and underwriting expenses, rating agency
18 fees, bond counsel fees, financial advisor fees, printing fees, advertising fees, capitalized
19 interest, and interest earnings used for lease payments.

20 (c) The state bond committee may contract for credit enhancement, underwriting,
21 credit ratings, bond counsel, financial advisor, printing, advertising, and trustee services that
22 the committee considers necessary in financing the project described in this section.

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

25 APPROVAL OF AGREEMENT. Section 2 of this Act constitutes the approval
26 required by AS 36.30.085.

27 * Sec. 4. This Act takes effect March 1, 2003.

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-GH1012U

Bannister

5/11/02

SENATE CS FOR CS FOR HOUSE BILL NO. 51(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act giving notice of and approving the entry into and the issuance of certificates of
2 participation for a lease-purchase agreement for a seafood and food safety laboratory
3 facility; relating to the use of certain investment income for certain construction costs;
4 and providing for an effective date."

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

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

8 **INTENT.** It is the intent of the legislature that the amount of money to be used for the
9 construction and equipping of a new seafood and food safety laboratory facility is
10 \$11,705,800. Of that amount, it is the intent of the legislature that

11 (1) \$11,595,800 shall come from the proceeds of the certificates of
12 participation to be issued by the state bond committee under sec. 2 of this Act; and

13 (2) \$110,000 shall come from the investment income earned on the proceeds
14 of the sale of the certificates of participation described in sec. 2 of this Act.

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

3 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
4 PURCHASE AGREEMENT. (a) Subject to annual appropriation, the Department of
5 Administration is authorized to enter into a lease-purchase agreement for a seafood and food
6 safety laboratory facility to be constructed under the lease-purchase agreement and to be
7 operated by the Department of Environmental Conservation.

8 (b) The state bond committee is authorized to provide for the issuance of certificates
9 of participation in one or more series in the aggregate principal amount of \$11,595,800 for the
10 construction of a seafood and food safety laboratory facility under the lease-purchase
11 agreement authorized in (a) of this section. The remaining balance of the construction and
12 equipping costs shall be paid from investment income of \$110,000 earned on the proceeds of
13 the sale of the certificates of participation. The estimated total cost of construction,
14 acquisition, and other costs of the project is \$11,705,800. The estimated annual amount of
15 rental obligations under the lease-purchase agreement is \$913,000. The estimated total lease
16 payments for the full term of the lease-purchase agreement is \$18,525,000. In this subsection,
17 "cost of construction" includes credit enhancement and underwriting expenses, rating agency
18 fees, bond counsel fees, financial advisor fees, printing fees, advertising fees, capitalized
19 interest, and interest earnings used for lease payments.

20 (c) The state bond committee may contract for credit enhancement, underwriting,
21 credit ratings, and counsel, financial advisor, printing, advertising, and trustee services that
22 the committee considers necessary in financing the project described in this section.

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

25 APPROVAL OF AGREEMENT. Section 2 of this Act constitutes the approval
26 required by AS 36.30.085.

27 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

COMPANION BILL

22-GS1012VA

SENATE BILL NO. 24

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/10/01

Referred: State Affairs, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act giving notice of and approving the entry into, and the issuance of certificates of
2 participation for, a lease-purchase agreement for a seafood and food safety laboratory
3 facility; 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 section
6 to read:

7 NOTICE AND APPROVAL OF THE ENTRY INTO AND FINANCING OF A
8 LEASE-PURCHASE AGREEMENT. The state bond committee is authorized to provide for
9 the issuance of certificates of participation for, and the Department of Administration is
10 authorized to enter into, a lease-purchase agreement for a seafood and food safety laboratory
11 facility to be constructed under the lease-purchase agreement and to be operated by the
12 Department of Environmental Conservation. The anticipated total construction, acquisition,
13 and other costs of the project are not to exceed \$13,655,000. The total anticipated annual
14 amount of the rental obligation is \$1,220,000. The total anticipated lease payments for the

1 full term of the lease-purchase agreement amount to \$24,440,000. The state shall own the
2 facility at the end of the lease term. This section constitutes the notice and approval required
3 by AS 36.30.085.

4 * Sec. 2. This Act takes effect July 1, 2001.

STATE OF ALASKA

TONY KIIOWLES, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF ENVIRONMENTAL HEALTH

DIRECTOR'S OFFICE

555 CORDOVA STREET
ANCHORAGE, ALASKA 99501
<http://www.state.ak.us/dec/deh>

Telephone: (907) 269-7644

Fax: (907) 269-7654

e-mail: Janice_Adair@envircon.state.ak.us

February 26, 2002

The Honorable Dave Donley
Co-Chairperson, Senate Finance Committee
Room 506, Capitol Building
Juneau, AK 99801

The Honorable Pete Kelly
Co-Chairperson, Senate Finance Committee
Room 518, Capital Building
Juneau, AK 99801

Re: CSHB 51 (FIN), Seafood and Food Safety Laboratory

Dear Senators Donley and Kelly:

I respectfully request that you hold a hearing on CSHB 51 (FIN). In April of last year, when this bill moved into your committee, I sent you information about this project. In a nutshell, this bill will allow for the sale of certificates of participation to construct a state-owned Seafood and Food Safety Laboratory to replace the current facility when its lease expires on December 31, 2003. I've enclosed a memo from Vern Jones, the Chief Procurement Officer, explaining why we cannot renew the current lease.

Last session, the Legislature included \$1,300,000 in the capital budget to complete the design work for the new laboratory which is well underway. As a result of this appropriation as well as changes in interest rates, CSHB 51 (FIN) requires amendment as indicated in the attached marked up bill.

Language that was included with the design appropriation last year stated that the total cost to construct and equip the new building should not exceed \$11,425,800. You'll see we are requesting a total of \$11,705,800. The additional \$280,000 is to reinstate the "Biosafety Level 3" ventilation in the microbiology laboratory. This was an item we had agreed to defer last year in order to bring the overall cost of the project down. However, after the anthrax scares and other biological contamination threats, we feel that postponing this upgraded ventilation is not in the State's best interests. With it, we can test food and water for *botulism*, *cyclospora*, and *anthrax*. Without the Biosafety level 3 ventilation, the State will lack this capacity for food and water.

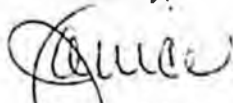
All of the testing conducted at the Seafood and Food Safety Laboratory is either required by a federal agency in order to place Alaska-produced foods into commerce or is part of an investigation into an alleged food or water borne illness outbreak. While the primary function of these tests is to protect public health, there is also an element of economic diversification. If we want to see our fisheries expand, our dairy products sold to the military and to the schools, and other types of food commercially produced in the state, we have to have this kind of laboratory capacity. There are no other laboratories in the state that can fill this niche.

The Honorable Dave Donley
The Honorable Pete Kelly
February 25, 2002
Page Two

Last session, I provided you with several letters of support for this laboratory. I've enclosed them again with this letter, along with a letter from United Fishermen of Alaska that was sent to you by them earlier this month. I have also enclosed the updated project budget prepared by the Department of Transportation and an updated informational flyer.

Thank you for your consideration of this request. If you or your staff have any questions, please don't hesitate to call our Deputy Commissioner, Kurt Fredriksson at 465-5199 or me at 269-7645.

Sincerely,



Janice Adair
Director

Attachment: CSHB 51 (FIN) markup with new financial numbers

Enclosures:

- Memo from Vern Jones, Chief Procurement Officer dated 4-18-01
- Letters of Support
- Updated Project Budget dated 12-13-01
- Updated Laboratory Flyer dated 2-6-02

cc: The Honorable Jerry Ward
The Honorable Loren Leman
The Honorable Alan Austerman
The Honorable Gary Wilken
The Honorable Lyda Green
The Honorable Donny Olson
The Honorable Lyman Hoffman
(all w/attachment and enclosures)

MEMORANDUM

*Department of Administration
Division of General Services
vern_jones@admin.state.ak.us*

STATE OF ALASKA

Phone Number: 465-2250
FAX Number: 465-2189
TDD Number: 465-2205

TO: Janice Adair
Director
Division of Environmental Health
Department of Environmental
Conservation

DATE: April 18, 2001

FROM: Vern Jones
Chief Procurement Officer

SUBJECT: Palmer Seafood Safety Lab
Lease #2359

This is in response to your inquiry regarding the Seafood Safety Lab in Palmer. Lease #2359 with Astro Enterprises has a current expiration date of December 31, 2001. The State has options to extend the lease for two more years. If both of those options are exercised, the lab could occupy this building through December 31, 2003*. After that date, your agency would have no legal authority to remain in this facility.

The only way in which the lab could remain in the facility past December 31, 2003 is if an emergency procurement is authorized per AS 36.30.310. Such authorization would be valid only for the time necessary to secure replacement lab space through a competitive sealed bidding or competitive sealed proposals process per our procurement code. Such an extension would be subject to the lessor's approval and negotiation of lease terms and conditions. Your agency has an obligation to prevent non-competitive procurements whenever possible. I urge you to take the steps necessary to avoid an emergency procurement for this lab.

* Upon verifying the expiration date in our lease file, I realized that this is different than the date that we discussed on previous occasions. I apologize if my office provided incorrect information or contributed to a miscommunication regarding this lease.



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
 Juneau, Alaska 99801-1172
 (907) 586-2820
 (907) 463-2545 Fax
 E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

February 20, 2002

Senator Dave Donley
 Senator Pete Kelley
 Co-Chairs
 Senate Finance Committee
 Alaska State Legislature
 State Capitol (MS 3100)
 Juneau, AK 99801-1182

Dear Senators,

Subj: HB 51/SB 24 Legislative Approval Of Seafood/Food Safety Lab

The United Fishermen of Alaska, UFA, would like to express its support of HB 51 and SB 24, which provide funding for the construction of a new Seafood & Food Safety Lab in Anchorage.

The fishing industry currently uses the lab in Palmer for water testing, paralytic shellfish poisoning (PSP) testing, and other tests necessary for the conduct of commercial fisheries.

One of the main reasons to support this new lab is the new location. Relocating the lab from Palmer to Anchorage may, unfortunately, be a hit to Palmer residents, however, it will be better for the statewide users of the lab who will no longer need to have samples make the extra journey from Anchorage to Palmer. This can be a critical factor in getting samples to the lab in time. For example, the water samples, which are taken in remote areas of the Alaska, must make it to the lab within 30 hours in order to perform testing. If the samples are even one hour late, they must be taken again by sending boats and/or float planes out to the remote areas again, which is very costly.

Another reason to support the new lab is the current lab is very small and antiquated, as the legislators who have visited it will attest to.

MEMBER ORGANIZATIONS

Alaska Landline Fishermen's Association • Alaska Trappers Association • Alaska Processors Association • Bristol Bay District
 Chignik Regional Aquaculture Association • Central Area M' Fishermen • Chukchi Aquaculture Association
 Copper River Salmon Producers Association • Cordova District Fishermen United • Douglas Island Pike and Chum
 KATK Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seniors Association • North Pacific Fishermen Association
 Northern Southeast Regional Aquaculture Association • Old Harbor Fishermen's Association • Petersburg Vessel Owners Association
 Prince William Sound Aquaculture Corporation • Puma Seniors Vessel Owners Association • Noodin Producers Cooperative
 Southeast Alaska Regional Divn Fisheries Association • Southeast Alaska Seniors Association • Southern Southeast Regional Aquaculture Association
 United Cook Inlet Dred Association • United Salmon Association • United Southeast Alaska (USETA)

The final reason to support the new lab is that the fishing industry needs a testing facility in order to conduct certain fisheries. The current lab's lease is up; therefore, the lab has no choice about relocating.

Again, UFA would like to express its support of the new Seafood & Food Safety Lab in Anchorage.

Thank you for your consideration.

Sincerely,



Thomas M. Gemmell
Executive Director



January 19, 2001

Janice Adair, director
ADEC, Div. of Environmental Health
555 Cordova Street
Anchorage, AK 99501

Dear Ms. Adair:

I'm pleased to offer the support of shellfish growers for the construction of a new food safety laboratory in Anchorage. In addition to being cost effective for the state, the new lab will significantly improve service to the overwhelming majority of the customers it serves.

I have visited the lab on several occasions over the past 10 years and I am fully aware of the antiquated nature of the facility. The lapsing of the lease in the current facility may be a blessing in disguise since the facility should have been replaced years ago.

For shellfish growers, the shift to an Anchorage location makes a tremendous amount of sense, since logistics to Palmer have proven to be difficult and expensive. For example, when we send in water samples for analysis, we have 30 hours from the time they are collected until they have to be in the hands of lab technicians. While the leg from Anchorage to Palmer doesn't sound significant, courier service to Palmer is limited and expensive. I've had to have my father, who lives in Anchorage, pick up a sample at the airport and run it out to Palmer simply because my time window would have elapsed if the samples had to wait for a courier delivery.

It is my understanding that roughly 80 per cent of the lab's business involves seafood, and the Anchorage location would be considerably more convenient for most of the customers served by the lab. As a geoduck buyer, I am painfully aware of the difficult and expensive logistics of getting PSP samples to Palmer from the Anchorage airport. From my long involvement on the ASMI board, I am aware that this is a problem that many in the industry have in common.

According to information we received through briefings by DEC personnel, the shift to a facility in Anchorage also makes good fiscal sense since the building would be amortized over a 20-year period, resulting in significant savings in lease fees for the remaining life of the structure.

One of the concerns I've heard voiced about the new lab is that the services should be contracted out to the private sector, rather than investing in a new public structure. I have been active in PSP testing and water certification issues on a national level for ASGA, and have investigated the use of private laboratory services for my own farm. I

have found that there are no private labs providing PSP tests in the U.S. and the process of obtaining FDA certification for fecal coliform tests in marine waters is too difficult to attract interest from the private sector.

In summary, the aquatic farm industry strongly supports the construction of the new food safety lab in Anchorage. Please let me know if there's anything I can do to further support this important project.

Sincerely,



Rodger Painter



March 19, 2001

THE TENTH FLOOR
2200 SIXTH AVENUE
SEATTLE WA 98121-1820
206.728.6000
OPERATION FAX 206.441.9090
SALES FAX 206.728.1855

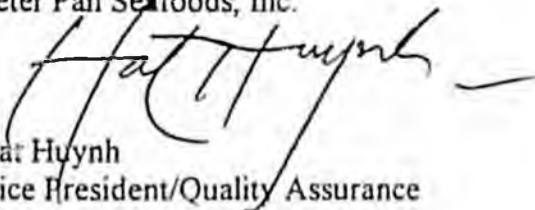
Janice Adair, Director
Division of Environmental Health
555 Cordova Street
Anchorage, AK 99501

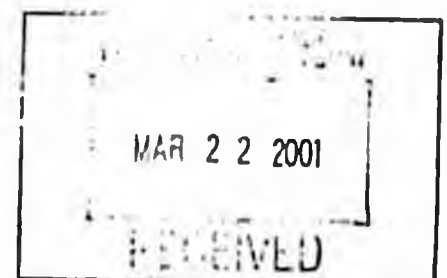
Re: New Seafood and Food Safety Lab

Dear Ms. Adair:

DEC's Seafood and Food Safety Lab provides services to the seafood industry that are critical for the industry's long-term growth. We support the legislation that would replace the current lab with a new facility located in Anchorage. The current location in Palmer is logistically problematic and increases the costs to processors who must pay to have their products delivered to the lab.

Sincerely,
Peter Pan Seafoods, Inc.


Hat Huynh
Vice President/Quality Assurance



Enclosure #9



Alaska AquaFarms Inc.

P.O. Box 7
Moose Pass, Alaska 99631
(907) 288-3667

Janet Adair, Director
Department of Environmental Conservation
555 Cordova Street
5th Floor
Anchorage, Alaska 99508

Dear Ms. Adair,

I am writing this letter in encourage keeping the Department of Environmental Conservation lab open to support the Aquatic Farm industry.

I have been a shellfish farmer since 1986 and have had nothing but good experience with working with DEC professionals and the sampling Lab.

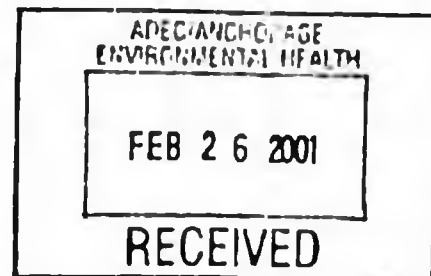
When I sell my product, customers know that it is safe from a Paralytic Shellfish Poisoning (PSP) standpoint and also with water quality issues. This guarantee can offset the extra expenses with production and transportation and allow our farm to compete in the marketplace. The lab has always been very professional, prompt and provided excellent service with water samples and PSP tests for my farm. Without this service I could not be in business.

I strongly suggest fully funding the lab and staff. If I can provide any assistance or information please let me know.

Sincerely,



Jeff Hetrick





Alaska
Seafood
International

January 15, 2001

AK Department of Environmental Conservation
Attn: Janice Adair
555 Cordova St.
Anchorage, AK 99501-2617

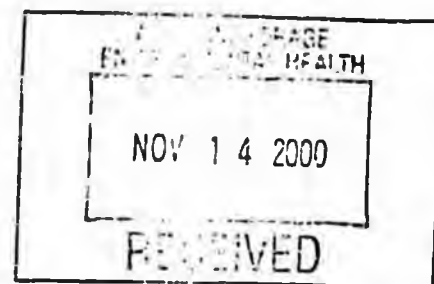
Dear Janice,

I am writing this letter in support of your endeavors in upgrading the state microbiology lab. I believe that the State of Alaska may better support the seafood industry by having applicable state of the art services to enhance already existing testing abilities. Moreover, the Alaska Department of Environmental Conservation (ADEC) Division of Environmental Health will be better prepared to meet the challenges of the evolving food industry needs such as a third party verifications.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. B. Kang', written in a cursive style.

David B. Kang
Manager, Quality Control



November 7, 2000

Ms. Janice Adair
Director, Division of Environmental Health
555 Cordova Street
Anchorage, Alaska
USA 99501

Dear Ms. Adair;

I am writing to you to express Jellett Biotek's support for the development of an enhanced Food Testing Laboratory for Alaska.

As you know, Jellett Biotek has been closely partnered with the Department of Environmental Conservation Lab in Palmer for approximately two years. During this time we have developed and validated test kits for marine biotoxins, with the intention to make shellfish safer for consumers in Alaska, as well as ensure high quality fisheries export products.

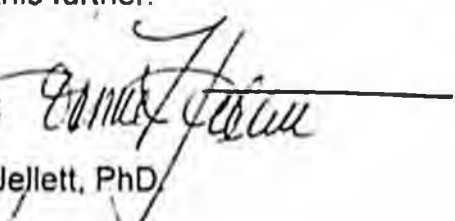
The United Nations Food and Agriculture Organization (FAO) see aquaculture as the fastest growing protein source for the world, and has projected shellfish growth at 15% annually over the next 5 years.

We believe Alaska will participate in this growth and has the right combination of elements to permit a rapid expansion in the shellfish aquaculture industry. A critical factor in the growth of the industry is to ensure the products are of the highest sanitary quality. It is essential for the State of Alaska to maintain state of the art, comprehensive testing services to ensure this quality is maintained.

It is for these reasons we support the development of enhanced testing capabilities for Alaskan shellfish resources.

Attached are excerpts from an online discussion group discussing the shellfish aquaculture potential in Alaska. Please feel free to contact me if you would like to discuss this further.

Yours truly,


Joanne F. Jellett, PhD
President

MARINE ADVISORY PROGRAM

UNIVERSITY OF ALASKA FAIRBANKS

SCHOOL OF FISHERIES AND OCEAN SCIENCES

January 18, 2001

2221 E. NORTHERN LIGHTS BLVD., #110

ANCHORAGE, ALASKA 99508-4140

PHONE: 907-274-9691

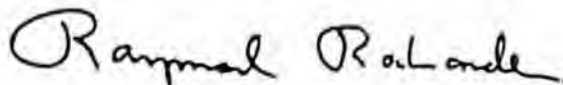
FAX: 907-277-5242

Subject: Proposal to move the Seafood and Food Safety Laboratory

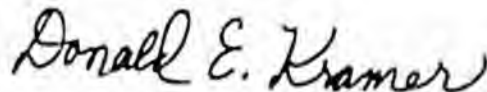
Dear Ms: Adair

The University of Alaska Marine Advisory Program (MAP) applauds the initiative of the Alaska Department of Environmental Conservation and legislative action contained in HB 51, SB 24 to move the Seafood and Food Safety Laboratory to Anchorage. Moving the laboratory to Anchorage is good news for the seafood industry. As an outreach program of the University of Alaska Fairbanks School of Fisheries and Ocean Sciences, MAP provides technical assistance, education, and applied research to the seafood and aquaculture industries. An Anchorage based Seafood and Food Safety Laboratory greatly assist shellfish farmers and seafood processors who often complain about the necessity to shuttle time sensitive seafood and water samples to Palmer. Since the amount of seafood and aquaculture products are expected to increase, an Anchorage based laboratory will best suit the testing needs of these important industries. If you need any additional support information, please contact us.

Respectfully,



Raymond RaLonde
Aquaculture Specialist



Dr. Donald Kramer
Seafood Safety Specialist

PACIFIC ALASKA SHELLFISH, INC
P.O. BOX 7498
NIKISKI, AK 99635

January 24, 2001

Janice Adair
Director of Environmental Health
555 Cordova St. Fifth Floor
Anchorage AK 99501

Dear Janice,

I want to reiterate the point I made last year when we discussed the future of the Lab and its movement to a new location in Anchorage. I am totally behind such a move. A move to Anchorage is, in my opinion, best for everyone involved. And will better be able to serve the industry from a more centralized location.

Let me also give you a little history concerning my involvement with the Lab. I was the first person in the industry to lobby for the Lab to be moved to Anchorage in 1981. I flew to Juneau and personally discussed it with Senator Kurtula & Mr. Malone of the Finance committee.

That effort was successful and the Lab was moved, but to its present location instead of Anchorage. We were thankful to have it in South Central, but Anchorage still seemed a better location due to logistics and its proximity to the industry.

.....

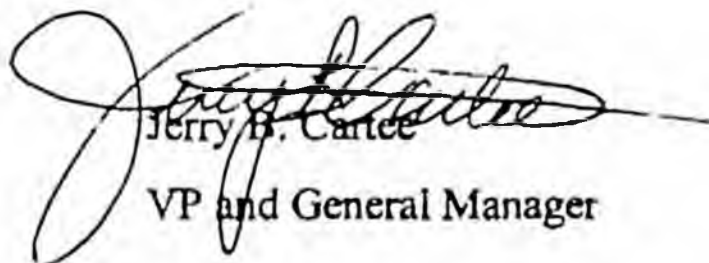
January 24, 2001
Page 2

This year will be our 21st season of using the facility for water, tissue, PSP and all the other tests that are associated with the harvesting and processing of our razor clams for human consumption. We look forward to another 21 years.

Moving the Lab to Anchorage would most definitely enhance the logistics of our operation with regard to getting samples to the Lab. I am sure all the processors in South Central would benefit and support the move. Long term it can only be considered a positive move.

Janice, please cast my vote in favor and keep me posted as to the outcome of the move. If there is anything else I can contribute please call me. Thanks for your continued stellar support of our industry. Kudos to the entire crew.

Sincerely



Jerry B. Carter
VP and General Manager



Mission Statement: To develop, expand, and enhance new and existing dive fisheries in Southeast Alaska.

Julie Decker, Executive Director
Box 2138, Wrangell, AK 99929
Ph: 907-874-3110; Fax: 907-874-4270
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www.sardfa.org

Senator Dave Donley
Senator Pete Kelley
Co-Chairs, Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

RE: SB24 / HB 51 Funding for Construction of New Seafood & Food Safety Lab

Dear Senators,

The Southeast Alaska Regional Dive Fisheries Association, SARDFA, would like to express its support of HB 51 and SB 24, which provide funding for the construction of a new Seafood & Food Safety Lab in Anchorage.

The geoduck fishery currently uses the lab in Palmer for water testing and paralytic shellfish poisoning (PSP) testing. SARDFA is also attempting to develop a horse clam fishery in Southeast Alaska which would require the same uses of the lab.

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The commercial dive fisheries in the state need this lab in order to conduct its fisheries. The current lab is the only one in the state with the proper certification to do PSP testing.

Thank you for your consideration.

Sincerely,

Members of:
Southeast Conference,
United Fishermen of Alaska, &
Alaska Fisheries Development Foundation

Julie Decker, Executive Director

PROJECT BUDGET

PROJECT NAME: DEC Food Safety Laboratory - ANCHORAGE

Date Budget Prepared: 12/13/01

Budget Revision: After Concepts

PROJECT NO: 54814

Client Concurrence: _____

DOT&PF MANAGER: Matt Tanaka PE (269-0824)

(signature & date)

CLIENT AGENCY: Dept. of Environmental Conservation

CONTACT: Laura Beason (465-5273) FAX 465-5099 or Jim Galea (269-7662) FAX 269-7654

Palmer Lab, Dick Barrett (745-3236)

STAGE OF PROJECT:

Startup _____ Programming X Schematic Design _____ Design development _____
 Constr. Document _____ Bid Period _____ Award _____ Constr. (_____ % Complete) _____ Closeout _____

DESIGN PHASE:	BUDGET	COMMENTS:
FY01		
Design Fees Concepts	\$170,062	Consulting fees for conceptual design
Design Administration Bldg Concepts	\$10,000	DOT&PF project management
Technical Services	\$8,000	Advertise and award design contract
Pre-Award Audit	\$3,500	Audit consultant prior to contract award
ICAP	\$1,831	2% for DOT administration
Subtotal FY01:	\$195,393	
PDA Programmed Amount:	\$211,000	
FY02		
Design Fees Schematics to Constr. Docs	\$782,767	Consulting fees for final design
Design A/E Contingency	\$163,529	Allowance for design amendments
Design Administration Bldg	\$66,888	DOT&PF project management
Right-of-way	\$12,000	Acquire land interests easements
Utilities	\$30,000	Utility permits, easements
Technical Services	\$10,000	Advertise and award construction contract
MOA Plan Reviews	\$35,720	Plan review fee
Misc. Meetings	\$25,000	Public meetings, P&Z, UDC presentations
ICAP	\$22,878	2% for DOT administration
Subtotal FY02:	\$1,166,783	
PDA Programmed Amount:	\$0	
DESIGN PHASE TOTAL	\$1,362,200	

CONSTRUCTION PHASE:	BUDGET	COMMENTS:
Construction Contract - CP	\$7,845,000	19,000 sq. ft. 1 FFE, utilities, access
Bidding Contingency - CP	\$275,350	3% bidding contingency
Change Order Reserve	\$784,500	10% change order reserve
Subtotal for Construction Contract:	\$8,864,850	
A/E Bid/Constr. Assistance	\$224,400	Partial bid, construction assistance by A/E
Special Inspection	\$40,000	per 1997 UBC
Site Clearing	\$10,000	prevention of migratory bird nesting
Constr. Administration	\$330,445	DOT&PF construction administration, inspection
Artwork, AS 35.27.020	\$88,450	1% for Art per ARCA
Group II Furnishing, Fixtures, Equip (FFE)	\$1,021,360	Type II FFE budget per DEC
Legal (NB)	\$7,000	Contract reviews and protests
Concurrent Review (NB)	\$1,000	Project review and closeout
Project Contingency	\$392,160	3% of constr contr for scope creep, unknowns
ICAP Construction Phase (NB)	\$233,000	2% for DOT administration
Bio Safety Level 3 (BSL3) Features	\$288,000	Complete design and construction cost to convert micro area to BSL3
CONSTRUCTION PHASE TOTAL	\$11,505,800	
PDA Programmed Amount:	\$0	
Plus Project Financing	200,000	(see below)
TOTAL CONSTRUCTION HB 51	11,705,800	

TOTAL DOT&PF BUDGET	\$12,868,000	COMMENTS: Assume site on EMVA pad. Costs adjusted from 2/16/00 estimate to include elements of conceptual design.
PROJECT FINANCING	\$200,000	
TOTAL PROJECT BUDGET	\$13,068,000	

Seafood & Food Safety Laboratory

State of Alaska
Department of Environmental Conservation
Division of Environmental Health

We're running out of time to pursue the most cost-effective solution. The State's Food Safety Laboratory must be replaced. Studies previously funded by the Legislature show that a state-owned facility is the most cost effective replacement solution – some 56% less than leasing.

What's needed

Passage of CSHB 51 (FIN), amended as outlined below, is needed to sell the Certificates of Participation to fund the construction:

Proceeds from sale of certificates	\$11,350,000
Investment income	\$110,000
General fund (nonbondable)	\$245,800
Total construction cost	\$11,705,800

Total cost =
\$11,425,800 Limit from last year's capital budget
\$ 280,000 BioSafety Level 3
\$11,705,800

BioSafety Level Three

This indicates a laboratory area with special ventilation to allow for the testing of particularly virulent strains of bacteria, such as botulism, cyclospora, and anthrax.

As part of the negotiations last year to reduce the construction costs of the new lab, we suggested delaying installation of the upgraded ventilation. However, in light of recent events, we do not believe delay is prudent.

Intentional tampering of food and water has long been an environmental health concern. The first successful bioterrorism attack in modern U.S. history involved the intentional contamination of restaurant salad bars that left 751 people ill. The goal was to affect the outcome of a local election.

Alaska is not immune from these types of threats. In 1998, a person threatened to contaminate the primary source of drinking water for the Municipality of Anchorage. And just this year, several totes of halibut were likely intentionally contaminated with a strong oxidizing agent. The investigation is continuing. In addition, requests for laboratory investigations into possibly tampered food have dramatically increased since 9/11.

The addition of the BioSafety level three ventilation, which increases the total cost of the laboratory by just \$280,000, will establish investigatory capacity for biological threats that not too long ago seemed remote.

Previous Appropriations



In FY98, the Legislature appropriated \$145.7 to evaluate the best option for replacing the Seafood & Food Safety Lab. The private consultant reported that a state-owned facility was the most cost-effective option.



In FY01, the Legislature appropriated \$240.0 to do preliminary design work in order to come up with a reasonable cost estimate for constructing the new state-owned facility.



In FY02, the Legislature appropriated \$1,300.0 to complete the design of the new facility on a parcel of state-owned land near Boniface and Tudor, next door to the Public Health Lab. This design work is well under-way.

Total State Investment to date: \$1,685.7

Images of the current lab.

What The Seafood And Food Safety Lab Does

- ☞ Conducts product and water sampling required by the National Shellfish Sanitation Program (NSSP) so that bivalve shellfish can be commercially marketed.
- ☞ Routinely tests commercial bivalve shellfish for marine toxins responsible for paralytic shellfish poisoning and domoic acid poisoning.
- ☞ Evaluates and randomly samples fish for parasites and chemical and bacterial contaminants.
- ☞ Conducts on-site evaluations and certifies drinking water laboratories and water system operators for bacteriological monitoring as required by SDWA.
- ☞ Works with commercial food industry to develop safe, ready-to-eat, shelf-stable food products by working with them to make sure the water activity, water phase salt, and salt moisture of their products are within acceptable levels.
- ☞ Evaluates raw and finished dairy products for bacterial contamination, antibiotics, butter fat content, and effectiveness of pasteurization.
- ☞ Investigates, tests, and provides emergency response to complaints of food or water contamination including intentional tampering.
- ☞ Performs animal testing to maintain USDA brucellosis- and TB-free certification, which is required for interstate and international shipment of cattle.
- ☞ Tests for equine infectious anemia in horses intended for interstate shipment or that will be entered in state fairs or other special events.

How This Lab Differs From The Public Health Lab

The Seafood and Food Safety Lab and the Public Health Lab are two sides of the same coin. They work together to protect the health of Alaskans but each provides different services using different equipment or different test methodologies.

The Seafood and Food Safety Lab conducts surveillance and monitoring of Alaska's public food supplies to ensure their safety. Each year, the Seafood and Food Safety Lab conducts about 9,000 routine tests on a variety of food products from shellfish to milk to finished food products like smoked fish. Pathogens tested include: paralytic shellfish poison, Domoic acid, *Salmonella*, *Campylobacter*, *Listeria*, *Escherichia coli* (*E. coli*), and *Staphylococcus* to name a few. The Seafood and Food Safety Lab also certifies any laboratory that wishes to monitor public water supplies for pathogens by ensuring the laboratory has the capacity to properly conduct the required tests.

Routine tasks undertaken by the Public Health Lab include detection of viruses, bacteria, yeasts, protozoans and other endo- and ecto- parasites in clinical (human) samples. Examples include sexually transmitted diseases, bacterial influenza, tuberculosis, and pertussis.

During an outbreak of human illness associated with food or water, the labs work together to determine the nature and the source of the outbreak, each using its own special talents and skills. Locating these two complementary but different laboratories close together will enhance their ability to coordinate these important yet basic public health protection efforts.

S	Southeast
A	Alaska
R	Regional
D	Dive
F	Fisheries
A	Association



Mission Statement: To develop, expand, and enhance new and existing dive fisheries in Southeast Alaska.

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Thank you for your consideration.

Sincerely,

<p>Members of: Southeast Conference, United Fishermen of Alaska, & Alaska Fisheries Development Foundation</p>

Julie Decker, Executive Director

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
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January 10, 2001

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

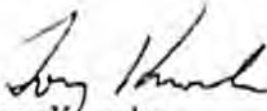
The state's food safety laboratory plays a vital role in protecting the health of Alaskans. It tests finfish, shellfish and dairy products to be certain they're safe for human consumption, certifies private drinking water laboratories, and works with commercial processors in developing food products.

The laboratory facility is now outdated and woefully inadequate. In addition, the current lease will soon expire requiring the facility to be relocated. The Legislature has recognized the need for replacement through previous planning and design appropriations. This bill I transmit today is the next and final step in providing Alaskans with a worthwhile facility by setting up a bonding structure for its construction. The proposed method is the issuance of certificates of participation for a lease-purchase agreement.

The anticipated total construction, acquisition, and other costs of the project under the lease-purchase agreement are not to exceed \$13,655,000 and the total anticipated annual amount of the rental obligation is \$1,220,000. The total anticipated lease payments for the full term of the lease-purchase agreement amount to \$24,440,000. The state would own the facility at the end of the lease term under the operation of the Department of Environmental Conservation.

In the interest of the public health for Alaskans and consumers of our food, fish and dairy products as well as the economic health of these industries, I urge your prompt and favorable action on this measure.

Sincerely,


Tony Knowles
Governor

HB 51

Lease # 2359

May 7, 2001

We are willing, according to the procurement code and the requirements there-of, to meet the 15% reduction when we re-negotiate our lease with the state.

David Psenak
Mary Psenak
Executive Trustees for Astra Enterprises

HB 51

Distributed By
Representative Scott Ogan
District 27

SENATE COMMITTEE REPORT

DATE: 5/1/01

FURTHER: Finance

DATE TURNED IN TO OFFICE: 05/05/01

Health, Education and Social Services Committee considered CS FOR HOUSE BILL NO. 51(FIN)

LEGISLATIVE APPROVAL OF SEAFOOD/FOOD SAFETY LAB

"An Act giving notice of and approving the entry into and the issuance of certificates of participation for a lease-purchase agreement for a seafood and food safety laboratory facility; relating to the use of certain investment income for certain construction costs; and providing for an effective date."

and recommends:

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

Senate Bill:

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

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DoA	1/10/01	x		1
DEC	1/10/01	x		2
Revenue	4/28/01	x		4

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Alan S. Lewis</i>	✓			
<i>Betty Davis</i>	✓			
<i>Gayle Hill</i>			✓	
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>			✓	

HB

52

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 52
 (H) Publish Date: 3/29/01

Revision Date/Time(Note if Correction): 03/26/01/15:00 Dept. Affected: Correction
 Title: An Act relating to the Interstate Compact for Adult BRU: Administration & Operations
Offender Supervision and the State council for Interstate Adult... Component: Community Corrections
 Sponsor: Rules Committee
 Requester: Governor Component Number: 1382

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	6.8	3.4	3.4	3.4	3.4	3.4
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL OPERATING						

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	24.8	21.4	21.4	21.4	21.4	21.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	24.8	21.4	21.4	21.4	21.4	21.4

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Due to a misunderstanding, the previous fiscal note for this bill reflected costs for the Interstate Commissioner's travel to Washington D.C. for meetings. Actually, those costs are included in the \$18,000 fees. Therefore, the fiscal note is reduced by \$6,900 the first year and \$2,300 in subsequent years.

Prepared by: Candace Brower Phone 465-4852
 Division: Commissioner's Office Date/Time 03/26/01/5:30 pm
 Approved by: Margaret Pugin Date 3/26/01
 Agency: Department of Corrections

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 52
(H) Publish Date: 01/10/01

Revision Date/Time (Note if correction): 1/5/01 Dept. Affected: Corrections
Title: Interstate Compact for Adult Supervision BRU: Administration & Operations
Sponsor: Rules Committee Component: All
Requester: Governor Component Number: 694

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	13.7	5.7	5.7	5.7	5.7	5.7
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL OPERATING	31.7	23.7	23.7	23.7	23.7	23.7

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	31.7	23.7	23.7	23.7	23.7	23.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	31.7	23.7	23.7	23.7	23.7	23.7

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

All States joining the Interstate Compact for Adult Offender Supervision will be assessed a fee depending on the size of the offender population, etc. The State of Alaska has been tentatively assessed at \$18,000/year. These fees will pay for the administrative costs of the Compact.

It is anticipated that the first year of the new Compact, there will be at least three meetings of the Interstate Commission in order to develop the by-laws and rules by which the Compact will operate. All joining States will have their Interstate Compact Commissioner or designee attend in order to provide input. This fiscal note provides for three trips to Washington D.C., where the main office of the Compact will be. The travel expense reflects 3 roundtrip airfares at \$1500 each, 5 days per diem for each trip at \$42/day and 4 nights in a hotel in Washington D.C. per trip at \$150/night. Additionally, I have included two meetings of the State Council the 1st year for 4 people. The cost includes airfare at \$500 per member as well as \$115/day per diem for 3 days each. The subsequent years reflect one meeting for each body.

Prepared by: Candace Brower Phone 465-4652
Division: Commissioner's Office Date/Time 1/5/01 3:45 p.m.
Approved by: Margaret M. Pugh, Commissioner Date 1/5/01
Agency: Department of Corrections

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

We have not requested a position in this fiscal note. There is someone in an equivalent position already, in place in the Department. At some time in the future, it may become necessary to request an additional position should the demands of the workload become too great.

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB52
PO Box 110001
Juneau, Alaska 99811-0001
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www.gov.state.ak.us

January 10, 2001

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

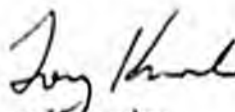
With this bill I transmit today, Alaska has the opportunity to increase supervision of criminal offenders who travel across state lines, thereby contributing to the growing national interest in protecting victims' rights. This bill allows Alaska to participate in the Interstate Compact for Adult Offender Supervision, joining other states in replacing the now-outdated Interstate Compact on Probation and Parole.

The current compact was enacted in 1937 and can no longer adequately deal with the more than four million offenders on probation and parole, 250,000 of which will cross state lines this year. The proposed new compact provides for an interstate commission to coordinate the transfer and supervision of probationers and parolees between states, as well as enforcement mechanisms for states who fail to abide by the rules of the compact.

A state council would also be created to exercise oversight and advocacy concerning the state's participation in the Interstate Commission as well as to make recommendations to the legislature to facilitate the operations and procedures of the compact within the state.

I urge your prompt and favorable consideration of this bill.

Sincerely,


Tony Knowles
Governor

HB 52

TONY KNOWLES
GOVERNOR
governor.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 52
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Sincerely,


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Governor

HB 52

Sectional Analysis of HB 52 and SB 25
(An Act Relating to the Interstate Compact for Adult Offender Supervision)

Section 1. Legislative findings that: (1) existing Interstate Compact (ICSPP) is the oldest corrections compact among the states and has not been amended since its adoption 62 years ago; (2) the ICSPP currently has jurisdiction over more than a quarter million offenders and is inadequate to address problems associated with interstate movement of probationers and parolees; and (3) acknowledges national recommendations to change the ICSPP to effectively manage interstate movement of probationers/parolees to better address public safety and offender accountability.

Section 2. Repeals and reenacts AS 33.36.110 (current Interstate Compact) as the Interstate Compact For Adult Offender Supervision. [This Compact was drafted by a group sponsored by the National Institute of Corrections.]

- Article I (pages 2-3) – discusses Purpose and Policy of Compact to promote public safety and protect victims' rights through better management, control, and tracking of movement of interstate offenders, and to equitably distribute the costs, benefits and obligations of the Compact among the participating states.

Discusses creation of Interstate Commission that will establish uniform procedures to manage and track interstate movement of offenders, improve information systems that will assist in goals of public safety and victim notice, report on activities of Compact to all branches of government, and coordinate training of officials monitoring offenders.

- Article II (pages 3-5) – definitions of terms used in the Compact.
- Article III (pages 5-6) - creates the **Interstate Commission** for Adult Offender Supervision, which consists of representatives from each member state (commissioners) appointed by a **State Council** from each state. Discusses membership of the State Council, which is created in Alaska through AS 33.36.140 in section 3 of this bill (page 20). Directs that the State Council shall appoint as its commissioner to the Interstate Council, the current administrator from the state (see AS 33.36.130 in section 3 of this bill (page 2

Provides that, in addition to the commissioners from each state, who shall be the voting members, the Interstate Commission shall include ex-officio non-voting members, including representatives from governor's organizations, legislators, state chief justices, attorneys general, and crime victims.

Each compacting state has one vote on the Interstate Commission, which shall meet at least once each year. The Interstate Commission shall establish an executive committee to act on its behalf when not in session, except for rule-making and amending the Compact.