

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3253

135

1 \* **Section 1.** The following appropriation items are for operating expenditures from the  
 2 general fund or other funds as set out in section 2 of this Act to the agencies named for the  
 3 purposes expressed for the fiscal year beginning July 1, 2008 and ending June 30, 2009,  
 4 unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated  
 5 reduction set out in this section may be allocated among the appropriations made in this  
 6 section to that department, agency, or branch.

	Appropriation	General	Other	
	Allocations	Funds	Funds	
	*****	*****		
	***** Department of Administration *****			
	*****	*****		
12	<b>Legal and Advocacy Services</b>	1,875,100	1,736,300	138,800
13	Office of Public Advocacy	1,581,700		
14	Public Defender Agency	293,400		
15	*****	*****		
16	***** Department of Corrections *****			
17	*****	*****		
18	<b>Administration and Support</b>	25,000		25,000
19	Office of the Commissioner	25,000		
20	<b>Population Management</b>	611,500	611,500	
21	Offender Habilitation	611,500		
22	Programs			
23	<b>Inmate Health Care</b>	6,413,400	5,980,400	433,000
24	Inmate Health Care	6,413,400		
25	*****	*****		
26	***** Department of Education and Early Development *****			
27	*****	*****		
28	<b>Teaching and Learning Support</b>	339,800	39,800	300,000
29	Student and School	339,800		
30	Achievement			
31	<b>Alaska Postsecondary</b>	200,000		200,000

1	Appropriation	General	Other
2	Allocations	Items	Funds

3 **Education Commission**

4 Program Administration &	200,000		
5 Operations			

6                                   \* \* \* \* \*

7                                   \* \* \* \* \* **Department of Health and Social Services** \* \* \* \* \*

8                                   \* \* \* \* \*

9 No money appropriated in this appropriation may be expended for an abortion that is not a  
10 mandatory service required under AS 47.07.030(a). The money appropriated for Health and  
11 Social Services may be expended only for mandatory services required under Title XIX of the  
12 Social Security Act and for optional services offered by the state under the state plan for  
13 medical assistance that has been approved by the United States Department of Health and  
14 Human Services. This statement is a statement of the purpose of the appropriation and is  
15 neither merely descriptive language nor a statement of legislative intent.

16 It is the intent of the legislature that the Department continues to aggressively pursue  
17 Medicaid cost containment initiatives. Efforts should continue where the Department  
18 believes additional cost containment is possible including further efforts to contain travel  
19 expenses. The Department must continue efforts imposing regulations controlling and  
20 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be  
21 continued utilizing existing resources to impose regulations screening applicants for  
22 Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state  
23 services. The department must address the entire matrix of optional Medicaid services,  
24 reimbursement rates and eligibility requirements that are the basis of the Medicaid growth  
25 algorithm. This work is to utilize the results of the Medicaid Assessment and Planning  
26 analysis. The legislature requests that by January 2009 the Department be prepared to present  
27 projections of future Medicaid funding requirements under our existing statute and regulations  
28 and be prepared to present and evaluate the consequences of viable policy alternatives that  
29 could be implemented to lower growth rates and reducing projections of future costs.

30 It is the intent of the legislature that the Department of Health and Social Services eliminate  
31 the requirement for narrative and financial quarterly reports for all grant recipients whose  
32 grants are \$50,000 or less. This is an unnecessary burden and is not a requirement of the  
33 federal grants.

	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	It is the intent of the legislature that the Department of Health and Social Services make a		
4	single "upfront" payment for any grant award that is \$50,000 or less and includes a signature		
5	of the grantee certifying compliance with the terms of the grant with their approved		
6	application. Signature of the grantee would also certify that if a final report certifying		
7	completion of the grant requirements is not filed, future grants will not be considered for that		
8	grantee until all requirements of prior grants are completed satisfactorily. In the event a		
9	grantee is deemed ineligible for a future grant consideration due to improper filing of final		
10	reports, the grantee will be informed about the department's procedures for future		
11	consideration of grant eligibility. The department will establish procedures to consider		
12	retroactivity for specific grant consideration or express that the retroactivity cannot be		
13	considered for certain grants during the selection process.		
14	<b>Alaska Pioneer Homes</b>	<b>13,353,200</b>	<b>13,353,200</b>
15	It is the intent of the legislature that the Department maintain regulations requiring all		
16	residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state		
17	subsidy being provided for their care from the State Payment Assistance program.		
18	It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall		
19	complete any forms to determine eligibility for supplemental program funding, such as		
20	Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant		
21	is not able to complete the forms him/herself, or if relatives or guardians of the applicant are		
22	not able to complete the forms, Department of Health and Social Services staff may complete		
23	the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility		
24	per AS 47.25.120.		
25	Alaska Pioneer Homes	64,300	
26	Management		
27	Pioneer Homes	13,288,900	
28	<b>Behavioral Health</b>	<b>114,025,600</b>	<b>90,732,100</b>
29	Alcohol Safety Action	335,500	
30	Program (ASAP)		
31	Behavioral Health Medicaid	44,066,900	
32	Services		
33	Behavioral Health Grants	23,597,100	

1	Appropriation	General	Other
2	Allocations	Items	Funds

3 It is the intent of the legislature that the department continue developing policies and  
4 procedures surrounding the awarding of recurring grants to assure that applicants are regularly  
5 evaluated on their performance in achieving outcomes consistent with the expectations and  
6 missions of the Department related to their specific grant. The recipient's specific  
7 performance should be measured and incorporated into the decision whether to continue  
8 awarding grants. Performance measurement should be standardized, accurate, objective and  
9 fair, recognizing and compensating for differences among grant recipients including acuity of  
10 services provided, client base, geographic location and other factors necessary and appropriate  
11 to reconcile and compare grant recipient performances across the array of providers and  
12 services involved.

13 It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for  
14 Community Prevention & Early Intervention for Behavioral Health Programs be used to  
15 provide statewide community based youth development programs.

16 It is the intent of the legislature that the \$2,000.0 increment in the FY 09 budget for  
17 Behavioral Health Grants be used to provide additional base funding for existing core services  
18 of current behavioral health grantees who have demonstrated successful outcomes  
19 documented in accordance with the department's performance based evaluation procedures,  
20 with an emphasis on increasing substance abuse treatment capacity for adolescents and adults.

21	Behavioral Health	4,376,500
22	Administration	

23 It is the intent of the legislature that the \$200.0 increment in the FY09 budget for the Suicide  
24 Prevention Strategy and Implementation Plan be dedicated to developing a best practices,  
25 evidence based multi-dimensional strategy and implementation plan to reduce the rates of  
26 suicide in targeted rural regions of the state with the highest current rate of suicide. The  
27 strategy and plan must specifically propose the means to reduce the rate of suicide and  
28 address various dimensions of the issue including differing age and social demographics of at-  
29 risk populations as well as implementation alternatives available in the targeted regions. The  
30 plan must be developed in coordination with stakeholders and relevant resources in the  
31 targeted regions. The Suicide Prevention Strategy and Implementation Plan must be  
32 completed and available to the legislature no later than December 15, 2008.

33 It is the intent of the legislature that, in accordance with AS 37.05.315, \$333, 800 in general

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	fund mental health funds be provided as a grant to the City of Bethel for the Bethel		
4	Community Patrols program.		
5	It is the intent of the legislature that by providing \$500,000 in general funds for the "Planning		
6	and Design for Clitheroe Center Replacement", there is no further obligation by the State for		
7	continued funding.		
8	Community Action Prevention	958,100	
9	& Intervention Grants		
10	Rural Services and Suicide	2,115,200	
11	Prevention		
12	Psychiatric Emergency	7,893,000	
13	Services		
14	Services to the Seriously	12,774,200	
15	Mentally Ill		
16	Designated Evaluation and	1,761,900	
17	Treatment		
18	Services for Severely	10,702,200	
19	Emotionally Disturbed Youth		
20	Alaska Psychiatric Institute	5,319,400	
21	Suicide Prevention Council	125,600	
22	<b>Children's Services</b>	<b>12,209,200</b>	<b>11,979,200</b>
23	Children's Medicaid Services	4,185,600	230,000
24	Children's Services	64,100	
25	Management		
26	Front Line Social Workers	148,600	
27	Family Preservation	150,000	
28	Foster Care Augmented Rate	500,000	
29	Foster Care Special Need	747,900	
30	Residential Child Care	1,956,300	
31	Infant Learning Program	4,456,700	
32	Grants		
33	<b>Adult Preventative Dental</b>	<b>1,400,000</b>	<b>1,400,000</b>

	Appropriation	General	Other
	Allocations	Items	Funds
		Funds	Funds
<b>3 Medicaid Services</b>			
4 It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over			
5 spend authority granted by authorizing statute and adjust benefits available to individual			
6 participants as necessary to maintain and conduct the program throughout the entire fiscal			
7 year.			
8 Adult Preventative Dental	1,400,000		
9 Medicaid Services			
<b>10 Juvenile Justice</b>		<b>945,500</b>	<b>745,800</b>
11 McLaughlin Youth Center	654,500		
12 Fairbanks Youth Facility	101,000		
13 Bethel Youth Facility	56,700		
14 Probation Services	133,300		
<b>15 Public Health</b>		<b>1,048,300</b>	<b>718,300</b>
16 Women, Children and Family	750,000		
17 Health			
18 Certification and Licensing	120,000		
19 Community Health Grants	98,300		
20 Health Planning and	80,000		
21 Infrastructure			
22 It is the intent of the legislature that, in accordance with AS 37.05.316, \$250,000 in general			
23 funds be provided as a grant to Anchorage Project Access.			
<b>24 Senior and Disabilities</b>		<b>14,474,600</b>	<b>13,721,900</b>
25 <b>Services</b>			<b>752,700</b>
26 It is the intent of the legislature that regulations related to the General Relief / Temporary			
27 Assisted Living program be reviewed and revised as needed to minimize the length of time			
28 that the state provides housing alternatives and assure the services are provided only to			
29 intended beneficiaries who are actually experiencing harm, abuse or neglect. The department			
30 should educate care coordinators and direct service providers about who should be referred			
31 and when they are correctly referred to the program in order that referring agents correctly			
32 match consumer needs with the program services intended by the department.			
33 General Relief/Temporary	740,300		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Assisted Living			
4	Senior and Disabilities	2,390,100		
5	Services Administration			
6	Senior Community Based	3,419,400		
7	Grants			
8	It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for Senior			
9	Community Based Grants be used to invest in successful home and community based			
10	supports provided by grantees who have demonstrated successful outcomes documented in			
11	accordance with the department's performance based evaluation procedures.			
12	Community Developmental	7,924,800		
13	Disabilities Grants			
14	Departmental Support Services	1,758,400	1,758,400	
15	Commissioner's Office	105,000		

16 It is the intent of the legislature that the Department of Health and Social Services complete  
17 the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid  
18 providers:

19 1. Develop regulations addressing the use of extrapolation methodology following an audit of  
20 Medicaid providers that clearly defines the difference between actual overpayment of funds to  
21 a provider and ministerial omission or clerical billing error that does not result in  
22 overpayment to the provider. The extrapolation methodology will also define percentage of  
23 "safe harbor" overpayment rates for which extrapolation methodology will be applied.

24 2. Develop training standards and definitions regarding ministerial and billing errors versus  
25 overpayments. Include the use of those standards and definitions in the State's audit contracts.  
26 All audits initiated after the effective date of this intent and resulting in findings of  
27 overpayment will be calculated under the Department's new regulations governing  
28 overpayment standards and extrapolation methodology.

29 It is the intent of the legislature that the department develops a ten year funding source and  
30 use of funds projection for the entire department.

31 It is the intent of the legislature that the department continue working on implementing a  
32 provider rate rebasing process and specific funding recommendations for both Medicaid and  
33 non-Medicaid providers to be completed and available to the legislature no later than

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	December 15, 2008.		
4	Administrative Support	476,100	
5	Services		
6	Information Technology	827,300	
7	Services		
8	HSS State Facilities Rent	350,000	
9	<b>Boards and Commissions</b>	<b>1,787,300</b>	<b>465,400</b>
10	AK Mental Health & Alcohol	849,000	
11	& Drug Abuse Boards		
12	Commission on Aging	193,600	
13	Governor's Council on	744,700	
14	Disabilities and Special		
15	Education		
16	*****	*****	
17	***** Department of Law *****		
18	*****	*****	
19	<b>Civil Division</b>	<b>76,800</b>	<b>76,800</b>
20	Human Services and Child	76,800	
21	Protection		
22	*****	*****	
23	***** Department of Natural Resources *****		
24	*****	*****	
25	<b>Resource Development</b>	<b>1,686,400</b>	<b>1,686,400</b>
26	Mental Health Trust Lands	1,686,400	
27	Administration		
28	*****	*****	
29	***** Department of Revenue *****		
30	*****	*****	
31	<b>Alaska Mental Health Trust</b>	<b>2,467,000</b>	<b>2,467,000</b>
32	Authority		
33	Mental Health Trust	2,467,000	

	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	Operations		
4	*****	*****	
5	***** University of Alaska *****		
6	*****	*****	
7	Statewide Programs and	390,000	390,000
8	Services		
9	Statewide Services	390,000	
10	University of Alaska Anchorage	1,488,300	295,800
11	Anchorage Campus	1,488,300	1,192,500
12	University of Alaska Fairbanks	40,000	40,000
13	Fairbanks Campus	40,000	
14	*****	*****	
15	***** Alaska Court System *****		
16	*****	*****	
17	Alaska Court System	1,577,700	589,900
18	Trial Courts	1,577,700	987,800
19	(SECTION 2 OF THIS ACT BEGINS ON PAGE 11)		

1 \* Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of  
 2 this Act.

3 Funding Source	.Amount
<b>4 Department of Administration</b>	
5 1037 General Fund / Mental Health	1,736,300
6 1092 Mental Health Trust Authority Authorized	138,800
7 Receipts	
8 *** Total Agency Funding ***	\$1,875,100
<b>9 Department of Corrections</b>	
10 1037 General Fund / Mental Health	6,591,900
11 1092 Mental Health Trust Authority Authorized	458,000
12 Receipts	
13 *** Total Agency Funding ***	\$7,049,900
<b>14 Department of Education and Early Development</b>	
15 1037 General Fund / Mental Health	39,800
16 1092 Mental Health Trust Authority Authorized	500,000
17 Receipts	
18 *** Total Agency Funding ***	\$539,800
<b>19 Department of Health and Social Services</b>	
20 1037 General Fund / Mental Health	133,474,300
21 1092 Mental Health Trust Authority Authorized	8,615,500
22 Receipts	
23 1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
24 Prevention Fund	
25 *** Total Agency Funding ***	\$161,002,100
<b>26 Department of Law</b>	
27 1037 General Fund / Mental Health	76,800
28 *** Total Agency Funding ***	\$76,800
<b>29 Department of Natural Resources</b>	
30 1092 Mental Health Trust Authority Authorized	1,686,400
31 Receipts	

1	*** Total Agency Funding ***	\$1,686,400
2	<b>Department of Revenue</b>	
3	1094 Mental Health Trust Administration	2,467,000
4	*** Total Agency Funding ***	\$2,467,000
5	<b>University of Alaska</b>	
6	1037 General Fund / Mental Health	295,800
7	1092 Mental Health Trust Authority Authorized	1,622,500
8	Receipts	
9	*** Total Agency Funding ***	\$1,918,300
10	<b>Alaska Court System</b>	
11	1037 General Fund / Mental Health	589,900
12	1092 Mental Health Trust Authority Authorized	987,800
13	Receipts	
14	*** Total Agency Funding ***	\$1,577,700
15	***** Total Budget *****	\$178,193,100
16	(SECTION 3 OF THIS ACT BEGINS ON PAGE 13)	

1 \* Sec. 3. The following sets out the statewide funding for the appropriations made in sec. 1 of  
2 this Act.

3	Funding Source	Amount
4	<b>General Funds</b>	
5	1037 General Fund / Mental Health	142,804,800
6	***Total General Funds***	\$ 142,804,800
7	<b>Federal Funds</b>	
8	***Total Federal Funds***	\$0
9	<b>Other Non-Duplicated Funds</b>	
10	1092 Mental Health Trust Authority Authorized	14,009,000
11	Receipts	
12	1094 Mental Health Trust Administration	2,467,000
13	1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$35,388,300
16	<b>Duplicated Funds</b>	
17	***Total Duplicated Funds***	\$0

18 (SECTION 4 OF THIS ACT BEGINS ON PAGE 14)

1 \* Sec. 4. The following appropriation items are for capital projects and grants from the  
 2 general fund or other funds as set out in section 5 of this Act by funding source to the  
 3 agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise  
 4 noted.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****		*****
	***** Department of Health and Social Services *****		
	*****		*****
10	MH Essential Program	250,000	250,000
11	Equipment (HD 1-40)		

12 (SECTION 5 OF THIS ACT BEGINS ON PAGE 15)

1 \* Sec. 5. The following sets out the funding by agency for the appropriations made in sec. 4 of  
2 this Act.

3	Funding Source	Amount
4	<b>Department of Health and Social Services</b>	
5	1037 General Fund / Mental Health	250,000
6	*** Total Agency Funding ***	\$250,000
7	***** Total Budget *****	\$250,000

8 (SECTION 6 OF THIS ACT BEGINS ON PAGE 16)

1 \* Sec. 6. The following sets out the statewide funding for the appropriations made in sec. 4 of  
2 this Act.

3	Funding Source	Amount
4	<b>General Funds</b>	
5	1037 General Fund / Mental Health	250,000
6	***Total General Funds***	\$250,000
7	<b>Federal Funds</b>	
8	***Total Federal Funds***	\$0
9	<b>Other Non-Duplicated Funds</b>	
10	***Total Other Non-Duplicated Funds***	\$0
11	<b>Duplicated Funds</b>	
12	***Total Duplicated Funds***	\$0

13 (SECTION 7 OF THIS ACT BEGINS ON PAGE 17)

1 \* Sec. 7. PURPOSE. In accordance with AS 37.14.003 and 37.14.005, the appropriations  
2 made by this Act are for the state's integrated comprehensive mental health program.

3 \* Sec. 8. NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority  
4 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the  
5 amounts appropriated by this Act are appropriated conditioned upon compliance with the  
6 program review provisions of AS 37.07.080(h).

7 (b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or  
8 administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the  
9 affected appropriation is reduced by the amount of the shortfall in receipts.

10 \* Sec. 9. SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec.  
11 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,  
12 and employees of the executive branch, Alaska Court System employees, employees of the  
13 legislature, and legislators and to implement the terms for the fiscal year ending June 30,  
14 2009, of the following collective bargaining agreements:

15 (1) Alaska Public Employees Association, for the confidential unit;  
16 (2) Alaska State Employees Association, for the general government unit;  
17 (3) Public Employees Local 71, for the labor, trades and crafts unit;  
18 (4) Alaska Correctional Officers Association, representing correctional  
19 officers;

20 (5) Teachers' Education Association of Mt. Edgecumbe.

21 (b) The operating budget appropriations made to the University of Alaska in sec. 1 of  
22 this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30,  
23 2009, for university employees who are not members of a collective bargaining unit and for  
24 implementing the monetary terms of the collective bargaining agreements including the terms  
25 of the agreement providing for the health benefit plan for university employees represented by  
26 the following entities:

27 (1) Alaska Higher Education Crafts and Trades Employees;  
28 (2) Alaska Community Colleges' Federation of Teachers;  
29 (3) United Academics;  
30 (4) United Academics-Adjuncts.

31 (c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified

1 by the membership of the respective collective bargaining unit, the appropriations made by  
2 this Act that are applicable to that collective bargaining unit's agreement are reduced  
3 proportionately by the amount for that collective bargaining agreement, and the corresponding  
4 funding source amounts are reduced accordingly.

5 (d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as  
6 described in (a) and (b) of this section are for the benefit of the state's integrated  
7 comprehensive mental health program only and do not necessarily affect every group of  
8 noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

9 \* Sec. 10. This Act takes effect July 1, 2008.

**HB**

**313**

**HFIN**

**FILE**

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 313  
(H) Publish Date: 1/16/08

Identifier (file name): 0043-OOG-DOE-1-4-08 Dept. Affected: OOG  
Title A bill providing for the issuance of general obligation bonds RDU Elections  
for paying the cost of a scientific detection laboratory Component Elections  
Sponsor Rules Committee  
Requester Governor Component Number 21

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

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual	1.5							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	1.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

The passage of this bill would require the general obligation bond question to appear on the 2008 general election ballot. The cost of providing information about the bonds in the Official election Pamphlet, as required by AS 15.58 is \$1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Prepared by: Gail Fenumiai, Director  
Division: Division of Elections  
Approved by: Linda J. Perez, Administrative Director  
Division of Administrative Services

Phone: 465-2644  
Date/Time: 1/4/08, 3:40pm  
Date: 1/4/2008

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): HB313-DCR-TRE-2-7-08 Dept. Affected: Revenue 04  
Title Senate Bill 223 Crime Lab General Obligation Bonds RDU Tax and Treasury  
Component Treasury Management  
Sponsor Rules  
Requester House Finance Component Number 121

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

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	1.0		7,820.0	7,823.4	7,819.7	7,823.9	7,820.4
<b>TOTAL OPERATING</b>	<b>1.0</b>		<b>7,820.0</b>	<b>7,823.4</b>	<b>7,819.7</b>	<b>7,823.9</b>	<b>7,820.4</b>

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

1002 Federal Receipts							
1003 GF Match							
1004 GF	1.0		7,820.0	7,823.4	7,819.7	7,823.9	7,820.4
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>1.0</b>		<b>7,820.0</b>	<b>7,823.4</b>	<b>7,819.7</b>	<b>7,823.9</b>	<b>7,820.4</b>

Estimate of any current year (FY2008) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

The Bill authorizes the voters of the state to consider up to a \$100 million general obligation bond issue of the State of Alaska. This bond would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available to the State. If the proposition were approved in November 2008 it is anticipated Bonds would be issued in early 2009 and debt service would commence in FY 2010. The current interest rate is very favorable with 20 year amortization tax exempt interest rates for credits of this type in the 4.25% range. Interest rate achieved would depend on market conditions at the time bonds were sold. For modeling purposes the Department used an assumed rate of 4.7% and 20 year amortization for the bonds.

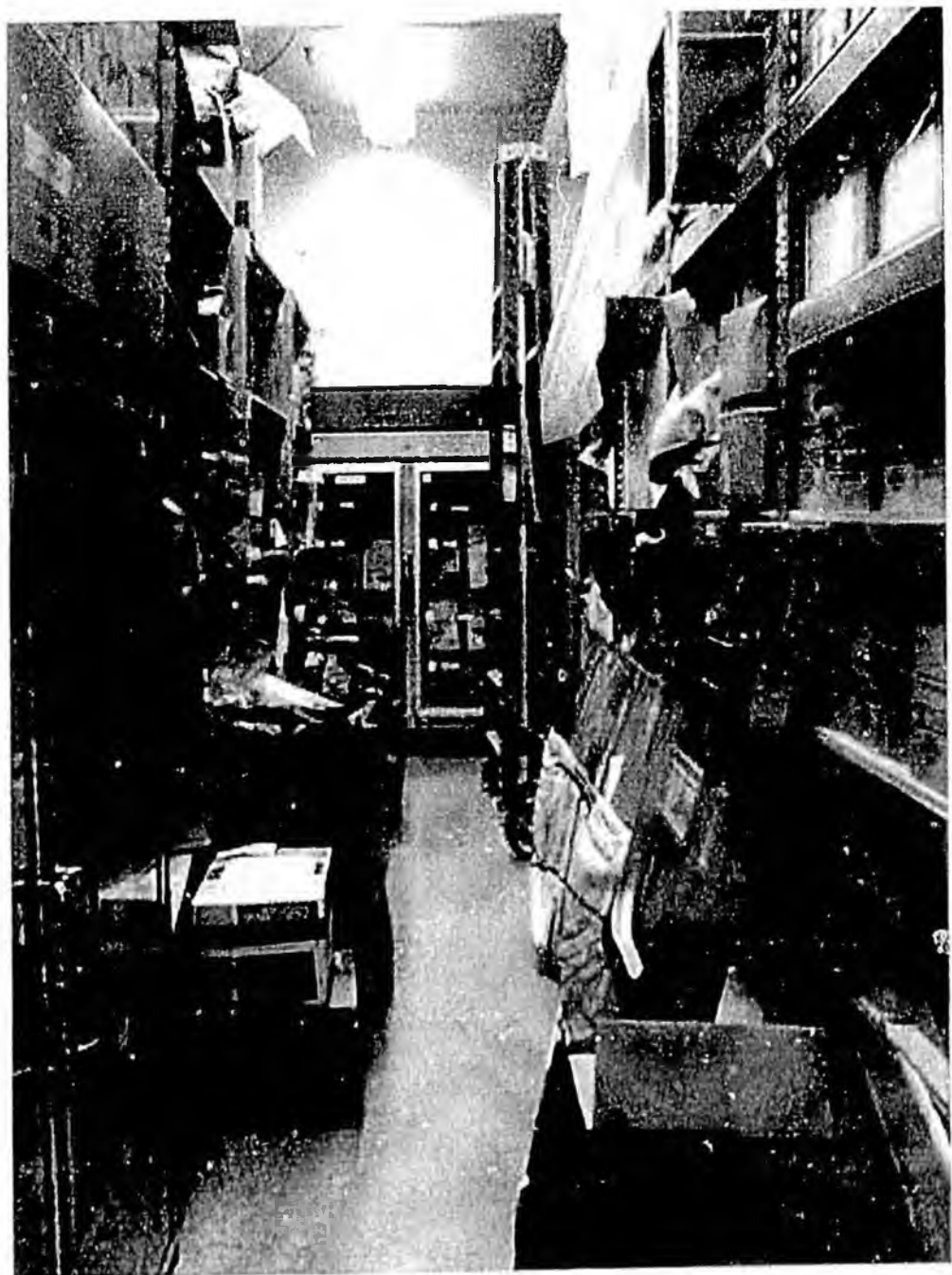
Prepared by: Doven Mitchell  
Division: Treasury  
Approved by: Jerry Burnett  
Department of Revenue

Phone 465-3750  
Date/Time 2/7/08 12:00 AM  
Date 2/7/2008

2/7/08



ON FILE







State of Alaska  
Department of  
**Public Safety**

2/7/08

Sarah Palin, Governor  
Walt Monagan, Commissioner

Sponsor Statement  
HB 313

The Department of Public Safety is seeking funding through statewide general obligation bonds to build a "state of the science" crime lab that will serve the needs of Alaska's citizens and law enforcement agencies for at least the next 40 years.

The Department started accepting evidence for analysis in 1978 with 2 chemists, 2 latent examiners and one explosives expert. In 1986, the current crime lab was built. Its 18,000 square feet were designed as a workplace for six scientists and support staff. The number of analysis has increased tremendously since that time. Over the last 30 years, both the types of evidence analysis and the number of cases submitted by law enforcement for assistance from the crime lab have increased tremendously.

The crime lab has managed to provide an excellent level of assistance to law enforcement during this time of growth. However, in the past five years, the growing demand for lab services has exceeded the capacity of the lab. This results in unavoidable delays in analyzing evidence. Large backlogs now exist. In order to preserve the quality of work, the crime lab had to reduce the quantity of case work coming in; thus, some services were outsourced while others were discontinued.

Forensic science continues to improve. New technology and added analysis are expanding the importance of forensic science in criminal justice investigations; examples include arson analysis equipment, laser examination equipment, vacuum metal deposition chamber examination equipment, trace evidence examinations, space and equipment examinations, toxicology and question document analysis. Additionally, expanded processing space is necessary to examine evidence from small items such as drug baggies and blood stained clothing to larger items such as entire vehicles. The new crime lab will have sufficient space to accommodate such improvements.

Additionally, DNA has created an entirely new area of testing and the number of cases involving DNA submitted to the crime lab is increasing steadily. DNA testing work includes current cases and many older "cold" cases. The design of the proposed new crime lab incorporates all the elements necessary to expand the use of DNA evidence as a crucial tool for solving crimes, providing justice to victims and ensuring Alaska is on the leading edge for implementing effective criminal justice tools.

The new crime lab will provide eighty-three thousand square feet with room for future expansion. The design of the proposed new crime lab incorporates all the elements necessary to expand the use of forensic evidence as a crucial tool for solving crimes, providing justice to victims and ensuring Alaska is on the leading edge for implementing effective criminal justice tools.

*"Public Safety through Public Service"*

Office of the Commissioner  
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5086 – Fax (907) 269-4543  
Juneau Office – Voice (907) 465-4322 – Fax (907) 465-4362

SARAH PALIN  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



2/7/08  
P.O. BOX 110061  
JUNEAU, ALASKA 99811-0001  
(907) 465-3300  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 15, 2008

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of a scientific crime detection laboratory.

This revenue would be utilized for the construction of a "state of the science" crime lab that will serve the needs of Alaska's citizens and law enforcement agencies for at least the next 40 years.

Over the last 30 years, both the types of evidence analysis and the number of cases submitted by law enforcement for assistance from the crime lab have increased tremendously. Currently, the crime lab provides expert assistance in the areas of fingerprints, biological screening, hair analysis, trace screening, blood alcohol content, drug analysis, DNA, crime scene investigations, shoe prints, and firearm/toolmark ballistics.

Forensic science continues to improve. New technology and added analysis are expanding the importance of forensic science in criminal justice investigations; examples include arson analysis equipment, laser examination equipment, vacuum metal deposition chamber examination equipment, trace evidence examinations, space and equipment examinations, toxicology, and question document analysis. Additionally, expanded processing space is necessary to examine evidence from small items such as drug baggies and blood stained clothing to larger items such as entire vehicles. The new crime lab will have sufficient space to accommodate such improvements.

The Honorable John Harris  
January 15, 2008  
Page 2

The crime lab has managed to provide an excellent level of assistance to law enforcement during this time of growth. However, in the past five years, the growing demand for lab services has exceeded the capacity of the lab to provide all the services needed by Alaskans. Alaska needs a new crime lab. The new crime lab will provide 80 thousand square feet with room for future expansion.

Section 1 of the bill adds a new section to the uncodified law of the state authorizing the issuance and sale of state general obligation bonds in the principal amount of not more than 100 million, if ratified by a majority of the qualified voters of the state who vote on the question. The full faith, credit, and resources of the state would be pledged to the payment of the principal of and interest and redemption premium, if any, on the bonds.

Section 2 of the bill adds a new section to the uncodified law of the state establishing the "scientific crime detection laboratory project fund" if the voters ratify the issuance of the bonds, to which shall be credited the proceeds of the sale of the bonds except for the accrued interest and premiums.

Section 3 of the bill adds a new section to the uncodified law of the state appropriating 100 million from the scientific crime detection laboratory project fund and up to 6 million in anticipated investment earnings to the Department of Public Safety to be allocated to the design and construction of a state scientific crime detection laboratory in Anchorage.

Section 4 of the bill adds a new section to the uncodified law of the state appropriating from the general fund to the state bond committee \$500,000 or as much of that amount as is found necessary to carry out the provisions of this bill and to pay expenses incident to the sale and issuance of the bonds.

Section 5 of the bill adds a new section to the uncodified law of the state providing that the amount withdrawn from the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital improvements financed under this bill shall be reimbursed from the proceeds of the sale of the bonds.

Section 6 of the bill adds a new section to the uncodified law of the state providing that the unexpended and unobligated balance of the appropriation made in sec. 3 lapses and is appropriated to the state bond committee to redeem bonds sold under this bill. Further, sec. 6 provides that amounts expended from the general fund to pay the principal, interest, and redemption premium on the bonds shall be

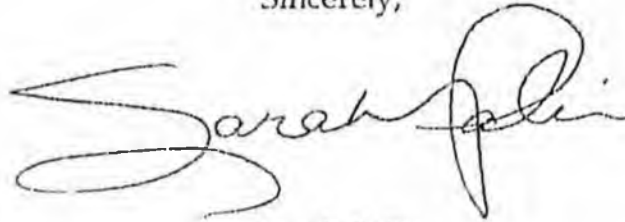
The Honorable John Harris  
January 15, 2008  
Page 3

reimbursed from this appropriation to the extent that the money is not needed to redeem the bonds.

Section 7 of the bill amends the uncodified law of the state to add a new section directing the submittal to the voters for ratification at the next general election the question of whether the state shall issue its general obligation bonds in the principal amount of not more than 100 million for the purpose of paying the cost of design and construction of a scientific crime detection laboratory.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Palin". The signature is fluid and stylized, with a large initial "S" and a prominent loop at the end.

Sarah Palin  
Governor

Enclosure

**Crime Lab Replacement**

**FY2009 Request: \$100,000,000**  
**Reference No: 41600**

**AP/AL:** Appropriation  
**Category:** Law and Justice  
**Location:** Statewide

**Project Type:** Construction

**Contact:** Dan Spencer, Director, Administrative Services

**House District:** Statewide (HD 1-40)  
**Estimated Project Dates:** 07/01/2008 - 06/30/2010

**Contact Phone:** (907)465-5488

2/7/08

**Brief Summary and Statement of Need:**

This project would fund a new crime laboratory building.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
G/O Bonds	\$100,000,000						\$100,000,000
<b>Total:</b>	<b>\$100,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000,000</b>

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

Sec 1, Ch 82, SLA 2006, Page 81, Lines 15-16 \$4,800,000 General Funds

**Project Description/Justification:**

The current crime lab facility was constructed in 1986 to house the state's forensic laboratory functions that serve all law enforcement agencies in the state. The facility is no longer physically capable of housing the personnel and instrumentation necessary to meet the state's forensic analysis demands.

The lab provides forensic analysis to all local, state, and federal law enforcement agencies in Alaska in the areas of latent fingerprints, firearms, trace evidence, and other criminalistics services, blood and breath alcohol analysis, drug analysis, and DNA analysis. Additionally, the crime lab provides crime scene response and courtroom testimony.

The advent of DNA analysis and its use in solving crimes has resulted in establishment of an entire new section, including personnel, instrumentation, and evidence analysis, whose space has to be fit into a facility that was already crowded at best. With new laws requiring large classes of convicted criminals to provide DNA samples, the expansion of interconnected DNA databases nationwide, and significant improvements in DNA technologies, this section will only continue to grow in both importance to the law enforcement community and in its physical space requirements.

Bringing this section into the lab has already forced other sections of the lab into spaces such as the garage and maintenance areas that were previously available for processing large items of evidence such as vehicles and for dealing with large quantities of evidence such as from a major crime scene.

All sections of the lab are experiencing ever increasing backlogs of requests for forensic exams. This is due in part to agencies increasing the number of police personnel and in part to the success of new technologies such as DNA and electronic fingerprint processing. Both increase the demands on the lab.

**Crime Lab Replacement**

**FY2009 Request: \$100,000,000**  
**Reference No: 41600**

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In simple terms, we have outgrown the current facility. The existing space is 18,000 square feet and houses 42 full time employees. The building is at the limits of its ability to house staff and equipment. Without more space, the capacity of the laboratory to perform analyses and meet their desired end result of expanding their forensic databases, such as the Combined DNA Index System (CODIS) database, is limited.

The department has begun site selection and preliminary design work, using funding from a FY2007 capital appropriation. A site within the Municipality of Anchorage has been identified and the department is working with the Municipality to acquire a long-term lease.



# Municipality of Anchorage



4501 Dragage Street • Anchorage, Alaska 99507-1500 • Telephone (907) 786-8500 • <http://www.muni.org>

Mayor Mark Begich

Anchorage Police Department

Co-Chairman Kevin Meyer  
Finance Room 519  
State Capitol Building  
Juneau, Alaska 99801

2/7/08

Dear Representative Meyer:

I wholeheartedly support legislative funding through state wide obligation bonds for the new crime lab. As Chief of the Anchorage Police Department, I can say that the growing demand for services as we investigate more and more evidence-dependent criminal cases has overburdened the present crime lab support.

As a function of the sheer volume of cases that the crime lab must deal with, it has become an unacceptable state of affairs that evidence pertaining to property crimes is sometimes never processed. DNA processing in person crimes is a long process, and while the technology to improve services and meet the expectations of the public is available to provide analysis of firearms crimes, arsons, and other evidentiary based cases, a commitment must be made to ensure that Alaskans secure their right to fair and equal access to justice.

A well managed, state of the art crime lab is foundational to that right of fair and equal access to justice for all of our citizens. The prospect of timely and complete processing of evidence is a key component in the achievement of that assurance. We cannot continue to fall short of that expectation.

Sincerely,

Rob Heun  
Chief  
Anchorage Police Department

2/7/08



# Alaska Association of Chiefs of Police

January 23, 2008

House Finance Committee  
Co-Chairman Kevin Meyer  
Finance Room 519  
State Capitol Building  
Juneau, Alaska 99801

Dear Co-Chairman Meyer,

I would like to take this opportunity to provide my support of House Bill 313.

Since 1978, I have witness as a professional law enforcement officer the dependable, accurate and excellent level of assistance performed by the State Crime Lab. This department has professionally processed, managed and secured evidence collected by police detectives during investigations, thus contributing to arrest and aiding in court convictions by assisting law enforcement in piecing together and recreating crime scenes.

Today, the public demands modern DNA forensic science and technology, these analyses alone have increased the demand for new technology and has also improved accuracy and efficiency, but along with that come the need for expanded space, modern equipment, training and additional qualified personal.

In the past 5 years the growth and demand of crimes committed in Alaska has increased, thus creating an overload in volume of evidence collected and submitted for analyzing.

The current crime lab physical ability to process, store or receive delays results, prolong arrest, prosecution and convictions. These essential services contribute their professional results and are necessary to law enforcement in solving crimes and obtaining convictions.

Please join with me on the support of HB 313.

If I can be of further assistance to you in getting this bill passed please don't hesitate to contact me.

Sincerely,

Chief Thomas L. Clemons  
President Alaska Association of Chiefs of Police

( 9 0 7 ) 2 2 4 - 3 3 3 8 P . O . B o x 1 6 7 S e w a r d , A K 9 9 6 6 4

P. 4

907-224-0480

JAN 24 2008 3:25PM

**HB**

**314**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 2, 2008

FURTHER REFERRALS:

Date of Committee Action: 4/6/08

The FINANCE Committee considered:

HB 314

HOUSE BILL NO. 314

G.O. BONDS FOR TRANSPORTATION PROJECTS

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

Recommends it be replaced with  HCS or  CS for HB 314 (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LWF  
 LAW  
 LEG  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
GOV	1	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Milo Hand</i>	Hawker	★			
<i>FOSTER</i>	FOSTER	X			
<i>Mary Nelson</i>	NELSON	✓			
<i>Harvey Crawford</i>	CRAWFORD			X	
<i>W. B. Thomas</i>	Thomas	✓			
<i>W. B. Thomas</i>	Garcia				✓
<i>W. B. Thomas</i>	SOUTH	X			
<i>W. B. Thomas</i>	KELLY	X			
<i>W. B. Thomas</i>	Meyer	X			
<i>W. B. Thomas</i>	Chewault	X			
Chair: _____					
Chair: _____					

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB314(FIN)  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): CSHB314(FIN)-DOR-TRE-4-6-08 Dept. Affected: Revenue  
Title: Senate Bill 224 Transportation General Obligation Bonds RDU: Taxation and Treasury  
Component: Debt Management  
Sponsor: Governor  
Requester: House Finance Component Number: 121

## Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>	<b>FY 2005</b>						
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous	1.0	1.0	17,254.0	17,254.0	17,254.0	17,254.0	17,254.0
<b>TOTAL OPERATING</b>	<b>1.0</b>	<b>1.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>

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

1002 Federal Receipts							
1003 GF Match							
1004 GF	1.0	1.0	17,254.0	17,254.0	17,254.0	17,254.0	17,254.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>1.0</b>	<b>1.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>

Estimate of any current year (FY2008) cost: 0.0

### POSITIONS

Full-time							
Part-time							
Temporary							

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

The Bill authorizes the voters of the state to consider up to a \$220,600,000 general obligation bond issue of the State of Alaska. This bond would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available to the State. If the proposition were approved in November 2008 it is anticipated Bonds would be issued in early 2009 and debt service would commence in FY 2010. The current interest rate is very favorable with 20 year amortization tax exempt interest rates for credits of this type in the 4.25% range. Interest rate achieved would depend on market conditions at the time bonds were sold. For modeling purposes the Department used an assumed rate of 4.7% and 20 year amortization for the bonds.

Prepared by: Deven Mitchell  
Division: Treasury  
Approved by: Jerry Burnett  
Department of Revenue

Phone: 465-3750  
Date/Time: 4/6/08 12:00 AM  
Date: 4/6/2008

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 314  
(H) Publish Date: 1/16/08

Identifier (file name): 0041-OOG-DOE-1-4-08 Dept. Affected: OOG  
Title A bill providing for the issuance of general obligation bonds RDU Elections  
for paying the cost of state transportation projects Component Elections  
Sponsor Rules Committee  
Requester Governor Component Number 21

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

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual	1.5							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

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

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	1.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)  
The passage of this bill would require the general obligation bond question to appear on the 2008 general election ballot. The cost of providing information about the bonds in the Official election Pamphlet, as required by AS 15.58 is \$15. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Prepared by: Gail Fenumiai, Director  
Division Division of Elections  
Approved by: Linda J. Perez, Administrative Director  
Division of Administrative Services

Phone 465-2644  
Date/Time 1/4/08, 3:07pm  
Date 1/4/2008

SARAH PALIN  
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. BOX 110001  
JUNEAU, ALASKA 99811-0001  
(907) 465-3500  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

January 15, 2008

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of state transportation projects.

The state requires a stable transportation construction program. The capital budget addresses many critical transportation needs in Alaska. However, there is much more that needs to be done. Low interest notes provide the opportunity to keep overall spending low, while at the same time utilizing bond receipts to expand and improve our infrastructure. The use of state bond proceeds allows projects to move from design to completion much faster than the lengthy process that federal funding entails.

Safety, congestion, and gas pipeline preparation were the criteria used to identify these priority projects for inclusion in this bond proposal.

Section 1 of the bill adds a new section to the uncodified law of the state authorizing the issuance and sale of state general obligation bonds in the principal amount of not more than \$140 million if ratified by a majority of the qualified voters of the state who vote on the question. The full faith, credit, and resources of the state would be pledged to the payment of the principal of and interest and redemption premium, if any, on the bonds.

Section 2 of the bill adds a new section to the uncodified law of the state establishing the "2008 transportation project fund" if the voters ratify the issuance of the bonds, to which shall be credited the proceeds of the sale of the bonds except for the accrued interest and premiums.

Sections 3 - 5 of the bill add new sections to the uncodified law of the state appropriating from the 2008 transportation project fund the amounts of \$121.1 million to the Department of Transportation and Public Facilities to be allocated to specified

The Honorable John Harris

January 15, 2008

Page 2

to the Department of Transportation and Public Facilities to be allocated to specified road, highway, and bridge projects throughout Alaska; \$10 million to the Department of Commerce, Community, and Economic Development to be awarded as a grant to the Municipality of Anchorage for expansion of the Port of Anchorage; and \$8.9 million to the Department of Natural Resources to be allocated to the South Denali Access Road Design and Construction project.

Section 6 of the bill adds a new section to the uncodified law of the state appropriating from the general fund to the state bond committee \$700,000 or as much of that amount as is found necessary to carry out the provisions of this bill and to pay expenses incident to the sale and issuance of the bonds.

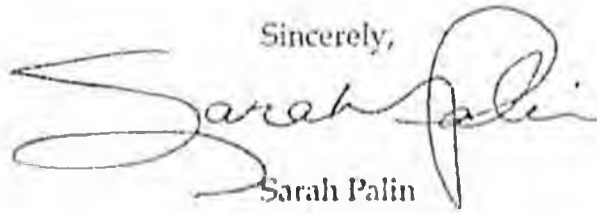
Section 7 of the bill adds a new section to the uncodified law of the state providing that the amount withdrawn from the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital improvements financed under this bill shall be reimbursed from the proceeds of the sale of the bonds.

Section 8 of the bill amends the uncodified law of the state to add a new section providing that the unexpended and unobligated balance of the appropriations made in secs. 3 - 5 lapses and is appropriated to the state bond committee to redeem bonds sold under this bill. Further, sec. 8 provides that amounts expended from the general fund to pay the principal, interest, and redemption premium on the bonds shall be reimbursed from this appropriation to the extent that the money is not needed to redeem the bonds.

Section 9 of the bill amends the uncodified law of the state to add a new section directing the submittal to the voters for ratification at the next general election the question of whether the state shall issue its general obligation bonds in the principal amount of not more than \$140 million for the purpose of paying the cost of state transportation projects.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin  
Governor

Enclosure

House Finance

*adopted,  
as amended*

Amendment # 1

Offered by Chairman Meyer

House Bill 314

Technical Amendment:

Page 2, Line 31

Delete: Access Road to Evacuation Center and

insert: Access Road, Evacuation Center and

Page 3, Line 7

Delete: Shelter Cove Road

Insert: Shelter Cove, Road Construction

Page 4, Line 21

Delete: \$220,000,000

Insert: \$220,600,000

*Page 4, Line 21*



*adopted*

25-GH2041M  
Cook  
4/5/08

**CS FOR HOUSE BILL NO. 314(FIN)**

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

**TWENTY-FIFTH LEGISLATURE - SECOND 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 providing for and relating to the issuance of general obligation bonds for the  
2 purpose of paying the cost of state transportation projects; and providing for an  
3 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 **GENERAL OBLIGATION BONDS.** For the purpose of paying the cost of design and  
8 construction of state transportation projects, general obligation bonds of the state in the  
9 principal amount of not more than \$220,600,000, if ratified by a majority of the qualified  
10 voters of the state who vote on the question, shall be issued and sold. The full faith, credit,  
11 and resources of the state are pledged to the payment of the principal of and interest and  
12 redemption premium, if any, on the bonds. The bonds shall be issued under the provisions of  
13 AS 37.15 as those provisions read at the time of issuance.

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

1 read:

2 2008 TRANSPORTATION PROJECT FUND. If the issuance of the bonds is ratified  
3 by a majority of the qualified voters of the state who vote on the question, a special fund of  
4 the state to be known as the "2008 transportation project fund" shall be established, to which  
5 shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for  
6 the accrued interest and premiums.

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

9 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The amount  
10 of \$196,600,000 is appropriated from the 2008 transportation project fund to the Department  
11 of Transportation and Public Facilities to be allocated among the following projects in the  
12 amounts listed subject to reallocation between projects in accordance with AS 37.07.080(e):

13	PROJECT	AMOUNT
14	Anchorage: Connect Anchorage	\$22,100,000
15	Project (Dowling Road - Old	
16	Seward Highway to Minnesota	
17	Drive)	
18	Dalton Highway Improvements	14,000,000
19	Kenai Peninsula Borough Road Projects	8,000,000
20	Nome: Snake River Bridge Replacement	10,000,000
21	Parks Highway: Weight Restriction Elimination	15,000,000
22	Seward Highway: Windy Corner Safety	20,000,000
23	Improvements	
24	Steese Highway/Johansen Expressway	15,000,000
25	Area Traffic Improvements	
26	Sterling Highway: Mackey Lake Road to Sterling	11,000,000
27	Pavement Rehabilitation	
28	Glenn Highway: MP 181 to 189 Tolsona Lake Road to	13,000,000
29	Richardson Highway Junction Rehabilitate and	
30	Resurface, including Bikeway	
31	Mertarvik: Access Road to Evacuation Center and	3,300,000

1	Barge Staging Area Construction	
2	Kivalina: Community Roads Protection	3,300,000
3	Craig-Klawock-Hollis Highway: Resurfacing of Craig-	4,800,000
4	Klawock Section	
5	Copper River Highway: Mile 38 - 43 Highway Protection	5,100,000
6	Ketchikan Gateway Borough: Harriet Hunt Lake to	10,000,000
7	Shelter Cove Road	
8	Matanuska-Susitna Borough: Fairview Loop Road	22,000,000
9	Reconstruction	
10	Statewide: Emergency Bridge Repair	20,000,000

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

13 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC  
14 DEVELOPMENT. (a) The amount of \$10,000,000 is appropriated from the 2008  
15 transportation project fund to the Department of Commerce, Community, and Economic  
16 Development to be awarded as a grant under AS 37.05.315 to the Municipality of Anchorage  
17 for expansion of the Port of Anchorage.

18 (b) The amount of \$14,000,000 is appropriated from the 2008 transportation project  
19 fund to the Department of Commerce, Community, and Economic Development to be  
20 awarded as a grant under AS 37.05.315 to the Municipality of Anchorage for the Victor Road-  
21 Dimond Boulevard to 100th Avenue upgrade.

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

24 STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority of  
25 the qualified voters of the state who vote on the question, the amount of \$1,103,000 or as  
26 much of that amount as is found necessary is appropriated from the general fund of the state  
27 to the state bond committee to carry out the provisions of this Act and to pay expenses  
28 incident to the sale and issuance of the bonds authorized in this Act. The amounts expended  
29 from the appropriation authorized by this section shall be reimbursed to the general fund from  
30 the proceeds of the sale of the bonds authorized by this Act.

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

1 read:

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

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

8 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated  
9 balances of the appropriations made in secs. 3 and 4 of this Act lapse under AS 37.25.020 and  
10 are appropriated to the state bond committee to redeem bonds sold under this Act. The  
11 amounts expended from the general fund to pay the principal, interest, and redemption  
12 premium on bonds issued under this Act shall be reimbursed to the general fund from the  
13 appropriation made under this section to the extent that the money is not needed to redeem the  
14 bonds.

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

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

20 PROPOSITION

21 State General Obligation \$220,000,000

22 Transportation Project Bonds

23 Shall the State of Alaska issue its general obligation bonds in  
24 the principal amount of not more than \$220,000,000 for the  
25 purpose of paying the cost of state transportation projects?

26 Bonds Yes [ ]

27 Bonds No [ ]

28 \* Sec. 9. This Act takes effect immediately under AS 01.10.070(c).



# THE COMMUNITY OF KETCHIKAN



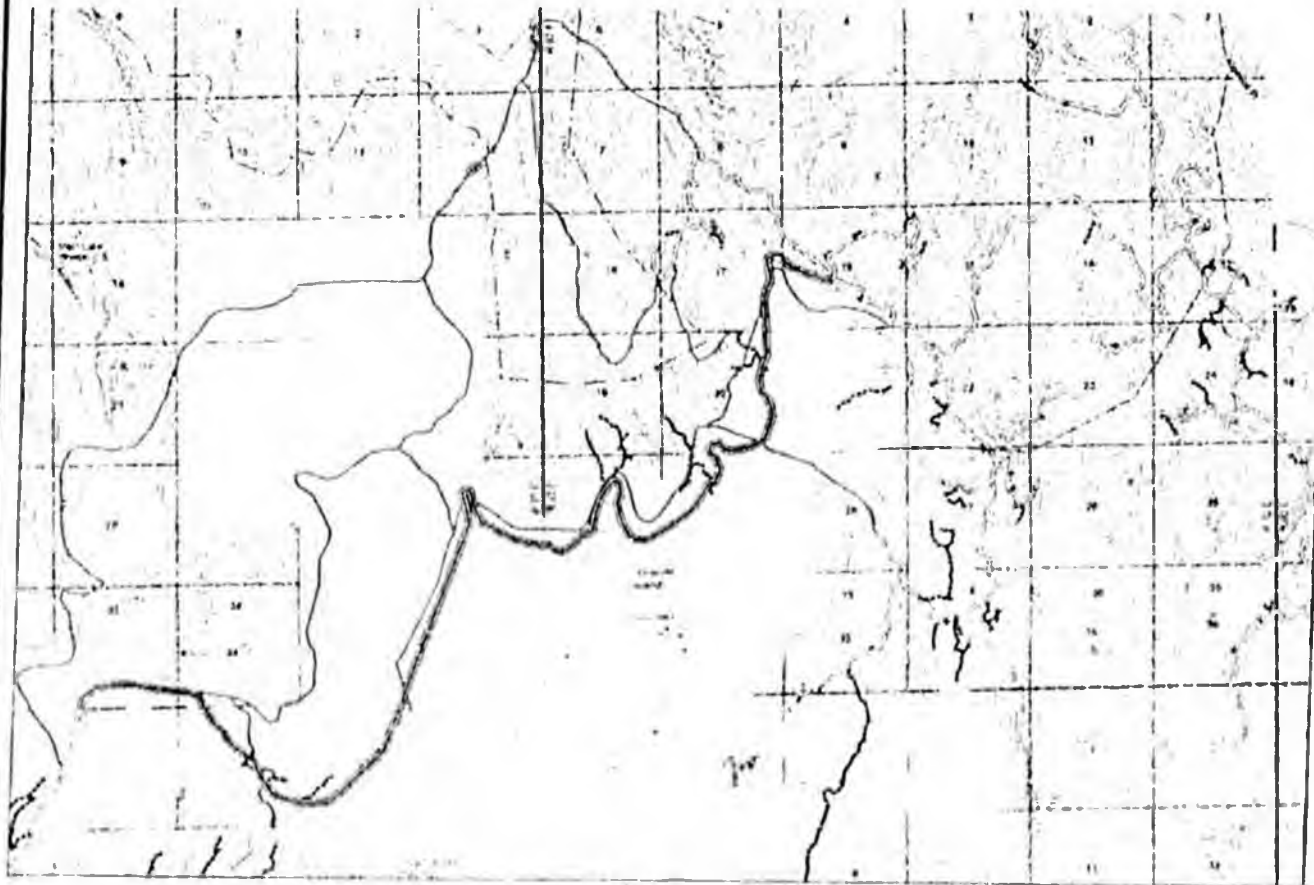
*(Continued from page 30)*

The CEO for Cape Fox Corporation has recently written a letter of support for this road connection and agrees to provide a public road right-of-way through their private lands

## Project Benefits

The economic benefits include new road access to private, state and Forest Service lands. This access would encourage development on existing and proposed private land lots. It would also reduce the cost to harvest forest products by the local family owned timber companies. Ketchikan residents would have readily available access to firewood and special forest products such as cedar poles. This new access could provide opportunities for local businesses to develop shore excursions for cruise ship passengers. Ketchikan residents could enjoy a long Sunday afternoon drive on a new road system.

It would be difficult to list all the subsistence and recreational benefits from this road connection. There would be many new areas for deer hunting and berry picking. Winter and summer activities would include new opportunities for hiking, camping, fishing and many others.



Potential Road Connectors  
George and Caroll Inlets  
NP Road Systems





# **THE COMMUNITY OF KETCHIKAN**



## **Revillagiedo Island Road Access Harriet Hunt Lake to Shelter Cove Road Connection**

### **FUNDING REQUEST**

**\$20,000,000**

#### **PROJECT SUMMARY:**

This 10 mile road connection is presently in the Roads to Resources program of the Alaska Department of Transportation and scheduled to be funded out of the General Fund. This project would link the two existing road systems on Revillagiedo Island, providing Ketchikan residents and visitors access to state, federal and private lands and a Forest Service road system that terminates at Shelter Cove in Carroll Inlet. The community and the borough would realize significant long term economic, subsistence and recreational benefits from this connection. See the enclosed map.

#### **PROJECT HISTORY:**

In 2001, the Ketchikan Gateway Borough Assembly passed resolution 1363, which supported this project. They submitted a Forest Highway Proposal application at that time. Unfortunately, the proposed road standard was too costly. Also, portions of the road location would require a right-of-way from Cape Fox Corporation and they were not supportive.

In 2006, Mental Health Trust sold timber from the Leask Lakes parcel near at the head of George Inlet to Alcan Timber Company. They have constructed low standard roads to remove this timber, resulting in additional road segments available for reconstruction and use in this project.

During the Murkowski administration, this road connection was added to the Roads to Resources program and scheduled to be funded out of ADOT's General Fund. It is still in this program, and in summer of 2007, aerial photography and low level radar were flown along the proposed location. Early discussions on rights of way were also initiated.

In 2007, the Forest Service reconditioned and resurfaced the road segments on their ownership that would link this completed road system.

#### **PROJECT PROPOSAL:**

- This road connection is proposed to be retained and funded in the Roads to Resources program by the Palin administration.
- The proposed road standard is a 14 foot wide single lane road with turnouts. It would be surfaced with rock and gravel.
- ADOT is proposed to accept the road maintenance of this new road until it reaches the Forest Service boundary. The Forest Service would accept the long term maintenance of the portion of the road on federal lands.

*(Continued on page 31)*

PROJECT_TITLE	HD	HD_IMPACT_NAME	1008 G/O Bonds
Already in the bill, keep in:			
Municipality of Anchorage - Port of Anchorage Intermodal Expansion Project	50	Anchorage Areawide	\$ 10,000,000
Dalton Highway Improvements	99	Statewide	\$ 14,000,000
Dowling Road: Old Seward Highway to Minnesota Drive	50	Anchorage Areawide	\$ 22,100,000
Kenai Borough Road Projects	90	Kenai Areawide	\$ 8,000,000
Nome: Snake River Bridge Replacement	39	Bering Straits	\$ 10,000,000
Parks Highway: Weight Restriction Elimination Program	99	Statewide	\$ 15,000,000
Seward Highway: Windy Corner Safety Improvements	50	Anchorage Areawide	\$ 20,000,000
Steese Highway / Johansen Expressway Area Traffic Improvements	60	Fairbanks Areawide	\$ 15,000,000
			\$ 114,100,000
Add these projects to the bill (under DOT)			
Sterling Highway, Mackey Lake Road to Sterling Pavement Rehabilitation	90	Kenai Areawide	\$ 11,000,000
Glenn Highway MP181 to 189 Tolsona Road to Richardson Highway Junction	12	richardson/glenn highway	\$ 13,000,000
Rehabilitate and resurface including bikeway			
Mertarvik: Access road to evacuation center and barge staging area construction	38	Bethel	\$ 3,300,000
Kivalina: community roads protection	40	Arctic	\$ 3,300,000
Craig-Klawock-Hollis Highway: Resurfacing of Craig-Klawock Section	5	Cordova/Southeast Is.	\$ 4,800,000
Copper River Highway: Mile 38-43 highway protection	5	Cordova/Southeast Is.	\$ 5,100,000
Ketchikan Gateway Borough: Harriet Hunt Lake to Shelter Cove Road	1	Ketchikan	\$ 10,000,000
Mat-Su: Fairview Loop Road Reconstruction	13-16	Mat-Su Areawide	\$ 22,000,000
Statewide Emergency Bridge Repair	99	Statewide	\$ 20,000,000
			\$ 92,500,000
Grant to Municipality:			
Anchorage: Victor Road-Diamond Boulevard to 100th Avenue-upgrade and trade	50	Anchorage Areawide	\$ 14,000,000
			\$ 14,000,000
Remove from transportation GO bill:			
Gravina Access	1	Ketchikan	\$ 45,000,000
South Denali Access Road Design and Construction	99	Statewide	\$ 8,900,000
Northern Access to University Medical District Study	50	Anchorage Areawide	\$ 2,000,000
		total removed from bill:	\$ 55,900,000
		\$ 114,100,000	remaining in bill
		\$ 92,500,000	add
		\$ 14,000,000	add
		\$ 220,600,000	CS total



STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES  
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

3132 CHANNEL DRIVE  
PO Box 112500  
JUNEAU, ALASKA 99811-2500

FAX: (907) 586-8365  
PHONE: (907) 465-3900

March 24, 2008

The Honorable Mike Chenault  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 505  
Juneau, AK 99801-1182

The Honorable Kevin Meyer  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 515  
Juneau, AK 99801-1182

Dear Representative Chenault and Representative Meyer:

I request a hearing for HB 314 General Obligation Bonds for Transportation Projects. This bill will allow the state to ask the general public if they support the issuance of general obligation bonds for the purpose of paying the cost of transportation projects.

While the capital budget addresses many critical transportation projects, the needs far outweigh the state's budget. Bonding provides an opportunity to improve the state's transportation infrastructure, without unnecessarily escalating the capital budget. The transportation projects identified in this bill will address important safety and congestion needs as well as preparing for construction of the gas pipeline. Additionally, the speed at which a project can be completed is significantly reduced when not using federal funds.

We look forward to discussing this important piece of legislation with you and your committee.

Sincerely,



Leo von Scheben, P.E., L.S., M.B.A.  
Commissioner

cc: Russ Kelly, Legislative Director, Office of the Governor  
Mary Siroky, Legislative Liaison, Office of the Commissioner, DOT&PF  
Nancy Slagle, Director, Administrative Services, DOT&PF

## Changes between HB314 and CSHB314(TRA)

### Sec. 1

- Page 1 line 9 (HB 314); the amount of \$140,000,00, changed to \$170,000,000 in CSHB314.

### Sec 2

- Page 2 line 10 (HB 314) ; amount of \$121,000,000 was changed to \$151,000,000 in CSHB314 (page 2 line 10)

### Sec. 3

- Deleted - Southeast Alaska: pavement rehabilitation \$15M (page 2; line 26 in HB 314)
- Added – Gravina Access \$45M (page 2 line 14 CSHB314)

### Sec. 6

- Page 3 line 13 (HB314) the amount of \$700,000 was changed to \$850,00 in CSHB314(page3 line 14)

### Sec. 9

- Page 4 line 10(HB 314) \$140,000,000 was changed to \$170,000,000 in CSHB314 (page 4 line 10)

**Department of Transportation GO Bond Projects**

Anchorage: Connect Anchorage - Dowling Rd Old Seward Hwy	\$22,100,000
Anchorage: Connect Anchorage Study - Northern Access to University medical district	\$2,000,000
Dalton Highway Improvements	\$14,000,000
Kenai Borough Road Projects	\$8,000,000
Nome: Snake River Bridge Replacement	\$10,000,000
Parks Highway: Weight Restriction Elimination	\$15,000,000
Seward Highway: Windy Corner Safety Improvements	\$20,000,000
Southeast Alaska :Pavement Rehabilitation	\$15,000,000
Steese Highway/Johansen Expressway Area Traffic Improvements	\$15,000,000
TOTAL	\$121,100,000

**HB**

**314**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/8/08

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered CS FOR HOUSE BILL NO. 314(FIN) am

HB 314 G.O. BONDS FOR TRANSPORTATION PROJECTS

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

and recommends:

- be replaced with  SCS or  CS HB 314 (FIN)
- adopt previous  SCS or  CS \_\_\_\_\_
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

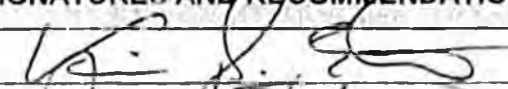

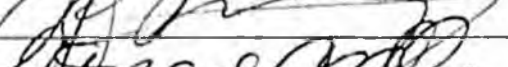
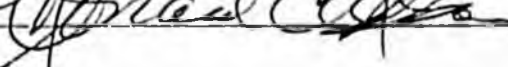

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
GOV	4/4/08	✓			1
REV	4/16/08	✓			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	E L Thomas	✓			
	Thomas	✓			
	Huggins	✓			
	Nelson			✓	
CO-CHAIR:					
	CO-CHAIR	✓			

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 314  
(H) Publish Date: 1/16/08

Identifier (file name): 0041-OOG-DOE-1-4-08 Dept. Affected: OOG  
Title A bill providing for the issuance of general obligation bonds RDU Elections  
for paying the cost of state transportation projects Component Elections  
Sponsor Rules Committee  
Requester Governor Component Number 21

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

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual	1.5							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>								
-------------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	1.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

The passage of this bill would require the general obligation bond question to appear on the 2008 general election ballot. The cost of providing information about the bonds in the Official election Pamphlet, as required by AS 15.58 is \$1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Prepared by Gail Fenurmat, Director  
Division Division of Elections  
Approved by Linda J. Perez, Administrative Director  
Division of Administrative Services

Phone 465-2644  
Date/Time 1/4/08, 3:07pm  
Date 1/4/2008

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 314(FIN)  
(H) Publish Date: 4/7/08

Identifier (file name): CSHB314(FIN) DOR-TRE-4-6-08 Dept. Affected: Revenue  
Title: Senate Bill 224 Transportation General Obligation Bonds RDU: Taxation and Treasury  
Component: Debt Management  
Sponsor: Governor  
Requester: House Finance Component Number: 121

### Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous		1.0	1.0	17,254.0	17,254.0	17,254.0	17,254.0	17,254.0
<b>TOTAL OPERATING</b>		<b>1.0</b>	<b>1.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>								
-------------------------------	--	--	--	--	--	--	--	--

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		1.0	1.0	17,254.0	17,254.0	17,254.0	17,254.0	17,254.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>		<b>1.0</b>	<b>1.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>	<b>17,254.0</b>

Estimate of any current year (FY2008) cost: 00

### POSITIONS

Full-time								
Part-time								
Temporary								

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

The Bill authorizes the voters of the state to consider up to a \$220,600,000 general obligation bond issue of the State of Alaska. This bond would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available to the State. If the proposition were approved in November 2008 it is anticipated Bonds would be issued in early 2009 and debt service would commence in FY 2010. The current interest rate is very favorable with 20 year amortization tax exempt interest rates for credits of this type in the 4.25% range. Interest rate achieved would depend on market conditions at the time bonds were sold. For modeling purposes the Department used an assumed rate of 4.7% and 20 year amortization for the bonds.

Prepared by: Doven Mitchell  
Division: Treasury  
Approved by: Jerry Burnett  
Department of Revenue

Phone: 465-3750  
Date/Time: 4/6/08 12:00 AM  
Date: 4/6/2008

*Adopted  
4/11/08*

25-GH2041\O  
Cook  
4/11/08

SENATE CS FOR CS FOR HOUSE BILL NO. 314(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH 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 providing for and relating to the issuance of general obligation bonds for the  
2 purpose of paying the cost of state transportation projects; and providing for an  
3 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 GENERAL OBLIGATION BONDS. For the purpose of paying the cost of design and  
8 construction of state transportation projects, general obligation bonds of the state in the  
9 principal amount of not more than \$315,050,000, if ratified by a majority of the qualified  
10 voters of the state who vote on the question, shall be issued and sold. The full faith, credit,  
11 and resources of the state are pledged to the payment of the principal of and interest and  
12 redemption premium, if any, on the bonds. The bonds shall be issued under the provisions of  
13 AS 37.15 as those provisions read at the time of issuance.

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

1 read:

2 2008 TRANSPORTATION PROJECT FUND. If the issuance of the bonds is ratified  
3 by a majority of the qualified voters of the state who vote on the question, a special fund of  
4 the state to be known as the "2008 transportation project fund" shall be established, to which  
5 shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for  
6 the accrued interest and premiums.

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

9 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The amount  
10 of \$271,700,000 is appropriated from the 2008 transportation project fund to the Department  
11 of Transportation and Public Facilities to be allocated among the following projects in the  
12 amounts listed subject to reallocation between projects in accordance with AS 37.07.080(e):

13	PROJECT	AMOUNT
14	Sawmill Creek Road Upgrade Phase III	\$10,800,000
15	with Separated Pedestrian Path -	
16	Whale Park to Sawmill Creek	
17	Mitkof Highway - Scow Bay to Crystal Lake	7,000,000
18	Hatchery Road: Pavement Rehabilitation	
19	and Drainage Improvements	
20	Glacier Highway - Back Loop Road:	5,000,000
21	Intersection Safety Improvements	
22	North Tongass Highway - Ward Cove	8,900,000
23	to Refuge Cove: Pavement Rehabilitation	
24	and Drainage Improvements	
25	Aleknagik - Wood River Bridge	20,000,000
26	Fairbanks - University Avenue Widening	30,000,000
27	Anchorage: Connect Anchorage	22,100,000
28	Project (Dowling Road - Old	
29	Seward Highway to Minnesota	
30	Drive)	
31	Dalton Highway Improvements	14,000,000

1	Kenai Peninsula Borough Road Projects	8,000,000
2	Nome: Snake River Bridge Replacement	10,000,000
3	Parks Highway: Weight Restriction Elimination	15,000,000
4	Seward Highway: Windy Corner Safety	20,000,000
5	Improvements	
6	Steese Highway/Johansen Expressway	15,000,000
7	Area Traffic Improvements	
8	Sterling Highway: Mackey Lake Road to Sterling	11,000,000
9	Rehabilitation	
10	Glenn Highway: MP 181 to 189 Tolsona Lake Road to	13,000,000
11	Richardson Highway Junction Rehabilitation and	
12	Resurface, including Bikeway	
13	Craig-Klawock Highway: Resurfacing of Craig-	4,800,000
14	Klawock Section	
15	Copper River Highway: Mile 38 - 43 Highway Protection	5,100,000
16	Ketchikan: Harriet Hunt Lake to Shelter Cove,	10,000,000
17	Road Construction	
18	Fairview Loop Road Reconstruction	22,000,000
19	Statewide: Emergency Bridge Repair	20,000,000

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

22 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC  
23 DEVELOPMENT. The amount of \$43,350,000 is appropriated from the 2008 transportation  
24 project fund to the Department of Commerce, Community, and Economic Development to be  
25 awarded as grants under AS 37.05.315 to recipients for projects as follows:

26	RECIPIENT	PROJECT	AMOUNT
27	Municipality of Anchorage	Expansion of the	\$10,000,000
28		Port of Anchorage	
29	Municipality of Anchorage	Victor Road - Dimond	14,000,000
30		Boulevard to 100th	
31		Avenue upgrade	

1	City of Wrangell	Heritage Harbor reconstruction	5,000,000
2		phase II	
3	City of Bethel	Road repairs and upgrades	2,500,000
4	Kodiak Island Borough	Road service area	2,500,000
5		rehabilitation and paving	
6	City of Ouzinkie	Dock replacement	2,850,000
7	City of Old Harbor	Dock replacement	4,000,000
8	City of Emmonak	Road improvements	2,500,000

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

11 STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority of  
12 the qualified voters of the state who vote on the question, the amount of \$1,575,250 or as  
13 much of that amount as is found necessary is appropriated from the general fund of the state  
14 to the state bond committee to carry out the provisions of this Act and to pay expenses  
15 incident to the sale and issuance of the bonds authorized in this Act. The amounts expended  
16 from the appropriation authorized by this section shall be reimbursed to the general fund from  
17 the proceeds of the sale of the bonds authorized by this Act.

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

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

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

26 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated  
27 balances of the appropriations made in secs. 3 and 4 of this Act lapse under AS 37.25.020 and  
28 are appropriated to the state bond committee to redeem bonds sold under this Act. The  
29 amounts expended from the general fund to pay the principal, interest, and redemption  
30 premium on bonds issued under this Act shall be reimbursed to the general fund from the  
31 appropriation made under this section to the extent that the money is not needed to redeem the

1 bonds.

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

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

7 PROPOSITION

8 State General Obligation \$315,050,000

9 Transportation Project Bonds

10 Shall the State of Alaska issue its general obligation bonds in  
11 the principal amount of not more than \$315,050,000 for the  
12 purpose of paying the cost of state transportation projects?

13 Bonds Yes [ ]

14 Bonds No [ ]

15 \* Sec. 9. This Act takes effect immediately under AS 01.10.070(c).

*Adopted  
4/11/08*

25-GH2041NO  
Cook  
4/11/08

**SENATE CS FOR CS FOR HOUSE BILL NO. 314(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH 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 providing for and relating to the issuance of general obligation bonds for the  
2 purpose of paying the cost of state transportation projects; and providing for an  
3 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 **GENERAL OBLIGATION BONDS.** For the purpose of paying the cost of design and  
8 construction of state transportation projects, general obligation bonds of the state in the  
9 principal amount of not more than \$315,050,000, if ratified by a majority of the qualified  
10 voters of the state who vote on the question, shall be issued and sold. The full faith, credit,  
11 and resources of the state are pledged to the payment of the principal of and interest and  
12 redemption premium, if any, on the bonds. The bonds shall be issued under the provisions of  
13 AS 37.15 as those provisions read at the time of issuance.

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

1 read:

2 2008 TRANSPORTATION PROJECT FUND. If the issuance of the bonds is ratified  
3 by a majority of the qualified voters of the state who vote on the question, a special fund of  
4 the state to be known as the "2008 transportation project fund" shall be established, to which  
5 shall be credited the proceeds of the sale of the bonds described in sec. 1 of this Act except for  
6 the accrued interest and premiums.

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

9 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The amount  
10 of \$271,700,000 is appropriated from the 2008 transportation project fund to the Department  
11 of Transportation and Public Facilities to be allocated among the following projects in the  
12 amounts listed subject to reallocation between projects in accordance with AS 37.07.080(e):

13	PROJECT	AMOUNT
14	Sawmill Creek Road Upgrade Phase III	\$10,800,000
15	with Separated Pedestrian Path -	
16	Whale Park to Sawmill Creek	
17	Mitkof Highway - Scow Bay to Crystal Lake	7,000,000
18	Hatchery Road: Pavement Rehabilitation	
19	and Drainage Improvements	
20	Glacier Highway - Back Loop Road:	5,000,000
21	Intersection Safety Improvements	
22	North Tongass Highway - Ward Cove	8,900,000
23	to Refuge Cove: Pavement Rehabilitation	
24	and Drainage Improvements	
25	Aleknagik - Wood River Bridge	20,000,000
26	Fairbanks - University Avenue Widening	30,000,000
27	Anchorage: Connect Anchorage	22,100,000
28	Project (Dowling Road - Old	
29	Seward Highway to Minnesota	
30	Drive)	
31	Dalton Highway Improvements	14,000,000

1	Kenai Peninsula Borough Road Projects	8,000,000
2	Nome: Snake River Bridge Replacement	10,000,000
3	Parks Highway: Weight Restriction Elimination	15,000,000
4	Seward Highway: Windy Corner Safety	20,000,000
5	Improvements	
6	Steese Highway/Johansen Expressway	15,000,000
7	Area Traffic Improvements	
8	Sterling Highway: Mackey Lake Road to Sterling	11,000,000
9	Rehabilitation	
10	Glenn Highway: MP 181 to 189 Tolsona Lake Road to	13,000,000
11	Richardson Highway Junction Rehabilitate and	
12	Resurface, including Bikeway	
13	Craig-Klawock Highway: Resurfacing of Craig-	4,800,000
14	Klawock Section	
15	Copper River Highway: Mile 38 - 43 Highway Protection	5,100,000
16	Ketchikan: Harriet Hunt Lake to Shelter Cove,	10,000,000
17	Road Construction	
18	Fairview Loop Road Reconstruction	22,000,000
19	Statewide: Emergency Bridge Repair	20,000,000

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

22 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC  
23 DEVELOPMENT. The amount of \$43,350,000 is appropriated from the 2008 transportation  
24 project fund to the Department of Commerce, Community, and Economic Development to be  
25 awarded as grants under AS 37.05.315 to recipients for projects as follows:

26	RECIPIENT	PROJECT	AMOUNT
27	Municipality of Anchorage	Expansion of the	\$10,000,000
28		Port of Anchorage	
29	Municipality of Anchorage	Victor Road - Dimond	14,000,000
30		Boulevard to 100th	
31		Avenue upgrade	

1	City of Wrangell	Heritage Harbor reconstruction	5,000,000
2		phase II	
3	City of Bethel	Road repairs and upgrades	2,500,000
4	Kodiak Island Borough	Road service area	2,500,000
5		rehabilitation and paving	
6	City of Ouzinkie	Dock replacement	2,850,000
7	City of Old Harbor	Dock replacement	4,000,000
8	City of Emmonak	Road improvements	2,500,000

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

11 STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority of  
 12 the qualified voters of the state who vote on the question, the amount of \$1,575,250 or as  
 13 much of that amount as is found necessary is appropriated from the general fund of the state  
 14 to the state bond committee to carry out the provisions of this Act and to pay expenses  
 15 incident to the sale and issuance of the bonds authorized in this Act. The amounts expended  
 16 from the appropriation authorized by this section shall be reimbursed to the general fund from  
 17 the proceeds of the sale of the bonds authorized by this Act.

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

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

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

26 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated  
 27 balances of the appropriations made in secs. 3 and 4 of this Act lapse under AS 37.25.020 and  
 28 are appropriated to the state bond committee to redeem bonds sold under this Act. The  
 29 amounts expended from the general fund to pay the principal, interest, and redemption  
 30 premium on bonds issued under this Act shall be reimbursed to the general fund from the  
 31 appropriation made under this section to the extent that the money is not needed to redeem the

1 bonds.

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

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

7 PROPOSITION

8 State General Obligation \$315,050,000

9 Transportation Project Bonds

10 Shall the State of Alaska issue its general obligation bonds in  
11 the principal amount of not more than \$315,050,000 for the  
12 purpose of paying the cost of state transportation projects?

13 Bonds Yes [ ]

14 Bonds No [ ]

15 \* Sec. 9. This Act takes effect immediately under AS 01.10.070(c).



# THE COMMUNITY OF KETCHIKAN



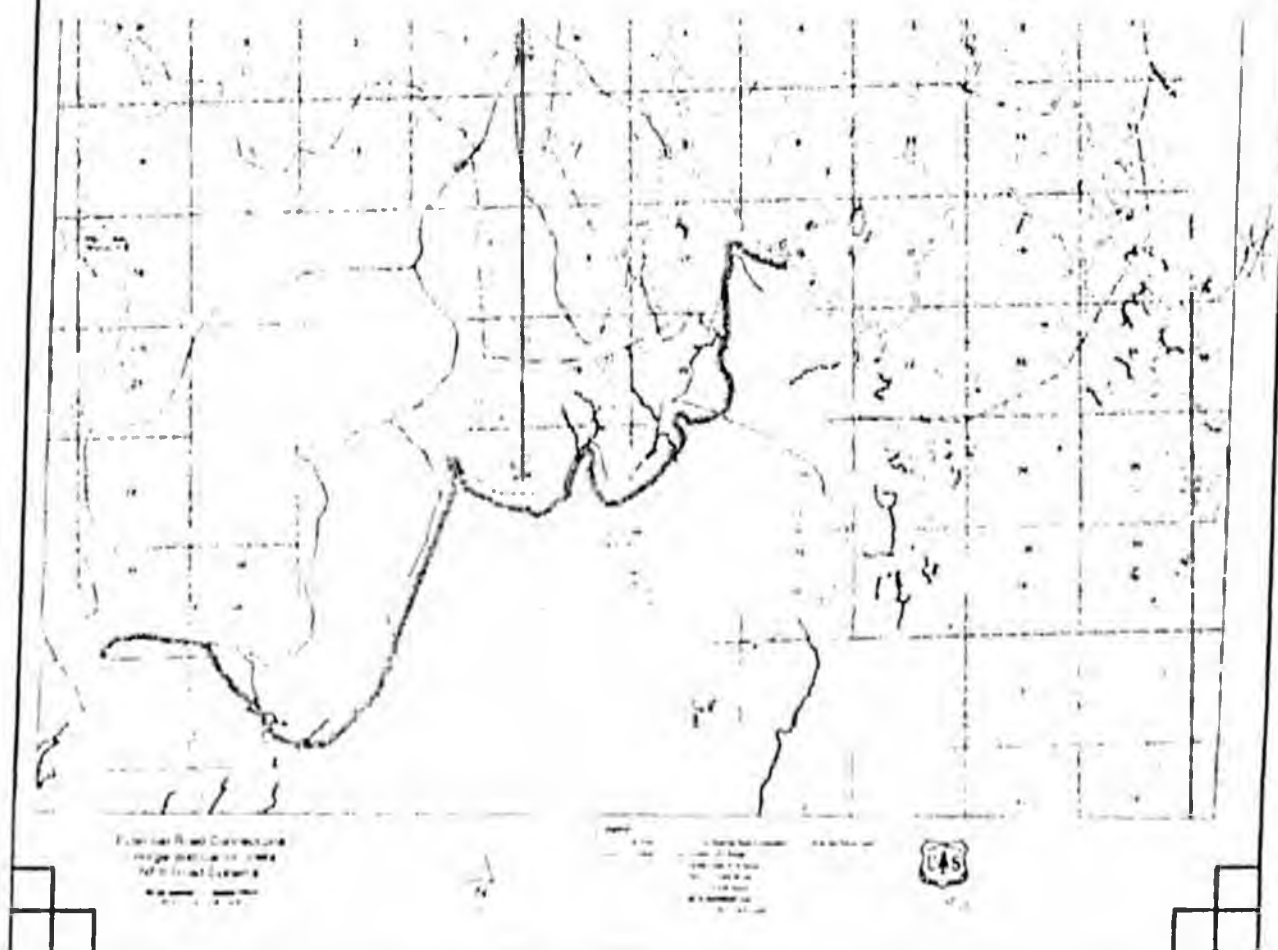
(Continued from page 30)

The CEO for Cape Fox Corporation has recently written a letter of support for this road connection and agrees to provide a public road right-of-way through their private lands.

## Project Benefits

The economic benefits include new road access to private, state and Forest Service lands. This access would encourage development on existing and proposed private land lots. It would also reduce the cost to harvest forest products by the local family owned timber companies. Ketchikan residents would have readily available access to firewood and special forest products such as cedar poles. This new access could provide opportunities for local businesses to develop shore excursions for cruise ship passengers. Ketchikan residents could enjoy a long Sunday afternoon drive on a new road system.

It would be difficult to list all the subsistence and recreational benefits from this road connection. There would be many new areas for deer hunting and berry picking. Winter and summer activities would include new opportunities for hiking, camping, fishing and many others.



SARAH PALIN  
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. BOX 110001  
JUNEAU, ALASKA 99811-0001  
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FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

January 15, 2008

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of state transportation projects.

The state requires a stable transportation construction program. The capital budget addresses many critical transportation needs in Alaska. However, there is much more that needs to be done. Low interest notes provide the opportunity to keep overall spending low, while at the same time utilizing bond receipts to expand and improve our infrastructure. The use of state bond proceeds allows projects to move from design to completion much faster than the lengthy process that federal funding entails.

Safety, congestion, and gas pipeline preparation were the criteria used to identify these priority projects for inclusion in this bond proposal.

Section 1 of the bill adds a new section to the uncodified law of the state authorizing the issuance and sale of state general obligation bonds in the principal amount of not more than \$140 million if ratified by a majority of the qualified voters of the state who vote on the question. The full faith, credit, and resources of the state would be pledged to the payment of the principal of and interest and redemption premium, if any, on the bonds.

Section 2 of the bill adds a new section to the uncodified law of the state establishing the "2008 transportation project fund" if the voters ratify the issuance of the bonds, to which shall be credited the proceeds of the sale of the bonds except for the accrued interest and premiums.

Sections 3 - 5 of the bill add new sections to the uncodified law of the state appropriating from the 2008 transportation project fund the amounts of \$121.1 million to the Department of Transportation and Public Facilities to be allocated to specified

The Honorable John Harris  
January 15, 2008  
Page 2

to the Department of Transportation and Public Facilities to be allocated to specified road, highway, and bridge projects throughout Alaska; \$10 million to the Department of Commerce, Community, and Economic Development to be awarded as a grant to the Municipality of Anchorage for expansion of the Port of Anchorage; and \$8.9 million to the Department of Natural Resources to be allocated to the South Denali Access Road Design and Construction project.

Section 6 of the bill adds a new section to the uncodified law of the state appropriating from the general fund to the state bond committee \$700,000 or as much of that amount as is found necessary to carry out the provisions of this bill and to pay expenses incident to the sale and issuance of the bonds.

Section 7 of the bill adds a new section to the uncodified law of the state providing that the amount withdrawn from the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital improvements financed under this bill shall be reimbursed from the proceeds of the sale of the bonds.

Section 8 of the bill amends the uncodified law of the state to add a new section providing that the unexpended and unobligated balance of the appropriations made in secs. 3 - 5 lapses and is appropriated to the state bond committee to redeem bonds sold under this bill. Further, sec. 8 provides that amounts expended from the general fund to pay the principal, interest, and redemption premium on the bonds shall be reimbursed from this appropriation to the extent that the money is not needed to redeem the bonds.

Section 9 of the bill amends the uncodified law of the state to add a new section directing the submittal to the voters for ratification at the next general election the question of whether the state shall issue its general obligation bonds in the principal amount of not more than \$140 million for the purpose of paying the cost of state transportation projects.

I urge your prompt and favorable action on this measure.

Sincerely,



Sarah Palin  
Governor

Enclosure

## Changes between HB314 and CSHB314(TRA)

### Sec. 1

- Page 1 line 9 (HB 314); the amount of \$140,000,00, changed to \$170,000,000 in CSHB314.

### Sec 2

- Page 2 line 10 (HB 314) ; amount of \$121,000,000 was changed to \$151,000,000 in CSHB314 (page 2 line 10)

### Sec. 3

- Deleted - Southeast Alaska: pavement rehabilitation \$15M (page 2; line 26 in HB 314)
- Added – Gravina Access \$45M (page 2 line 14 CSHB314)

### Sec. 6

- Page 3 line 13 (HB314) the amount of \$700,000 was changed to \$850,00 in CSHB314(page3 line 14)

### Sec. 9

- Page 4 line 10(HB 314) \$140,000,000 was changed to \$170,000,000 in CSHB314 (page 4 line 10)

PROJECT TITLE	HD	IMPACT NAME	1008 G/O Bonds
Already in the bill, keep in:			
Municipality of Anchorage - Port of Anchorage Intermodal Expansion Project	50	Anchorage Areawide	\$ 10,000,000
Dalton Highway Improvements	99	Statewide	\$ 14,000,000
Dowling Road: Old Seward Highway to Minnesota Drive	50	Anchorage Areawide	\$ 22,100,000
Kenai Borough Road Projects	90	Kenai Areawide	\$ 8,000,000
Nome: Snake River Bridge Replacement	39	Bering Straits	\$ 10,000,000
Parks Highway Weight Restriction Elimination Program	99	Statewide	\$ 15,000,000
Seward Highway: Windy Corner Safety Improvements	50	Anchorage Areawide	\$ 20,000,000
Sleese Highway / Johansen Expressway Area Traffic Improvements	60	Fairbanks Areawide	\$ 15,000,000
			\$ 114,100,000
Add these projects to the bill (under DOT)			
Sterling Highway, Mackey Lake Road to Sterling Pavement Rehabilitation	90	Kenai Areawide	\$ 11,000,000
Glenn Highway MP181 to 189 Tolsona Road to Richardson Highway Junction Rehabilitate and resurface including bikeway	12	richardson/glenn highway	\$ 13,000,000
Mertarvik: Access road to evacuator center and barge staging area construction	38	Bethel	\$ 3,300,000
Kivalina: community roads protection	40	Arctic	\$ 3,300,000
Craig-Klawock Hollis Highway: Resurfacing of Craig-Klawock Section	5	Cordova/Southeast Is.	\$ 4,800,000
Copper River Highway: Mile 38-43 highway protection	5	Cordova/Southeast Is.	\$ 5,100,000
Ketchikan Gateway Borough: Harriet Hunt Lake to Shelter Cove Road	1	Ketchikan	\$ 10,000,000
Mat-Su: Fairview Loop Road Reconstruction	13-16	Mat-Su Areawide	\$ 22,000,000
Statewide Emergency Bridge Repair	99	Statewide	\$ 20,000,000
			\$ 92,500,000
Grant to Municipality:			
Anchorage: Victor Road-Diamond Boulevard to 100th Avenue-upgrade and trade	50	Anchorage Areawide	\$ 14,000,000
			\$ 14,000,000
Remove from transportation GO bill:			
Gravina Access	1	Ketchikan	\$ 45,000,000
South Denali Access Road Design and Construction	99	Statewide	\$ 8,900,000
Northern Access to University Medical District Study	50	Anchorage Areawide	\$ 2,000,000
		total removed from bill.	\$ 55,900,000
		\$ 114,100,000	remaining in bill
		\$ 92,500,000	add
		\$ 14,000,000	add
		\$ 220,600,000	CS total

**Department of Transportation GO Bond Projects**

Anchorage: Connect Anchorage - Dowling Rd Old Seward Hwy	\$22,100,000
Anchorage: Connect Anchorage Study - Northern Access to University medical district	\$2,000,000
Dalton Highway Improvements	\$14,000,000
Kenai Borough Road Projects	\$8,000,000
Nome: Snake River Bridge Replacement	\$10,000,000
Parks Highway: Weight Restriction Elimination	\$15,000,000
Seward Highway: Windy Corner Safety Improvements	\$20,000,000
Southeast Alaska :Pavement Rehabilitation	\$15,000,000
Stees Highway/Johansen Expressway Area Traffic Improvements	\$15,000,000
TOTAL	\$121,100,000

**Alaska Trucking Association, Inc.**

3443 Minnesota Drive · Anchorage, Alaska 99503 · Phone (907) 276-1149 · Fax (907) 274-1946  
[www.aktrucks.org](http://www.aktrucks.org)

*The authoritative voice of the trucking industry in Alaska*

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CSHB 314

GO Bonds Bill

House Finance Committee Hearing

1:30 pm, April 4, 2008

Aves D. Thompson, Executive Director

Alaska Trucking Association

Thank you. Mr. Chairman and members of the committee, I am Aves Thompson, Executive Director of the Alaska Trucking Association. Our more than 200 member companies represent all of the diverse trucking operations from Barrow to Ketchikan. In Alaska: trucking employs over 21,000 people - 1 out of 14 civilian workers; trucking pays more than \$928 million in wages annually and consists of several thousand family-owned and corporate trucking businesses (most have fewer than 10 employees).

ATA supports the projects to be funded through this bond issue. Today I want to focus on two specific projects that we believe are critical. The first is the \$14,000,000 Dalton Highway Improvement project. This will fund major improvements to the only surface transportation link to the oilfields on the north slope. Secondly, the Parks Highway is the major freight corridor between the Port of Anchorage and the interior and will play a pivotal role in facilitating gas line construction. The Parks Highway is 364 miles long and we have been working for years to get the entire highway up to a standard that does not require seasonal weight restrictions. At this time, there are less than 50 miles of sub standard road that are restricted which effectively restricts the entire corridor. We support \$15,000,000 for continuing this project.

Improvements to these main routes are essential to maintain current levels of freight movement and to begin to prepare for a gasline project.

While ATA supports the projects in this bill, we take no position on whether these projects should be bonded or included in the capital budget. We feel you are much better qualified to make that decision than we.

Thank you for the opportunity to testify.



*If you got it, a truck brought it...*

*Aves*



# THE COMMUNITY OF KETCHIKAN



## Revillagigedo Island Road Access Harriet Hunt Lake to Shelter Cove Road Connection

### FUNDING REQUEST

\$20,000,000

#### PROJECT SUMMARY:

This 10 mile road connection is presently in the Roads to Resources program of the Alaska Department of Transportation and scheduled to be funded out of the General Fund. This project would link the two existing road systems on Revillagigedo Island, providing Ketchikan residents and visitors access to state, federal and private lands and a Forest Service road system that terminates at Shelter Cove in Carroll Inlet. The community and the borough would realize significant long term economic, subsistence and recreational benefits from this connection. See the enclosed map.

#### PROJECT HISTORY:

In 2001, the Ketchikan Gateway Borough Assembly passed resolution 1363, which supported this project. They submitted a Forest Highway Proposal application at that time. Unfortunately, the proposed road standard was too costly. Also, portions of the road location would require a right-of-way from Cape Fox Corporation and they were not supportive.

In 2006, Mental Health Trust sold timber from the Leask Lakes parcel near at the head of George Inlet to Alcan Timber Company. They have constructed low standard roads to remove this timber, resulting in additional road segments available for reconstruction and use in this project.

During the Murkowski administration, this road connection was added to the Roads to Resources program and scheduled to be funded out of ADOT's General Fund. It is still in this program, and in summer of 2007, aerial photography and low level radar were flown along the proposed location. Early discussions on rights of way were also initiated.

In 2007, the Forest Service reconditioned and resurfaced the road segments on their ownership that would link this completed road system.

#### PROJECT PROPOSAL:

- This road connection is proposed to be retained and funded in the Roads to Resources program by the Palin administration.
- The proposed road standard is a 14 foot wide single lane road with turnouts. It would be surfaced with rock and gravel.
- ADOT is proposed to accept the road maintenance of this new road until it reaches the Forest Service boundary. The Forest Service would accept the long term maintenance of the portion of the road on federal lands.

*(Continued on page 31)*

**HB**

**315**

**HFIN**

**FILE**



# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 315  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): HB315-CED-01-02-04-08 Dept. Affected: Commerce  
Title Extend Big Game Commercial Services Board RDU Corp. Bus & Prof Licensing (117)  
Component Corp. Bus & Prof Licensing  
Sponsor Rules by Request of LB&A  
Requester House Labor and Commerce Component Number 2360

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

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>							
Personal Services		199.2	199.2	199.2	199.2	199.2	
Travel		102.5	102.5	102.5	102.5	102.5	
Contractual		108.5	108.5	108.5	108.5	108.5	
Supplies		14.5	14.5	14.5	14.5	14.5	
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>424.7</b>	<b>424.7</b>	<b>424.7</b>	<b>424.7</b>	<b>424.7</b>	

<b>CAPITAL EXPENDITURES</b>							
-----------------------------	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>							
-------------------------------	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1007 GF/Mental Health							
1156 Receipt Supported Services		424.7	424.7	424.7	424.7	424.7	
<b>TOTAL</b>	<b>0.0</b>	<b>424.7</b>	<b>424.7</b>	<b>424.7</b>	<b>424.7</b>	<b>424.7</b>	

Estimate of any current year (FY2008) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

This legislation extends the Big Game Commercial Services Board to June 30, 2012. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the Board to conclude its affairs. FY 2009 funding is included in the Operating Budget request. The costs shown for subsequent fiscal years reflect the direct costs included in the FY 2009 budget.

The program is required to cover its costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs.

Prepared by: Chris Wyatt, Administrative Officer  
Division: Corporations, Business, and Professional Licensing  
Approved by: Emil R. Nolfi, Commissioner  
Commerce, Community, and Economic Development

Phone: (907)465-2572  
Date/Time: 2/4/08 11:09 AM  
Date: 1/24/2008

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

## DEPARTMENT OF FISH AND GAME BOARD OF GAME

ADF&G  
P.O. BOX 115526  
JUNEAU, AK 998011-5526  
PHONE: (907) 465-4110  
FAX: (907) 465-6094

2/5/08

January 26, 2008

Representative Ralph Samuels, Chairman  
Legislative Budget and Audit Committee  
State Capitol, Room 204  
Juneau, AK 99801

Dear Representative Samuels,

Re: Board of Game support to extend sunset date of the Big Game Commercial Services Board to 2012 (HB 315 and SB 225).

The Board of Game supports the legislation to extend the sunset date for the Big Game Commercial Services Board (BGCSB). Our board works closely with the BGCSB to support the adoption of regulations affecting service providers operating as guide/outfitters and transporters across the state.

The Board of Game has not been given the statutory authority to regulate the guides, outfitters and transporters that impact Alaska's wildlife resources. Since the loss of the former guide area system utilized by the guide industry, prior to 1988, the BOG has received a continuous flow of proposals that ask to reduce or even eliminate the amount of wildlife harvested on state lands by guided hunters. These proposals are variously supported by the public, impacted rural communities, local state Fish and Game Advisory Committees and the Department of Fish and Game. Unfortunately, the programs the BOG has developed to address the wildlife conservation concerns have little ability to provide for one service provider over another. As the BOG cannot control the number of guides, the manner of responding to these concerns is most commonly development and adoption of a complex set of regulations that limits guided hunter opportunity. Changing general hunts to limited entry permit hunts, registration permit hunts and restricting use by establishing controlled use areas represent some of the programs used to limit hunter conflicts.

We see the actions of the BGCSB as a more palatable resolution to this problem with far less negative impact on Alaska's big game guide industry. We also retain a Board of Game seat on the 9 member BGCSB to facilitate additional coordination.

Thank you for your time and efforts on Senate Bill 225 and House Bill 315. Please let us know if there is anything more we can do to ensure the sunset set for the Big Game Commercial Services Board is extended.

Respectively yours,

Cliff Judkins, Chairman  
Alaska Board of Game

cc: The Honorable Sarah Palin, Governor  
Senator Gary Stevens, Chairman, Senate Rules Committee  
Representative John Coghill, Chairman, House Rules Committee