

**SCOMM**

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# ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair  
Rep. Kim Elton  
Rep. Richard Foster  
Rep. Jeannette James  
Rep. Beverly Masek  
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair  
Sen. Loren Leman  
Sen. Georgianna Lincoln  
Sen. Robin Taylor  
Sen. Gary Wilken  
Sen. Mike Miller

## DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

### **Deferred Maintenance Task Force -- A Strong Beginning**

By

**Representative Eldon Mulder, Co-Chair**

**Deferred Maintenance Task Force**

**Republican, District 23**

**Muldoon/Ft. Richardson**

**June 11, 1998**

1998 was a breakthrough year for the Alaska Legislature in addressing Alaska's deferred maintenance needs. Not only did we fund over half a billion dollars of needed deferred maintenance, we also put into place critical solutions to reduce the opportunity for continued maintenance backlogs.

In 1997, the Legislature, as part of the Republican-led Majority's Commitment to Alaska, created the Deferred Maintenance Task Force composed of 12 legislators. It was Co-Chaired by Senator Tim Kelly and myself.

During the Fall of 1997, the Task Force received over 60 hours of public testimony during 14 days of public hearings in various Alaska communities. While in those communities, the Task Force viewed: 18 schools, 3 University of Alaska campuses, 3 prisons, 1 community jail, 5 harbors, 8 airports, 15 other public buildings, and hundreds of miles of roads and highways.

**Deferred Maintenance Task Force -- A Strong Beginning**  
**Representative Eldon Mulder, Co-Chair**  
**June 11, 1998**  
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The Task Force reviewed needs provided by state agencies and various school districts and identified over \$1.4 billion of needed repairs. Our task was then twofold. First, develop a plan to fund the needed repair. Second, recommend actions that would prevent a recurrence.

The Task Force recommended we finance the needed repairs over the future useful life of the facilities. We recommended that the legislature create a new agency in the Department of Revenue and use "revenue bonds" as a means of financing the needed repairs. The proposal outlined a 6 year plan for funding and specified projects for funding over the 6 year period.

The Task force focused on the importance of education to Alaskans. We recognized the need for adequate facilities for learning to take place. As a result, the Task Force recommended funding over \$584 million for K - 12 and \$228 million for the University to address deferred maintenance, general repair, replacement, and new facilities in areas of population growth.

This was a tall order even when oil was selling at more than \$18 a barrel. However, when we arrived in Juneau last January, the price of oil had fallen to below \$16 per barrel. The price dropped all the way to \$10.11 per barrel on April 23, 1998, while we were considering funding the Deferred Maintenance Task Force recommendations.

The Task Force also recommended several actions to reduce the future possibility of deferred maintenance recurring. We recommended that any recipient of capital funding from the state be required to have a preventive maintenance program in place. We recommended that the state's budgeting process be changed to require separate accounting and funding for

**Deferred Maintenance Task Force -- A Strong Beginning**  
**Representative Eldon Mulder, Co-Chair**  
June 11, 1998  
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maintenance. This would prevent funds intended for maintenance being redirected for other purposes.

The House and Senate Majorities kept their commitment by addressing the most urgent deferred maintenance needs of our state assets. Over 30% of the \$1.4 billion of recommended needs were funded -- a significant start toward accomplishing the 6 year goal recommended by the Task Force.

In all, the legislature funded over \$526 million of maintenance needs as follows:

Schools K-12	\$319,000,000
University of Alaska	53,000,000
Highways and Airports	2,000,000
(Not including \$25 million in federal funds used for rural airport repairs)	
Marine Highways	13,000,000
Harbors	27,000,000
Buildings & Other	92,000,000
ADA Compliance	4,000,000
Water, Sewer, Fuel Spills	<u>16,000,000</u>
<b>TOTAL</b>	<b>\$526,000,000</b>

In addition, the Legislature passed SCR 19 encouraging the use of prototypical school designs. This will reduce the cost of construction and maintenance of new schools. Our goal was to fund 10% more schools with the savings.

We passed HB 313 that requires preventive maintenance programs of those who want to receive capital funding from the state. We also passed HB 315

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that requires the state to budget separately for maintenance so that funds will be used strictly for those needs.

In the final analysis, the Deferred Maintenance Task Force was extremely successful. We began the discussion of deferred maintenance and we recommended a plan.

The Second Session of the Twentieth Legislature began the process of addressing our deferred maintenance needs. We funded the highest priorities -- educational funding and health and safety repairs.

The process has begun. We made the commitment to move toward the goal. The Legislature began work on the six year plan recommended by the Task Force. Next year we will continue moving toward the goal of repairing **all** our state facilities. We demonstrated our commitment to build an Alaska for the 21st century.

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## DEFERRED MAINTENANCE TASK FORCE

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# MEMORANDUM

DATE: May 26, 1998  
TO: Members, Deferred Maintenance Task Force  
FROM: Representative Eldon Mulder *Eldon Mulder*  
Co-Chair  
RE: Actions by Twentieth Legislature, Second Session

Senator Tim Kelly *TK*  
Co-Chair

Deferred maintenance was a major concern for the Second Session of the Twentieth Legislature.

1. SCR 19 was passed and filed as Legislative Resolve #55. The Department of Education responded with a report to the legislature on April 9, 1998.
2. HB 313 which requires a maintenance program in place prior to receiving state grant funds was passed and is on the governor's desk.
3. HB 315 which requires separate budgeting for maintenance passed and is on the governor's desk.
4. Over \$526 million dollars of maintenance needs were funded. That is approximately 37.5% of the amount identified by the Task Force.

Schools K-12	\$319,000,000
University of Alaska	53,000,000
Highways and Airports*	2,000,000
Marine Hiways	13,000,000
Harbors	27,000,000
Buildings & other	92,000,000
ADA Compliance	4,000,000
Water, Sewer, Fuel Spills	<u>16,000,000</u>
TOTAL	\$526,000,000

\*Does not include \$25 million in Fed Funds for rural airport repairs

Members, Deferred Maintenance Task Force

May 26, 1998

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Beyond this, the notion of bonding for major capital repairs was accepted by the Finance Committees. They chose to use AHFC as the vehicle rather than creating a new authority and transferring a portion of the Constitutional Budget reserve to a Build Alaska Fund. Nonetheless, the recommendations of the Task Force were well received. The majority of the recommendations were passed by the legislature.

We have begun the process of resolving the deferred maintenance problems in Alaska. We have not completed the task, but for the first year, we have traveled a significant distance toward the goal. We expect to continue with this project in the Twenty First Legislature.

Thank you for your work on the Deferred Maintenance Task Force. Our work and our report were well received. The results of legislative actions this year will help address the deferred maintenance needs and help prevent a recurrence in another 10 years.

cc: Members of the Twentieth Legislature

## Scaling back our expectations

**A**laska's oil fields were a lot like the genie in a magic lamp. When oil barons dusted off the lamp and gave it a rub, the genie came out and granted Alaska three wishes. We wished for a big pile of money, an income-tax-free government and a sport utility vehicle in every driveway. We all didn't get our Ford Explorers, but batting a .666 wasn't bad for an oil field genie.

As a state we didn't, however, ask for another three wishes. If we had, we might have considered setting up a perpetual dedicated fund to pay for the maintenance of the state's roads, schools, buildings and harbors, all of which are now in dire need of repair after years of neglect.

In November the legislative task force charged with finding a solution to the state's deferred maintenance problems recommended a transfer of \$1.4 billion from the state Constitutional Budget Reserve to a new corporation it is proposing, known as the Alaska Public Facilities Construction Fund.

The state could use the interest on that fund to get tax-free revenue bonds, which would pay for the repairs. The principal of the fund wouldn't be touched. In this way, repairs on the state's aging buildings, schools, harbors and roads could be accomplished over the next six years, and still not knock down the majority's five-year plan to close the state's overall fiscal gap — the gap between spending and the amount of oil revenue coming in.

It was a good plan, overall. The task force realized that buying bonds to fund repairs actually put the state in a better financial position than if it paid for the repairs outright. And the fund could help take care of future problems, as well.

The first shoe dropped with the dip in oil prices during the last months. Below \$15 a barrel now, oil isn't going to be the immediate fix-all for maintenance, at least not this year. Sen. Mike Miller warned that the \$1.4 billion number may have to be cut drastically. The reason? Now may not be the time to take a large amount of money out of the Constitutional Budget Reserve, a fund that has many demands for meeting the state's needs in years of lean oil revenues.

The Deferred Maintenance Task Force and the Legislature will probably have to settle on a less ambitious plan for repairs, spreading those repairs out over a longer time line.

In the meantime, the idea of making the proposed construction fund a permanent fund of its own is something that deserves further public discussion. Also on the table for discussion should be the creation of separate categories, or line item appropriations for programs and structures, in the budgeting process. As it stands, instead of trimming programs so that responsible structural maintenance could be afforded, programs are often as large as ever, being operated out of leaky buildings, a spending outcome that may skirt legislative intent.

In general, the concept offered by the Deferred Maintenance Task Force is sound. Even if the launching of this repairs program is less aggressive than the group had wished for, it's still a plan worth putting in place for the long haul, or at least until we find the next magic lamp.

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### Building an Alaska for the 21st Century

The Task Force on Deferred Maintenance will recommend to the Legislature the creation of the **Build Alaska - Public Facilities Construction Fund**. It will sell almost \$1.5 billion of bonds over the next six years. The Task Force proposes to finance its proposal with bonds supported by the interest on funds from the Constitutional Budget Reserve.

The following Deferred Maintenance Task Force Recommendations are of specific interest to members of the Alaska Municipal League:

1. Over **\$550 million** of state funding for **local schools**. That includes funding for deferred maintenance and replacements where more cost effective. When the local share is included we expect that will support \$650 million in construction.
2. **\$55 million** for repair of **harbors** with a priority to those wanting to take ownership if the state authorizes funds to repair facilities.
3. **\$105 million** in **water and sewer** funds.
4. **\$299 million** to repair **state roads, airports** and the **marine highway** that provide access to your communities.

The Task Force listened to presentations by representatives of the Alaska Municipal League. We adopted recommendations suggested in the testimony to repair local schools and to repair local harbors with the intent of transferring them to local ownership. The Task Force did not adopt the proposal for a "Community Dividend". The Task Force felt that repairing municipal facilities and creating a new revenue sharing program for municipalities is beyond its mandate.

Information on the draft recommendations, financing plan and criteria for prioritization are attached. The Task force will formally adopt its report at its final meeting on January 10, 1998, in the House Finance Room of the state Capitol Building in Juneau.

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### **Building an Alaska for the 21st Century** **Task Force Unveils Deferred Maintenance Recommendations**

**For Immediate Release: Friday, November 7, 1997**  
Contact: Denny DeWitt, Legislative Assistant to Rep. Mulder  
907/465-2647, 907/258-8193

**Anchorage -- Members of the Legislative Deferred Maintenance Task Force Friday unveiled several recommendations to address Alaska's ongoing maintenance needs.**

The Deferred Maintenance Task Force visited 16 communities, 16 schools, 3 University campuses, 3 prisons, 3 harbors, 8 airports, 13 other public buildings and hundreds of miles of state highways. The Task force held over 60 hours of public hearings. In addition, the Task Force members visited with hundreds of Alaskans during various site visits.

The Deferred Maintenance Task Force Thursday concluded a heavy schedule of public hearings, public testimony, and site visits throughout the state. The Task Force tentatively adopted several recommendations along with a six-year a plan to finance the needs to repair Alaska's infrastructure for the 21st Century.

"This has been the most active interim task force I've ever served on," Representative Eldon Mulder, Co-Chair of the Task Force said. "We have been able to see much of what needs repair and heard reasons why our facilities have gotten into such bad repair. Finger pointing won't solve this problem. We have a solid financing plan for legislative consideration along with recommendations to prevent the problem happening again."

The Deferred Maintenance Task Force developed criteria for prioritizing almost \$1.5 billion of projects over a six-year period. The criteria includes health and safety concerns, preservation of educational programs, economic development, history of maintenance and other criteria. The criteria will be used to create a list of projects to be funded by the "Build Alaska - Public Facilities Construction Fund".

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Deferred Maintenance

"I am encouraged by the bipartisan cooperation shown to address this major problem," said Senator Tim Kelly, Task Force Co-Chair. "We have identified over \$1 billion of needs for repair of our schools, highways, airports, buildings and the University of Alaska. Our financing proposal - "Build Alaska" - addresses these critical needs over a six year period. The plan protects the Permanent Fund and doesn't require any new state taxes. We can use the investment opportunities of the Constitutional Budget Reserve without reducing the principal in the fund."

The Task Force tentatively adopted a list of recommendations including a \$1.42 billion Build Alaska - Public Facilities Financing Plan, draft legislation to require maintenance programs for public facilities, separate budget appropriations for maintenance, and the use of prototypical schools. The task force will ask several standing committees to review issues such as lighter weight studs in tires and their impact on maintenance of our roads, and regulatory standards that unnecessarily increase the cost of construction.

"As sponsor of the Resolution that created the Task Force and as a member, I can tell you that it has responded to its charter. We have developed a list of what needs repair, recommendations to keep from falling back into the same quagmire of not maintaining our facilities, and recommendations for financing repairing our public assets," House Speaker Gail Phillips said.

The Task Force will recommend the administration continue moving toward establishing a rental concept for agencies using state buildings. The concept has been under consideration since the Hickel Administration and is almost ready for a pilot program. The concept will help deal with maintenance responsibility and force a more serious consideration of space needs and use.

"We have identified the problem, we have reviewed the needs, and we have proposed a workable solution," said Representative Mulder. "It is a large problem and includes some of the less popular needs like prisons and state buildings along with schools, the University, and roads. This Task Force addressed a large range of problems, not just the "Photo Opportunity" projects and is recommending a plan to address the full scope."

"I am proud to be the Co-Chair of this Task Force," said Senator Kelly. "This Task Force has been willing to tackle the whole problem and do the "heavy lifting" that actually gets improvements off the planning boards and onto the ground." The work of the Deferred Maintenance Task Force will serve to make Alaska in the 21st century a safer and better place to live."

Legislative leaders have said that consideration of the Deferred Maintenance Task Force's proposal will be one of the top priorities for the next legislative session.

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Radio Actualities available by calling 800/478-6540

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### ACTION AND RECOMMENDATIONS

The Deferred Maintenance Task Force Tentatively adopted the following for inclusion in its final report. Staff will refine proposals and prepare final draft for final approval on January 10, 1998.

ISSUE	TASK FORCE ACTION
1. Financing Plan	Tentative Adoption
2. Level of Local Financial Responsibility	Tentative use of current match rates
3. Legislation	
a) Build Alaska - Public Facilities Financing Corporation	Prepare draft legislation
b) Required Maintenance Program	Prepare draft legislation
c) Separate Appropriation for Maintenance	Prepare draft legislation
d) Ballot Measure - Advisory Vote	Prepare draft legislation
e) Use of Prototypical Models for Schools	Prepare draft resolution
f) Expand DOE Ability to Review and Alter Proposed School Site and Design	Refer to HES Com
g) Eliminate hard metal studs in tires	Refer to Transportation Com
4. Transferring State Ownership of Harbors	Include in plan
5. Transferring Highway Ownership	Refer to Transportation Com
6. Rent Concept	Support Pilot Project
7. Reduce Unnecessary Regulatory Requirements on State Construction	Refer to Regulation Review Jt. Com
8. Prioritization	Use Draft
a) Components of each year's Funding	Work on Six Year schedule
b) Within each category	Continue work with Administration

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**WORKING DRAFT**

**Deferred Maintenance Task Force**  
**BUILDING ALASKA FOR THE 21ST CENTURY**

**Build Alaska Expenditures for Public Facility Repair and Replacement Construction**

**SIX-YEAR Build Alaska financing plan will support:**

**Repair**

<b>Schools</b>	<b>\$296,000,000</b>
<b>University</b>	<b>\$188,000,000</b>
<b>Highways, Marine</b>	
<b>Highway, Airports</b>	<b>\$299,000,000</b>
<b>Harbors</b>	<b>\$55,000,000</b>
<b>Public Facilities</b>	<b>\$173,000,000</b>
<b>Water &amp; Sewers</b>	<b>\$105,000,000</b>
<b>Subtotal</b>	<b>\$1,116,000,000</b>

**Replacement**

<b>Schools and University</b>	
<b>Buildings</b>	<b>\$304,000,000</b>
<b>Subtotal</b>	<b>\$1,420,000,000</b>

**Total available in financing plan**

<b>Schools, University</b>	
<b>Buildings, and Other</b>	<b>\$80,000,000</b>
<b>Construction</b>	

**NOTE: Sale of the Four Dam Pool and a blend of 15 and 20 year bonds could easily net an extra \$200 million from the proposed funding plan.**

<b>Total</b>	<b>\$1,500,000,000</b>
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**Deferred Maintenance Task Force  
Building Alaska for the 21Century**

<b><i>BUILD ALASKA</i> Spending and Debt Service</b>							
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>6 YEAR TOTAL</u>
Build Alaska Debt Service	30,000.0	25,000.0	25,000.0	25,000.0	20,000.0	17,000.0	142,000.0
Cumulative Annual New Debt Service	30,000.0	55,000.0	80,000.0	105,000.0	125,000.0	142,000.0	537,000.0
Build Alaska Funds Available from Bonding	300,000.0	250,000.0	250,000.0	250,000.0	200,000.0	170,000.0	1,420,000.0
Capital Funds Available from General Fund Cash	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	540,000.0
<b>Totals</b>	<b>390,000.0</b>	<b>340,000.0</b>	<b>340,000.0</b>	<b>340,000.0</b>	<b>290,000.0</b>	<b>260,000.0</b>	<b>1,960,000.0</b>

## Deferred Maintenance Task Force

### Building Alaska for the 21st Century

#### BUILD ALASKA FINANCING PLAN INTEGRATION INTO FIVE YEAR BUDGET STRATEGY

	FY 1998	FY 1999	FY 2000	FY2001	FY 2002	FY 2003				
<b>Revenues</b>										
Unrestricted Revenues	2,080.9	2,000.4	1,976.1	1,979.0	1,959.7	1,919.8				
Adjustments	(58.7)	(56.1)	(63.8)	(63.8)	(60.0)	(60.0)				
AHFC Dividend	70.0	72.1	74.3	76.5	78.8	81.1				
AIDEA Dividend	16.0	15.0	15.0	15.0	15.0	15.0				
General Fund Balance Forward	66.8									
CBRF Appropriated to Gen. Fund	161.1	204.7	200.0	203.3	205.4	239.8				
Revenue from Tobacco Tax	17.8	32.0	32.0	32.0	31.0	31.0				
Remaining New Revenues	40.6	46.0	38.4							
<b>Total Revenues</b>	<b>2,394.5</b>	<b>2,314.1</b>	<b>2,272.0</b>	<b>2,242.0</b>	<b>2,229.9</b>	<b>2,226.7</b>				
<b>Expenditures</b>										
Operating	2,151.5	2,096.5	2,071.6	2,058.2	2,058.2	2,058.2				
Debt Service	87.4	85.5	68.3	51.7	39.6	36.4				
Capital - Cash	100.0	90.0	90.0	90.0	90.0	90.0				
Capitol to Bond Debt Service		10.0	10.0	10.0	10.0	10.0				
Special/Transfers/Fund Capitalization	15.5	15.1	15.1	15.1	15.1	15.1				
Supplementals	16.5	17.0	17.0	17.0	17.0	17.0				
<b>Total Expenditures</b>	<b>2,370.9</b>	<b>2,314.1</b>	<b>2,272.0</b>	<b>2,242.0</b>	<b>2,229.9</b>	<b>2,226.7</b>				
<b>Expenditure Reduction</b>		<b>56.8</b>	<b>42.1</b>	<b>30.0</b>	<b>12.1</b>	<b>3.2</b>				
							FY 2004	FY 2005	FY 2006	FY 2007
<b>CBRF Beginning Balance</b>	<b>3,297.4</b>	<b>3,515.1</b>	<b>3,805.6</b>	<b>4,100.9</b>	<b>4,161.1</b>	<b>4,175.8</b>	<b>4,151.4</b>	<b>4,167.9</b>	<b>4,185.7</b>	<b>4,204.7</b>
Projected Earnings	236.1	251.7	272.5	293.6	297.9	299.0	297.2	298.4	299.7	301.1
Transfers to General Fund	(161.1)	(204.7)	(200.0)	(203.3)	(205.4)	(239.8)	(165.9)	(165.9)	(165.9)	(165.9)
Transfers to Build Alaska Fund	(17.8)	(26.5)	(47.2)	(55.1)	(102.8)	(108.6)	(139.8)	(139.8)	(139.8)	(139.8)
Additional Settlement Deposits	160.5	270.0	270.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
<b>CBRF Fund Ending Balance</b>	<b>3,515.1</b>	<b>3,805.6</b>	<b>4,100.9</b>	<b>4,161.1</b>	<b>4,175.8</b>	<b>4,151.4</b>	<b>4,167.9</b>	<b>4,185.7</b>	<b>4,204.7</b>	<b>4,225.0</b>
<b>Build Alaska Fund Beginning Balance</b>										
<b>Build Alaska Fund Beginning Balance</b>	<b>0.0</b>	<b>17.8</b>	<b>24.3</b>	<b>26.5</b>	<b>11.4</b>	<b>18.4</b>	<b>11.0</b>	<b>6.5</b>	<b>2.0</b>	<b>0.4</b>
Revenue from Tobacco Tax	17.8	32.0	32.0	32.0	31.0	31.0	31.0	30.0	30.0	30.0
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from CBRF and operations	87.4	90.0	93.5	84.6	120.6	123.0	139.8	139.8	139.8	139.8
Build Alaska Fund Debt Service		(30.0)	(55.0)	(80.0)	(105.0)	(125.0)	(142.0)	(142.0)	(142.0)	(142.0)
Current Debt Service	(87.4)	(85.5)	(68.3)	(51.7)	(39.6)	(36.4)	(33.3)	(32.3)	(29.4)	(21.9)
<b>Capital Fund Ending Balance</b>	<b>17.8</b>	<b>24.3</b>	<b>26.5</b>	<b>11.4</b>	<b>18.4</b>	<b>11.0</b>	<b>6.5</b>	<b>2.0</b>	<b>0.4</b>	<b>6.3</b>

Majority Five Year Plan

Build Alaska Six Year Plan

# **Deferred Maintenance Task Force**

## **Building Alaska for the 21st Century**

### **Notes and Assumptions**

- 1 Debt service was adjusted to reflect the latest Alaskan Public Debt Report information less Bank of America income offset
- 2 Capital (cash) was reduced from operating expenditure budget by \$10 million annually. Beginning in FY 1999 that will be used for debt service. (Possible from savings on cash appropriations to Water & Sewer and schools and funded in new bonding proposal.)
- 3 The CBRF rate of return was calculated at 7.16% beginning in FY 1998, reflecting Dept. of Revenue's latest projections.
- 4 Tobacco tax revenue will be used in the Build Alaska Fund to support school bonds
- 5 Tobacco tax revenues utilize Department of Revenue's latest projections
- 6 No interest earnings were calculated on the Build Alaska Fund balance.
- 7 The CBRF principal is not reduced by the Build Alaska program in this scenario
- 8 A blend of 15 and 20 year bonds and/or more favorable rates could net nearly \$1.5 billion from \$125 million in debt service
- 9 Sale of the Four Dam Pool at \$100 million, deposited in the CBRF, could generate an additional \$7 million in earnings to service \$70 million in debt in the Build Alaska Fund.

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### Criteria For Consideration And Prioritization

The Deferred Maintenance will use the following criteria for prioritizing the almost \$ 1.5 billion of deferred maintenance and replacement needs over a six year period. The Task Force will use these criteria and work with the administration to create a list of projects to be funded by the Build Alaska - Public Facilities Construction Fund

1. Health and safety effects
2. Preservation of educational programs
3. Impact on program operation
4. Economic development
5. Feasibility, including public support and project readiness
6. Existence and implementation of a maintenance program
7. Historical maintenance or facility
8. Use of available prototypical facilities
9. Fiscal impacts on costs and revenues
10. Distributional effects
11. Ability to transfer ownership
12. Advantages accruing from relationships to other project proposals

### Working Definition of Deferred Maintenance

The Task Force uses the following definition in collecting its data and considering projects for funding as deferred maintenance needs.

"The aggregation of unfunded routine maintenance and repair and replacement which was not performed in a timely manner due to lack of available funding, lower priority, management decisions to use maintenance funds for other purposes or other recognized delaying factors. "

# ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair  
Rep. Kim Elton  
Rep. Richard Foster  
Rep. Jeannette James  
Rep. Beverly Masek  
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair  
Sen. Loren Lemman  
Sen. Georgianna Lincoln  
Sen. Robin Taylor  
Sen. Gary Wilken  
Sen. Mike Miller

## DEFERRED MAINTENANCE TASK FORCE

### Criteria For Consideration And Prioritization

1. Fiscal impacts on costs and revenues
2. Health and safety effects
3. Distributional effects
4. Historical maintenance of facility
5. Use of available prototypical facilities
6. Feasibility, including public support and project readiness
7. Impact on program operation
8. Ability to transfer ownership
9. Advantages accruing from relationships to other project proposals

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## DEFERRED MAINTENANCE TASK FORCE

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### ISSUES TO RESOLVE

1. **Financing Plan**
2. **Level of Local Financial Responsibility**
3. **Legislation**
  - a) Corporation Concept
  - b) Required Maintenance Program
  - c) Separate Appropriation for Maintenance
  - d) Ballot Measure - Advisory Vote
  - e) Dedicated Funds
  - f) Use of Prototypical Models for Schools
  - g) Expand DOE Ability to Review and Alter Proposed School Siting and Design
  - h) Eliminate hard metal studs in tires
4. **Transferring State Ownership of Harbors**
5. **Transferring Highway Ownership**
6. **Rent Concept**
7. **Reduce Unnecessary Regulatory Requirements on State Construction**
8. **Prioritization**
  - a) Components of each year's funding
  - b) Within each category
    - i) Water & Sewer
    - ii) Harbors
    - iii) University
    - iv) Public Facilities
    - v) Roads & Airports
    - vi) Schools
    - vii) New Construction

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### Report

1. Introduction
2. Summary of Recommendations
3. Travel of Task Force
4. Inventory of needs
5. Financing recommendations
6. Recommendations for Legislation
7. Appendix
  - a) Summary of Hearings
  - b) Summary of Site Visits Including Photographs
  - c) Written Testimony
  - d) Activities in Other States

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## DEFERRED MAINTENANCE TASK FORCE

# DRAFT

### Deferred Maintenance

The aggregation of unfunded routine maintenance and repair and replacement, but not preventive maintenance, which was not performed in a timely manner due to lack of available funding, lower priority or other recognized delaying factors. Deferred maintenance shall be defined as routine maintenance and repair and replacement included in past budgets but not yet accomplished due to recognized delaying factors.

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