

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

2587 SCOMM 111: DEFERRED MAINTENANCE TASK FORCE, 1997

They own THEM
5 HAWAIIES Total

Bethel STATE OWNERS

Public Safety Does NOT view AS STATE Agency

AK puts 503,000 GF OPERATING
Goes AS contract or GRANT to Non Profit

Pg 30 of spreadsheet in Contractual



Trails & Recreational Access for Alaska Citizens Advisory Board

Department of Natural Resources
Division of Parks & Outdoor Recreation
3061 C Street, Suite 1200
Anchorage, AK 99503-5921

Department of Transportation & Public Facilities
Division of Statewide Planning
3132 Channel Drive, Room 200
Juneau, AK 99801-7898

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TOM BRIGHAM, ADOT&PF
Juneau 465-6978

Staff
ODEN BRUDIE, ADOT&PF
Juneau 465-8769

FAX TRANSMITTAL

March 3, 1998

TO: Senator Tim Kelly

FAX: 465-3756

PAGES: 2

FROM: Odin Brudie, DOT&PF TRAAK Board Staff
PHONE: 465-8769
FAX: 465-6984

Re: "Deferred Maintenance"

I am transmitting Resolution No. 98-2 on behalf of the Trails and Recreational Access for Alaska - TRAAK Citizens Advisory Board, who passed the resolution at a meeting in Juneau on February 20 & 21. TRAAK brings together the state agencies that deal with recreation in order to make the best possible use of the limited resources available for community and recreational access improvements. The TRAAK Citizens Advisory Board advises the Departments of Transportation & Public Facilities and Natural Resources on matters relating to TRAAK. Please do not hesitate to give me a call if you have any questions about the TRAAK program or this resolution.

cc: Senator Drue Pearce
Senator Bert Sharp

TRAAK Citizens Advisory Board**RESOLUTION 98-2****Deferred Maintenance of State Park and Recreation Facilities**

At a meeting of the Trails and Recreational Access for Alaska (TRAAK) Citizens Advisory Board held on the 20th and 21st of February, 1998 in Juneau, the following resolution was duly adopted:

WHEREAS: 80% of the visitors to Alaska's state parks are Alaskans, and state park facilities serve the recreation needs of a broad spectrum of Alaskan families;

WHEREAS: many state park facilities, including campgrounds, picnic areas, boat launches, trails and shelters, are in poor and rapidly deteriorating condition due to deferred maintenance which now approaches \$35 million;

WHEREAS: the Division of Parks and Outdoor Recreation recently had to reduce or postpone approved and needed TRAAK projects due to an inability to maintain the facilities following construction; and

WHEREAS: under current funding levels, recreation facilities throughout the State Park system will continue to deteriorate, resulting in increased safety hazards, loss of fee revenue due to users choosing other better maintained facilities, and lost recreation opportunities for many Alaskans, including families;

NOW THEREFORE BE IT RESOLVED:

1. That repair and rehabilitation of state park and recreation facilities be included in any program to address deferred maintenance of state facilities which may be enacted by the Alaska State Legislature; and
2. The annual budget for the Division of Parks and Outdoor recreation be increased to provide for maintenance of new facilities; and
3. That this resolution be distributed to Governor Tony Knowles, Senator Tim Kelly, and Representative Eldon Mulder.

Adopted on the 21st. day of February, 1998



Peter Rice, Acting Chairperson

JOSEPH W. GELDHOF

Attorney at Law
229 4th Street
Juneau, Alaska 99801
(907)586-8193
E mail: joeg@alaska.net

HAND DELIVERED

March 17, 1998

Representative Eldon Mulder
State Capital, Room 501
Juneau, Alaska 99811

Re: Deferred Maintenance

Dear Representative Mulder:

I am writing to sketch out a proposal to address the "deferred maintenance" issue, a topic of considerable interest during the last year. I know you have spent significant time this last year trying to develop a workable solution to this long-standing problem. It my hope that the Alaska Legislature will address this important issue in manner that will insure that the long-term maintenance needs of Alaska are efficiently meet.

The reduction in maintenance for buildings and other capital assets owned by the State of Alaska over the last several decades stems from a loss of collective political will in the Administrative and Legislative branches of government. The reduced priority for maintenance by the political system reflects a significant and widespread shift in priorities with the public, e.g. the United States spends considerably less governmental funds on infrastructure and capital maintenance than other G-7 nations. In our little slice of this world, we have undergone huge societal changes during the past two decades. Attitudes have obviously changed regarding maintenance priorities and it seems to me that the only maintenance the public really cares about is snowplowing, which really isn't maintenance at all. As a society we've somehow become focused on the short term, perhaps as a result of all our oil wealth and the fluctuations in oil prices.

In any event, if we are going to solve the problem of long-term maintenance in a society with a short-term perspective, it is essential to

remove (to some extent anyway), the propensity to log-roll the maintenance needs of our State. Here's how I'd approach the problem: First, the Legislature should establish a discrete account (along the lines of the old Railbelt Energy Fund), that will annually generate significant revenue to be used for maintenance around the state. Part and parcel of this new fund (set up as a separate fund in the General Fund¹ and administered by the Department of Revenue), is a formula consisting of who gets to apply for maintenance money and priorities for expenditures. Obviously there are some significant policy choices that politicians will have to wrestle with here, e.g., is the University of Alaska eligible to apply?, what about municipalities?, etc. Also, the Legislature will have to decide whether health and safety is more important than schools, etc. And, you might give some thought to whether entities that agree to match some percentage of money get some priority in the formula, etc. Also, as part of the formula, it would make sense to set aside a certain percentage of the funds and require that these funds will always be spent in the various regions of our state. For example, a minimum of 15% of the annual allocation will be available to fund priorities in each Judicial District so that no part of the state is without maintenance funding in any given year. The object of the regional spending scheme is to insure that the maintenance needs in the largest communities of our state do not absorb all the available maintenance funding as they surely could given the development of infrastructure during the last several decades.

Secondly, once the formula is established in law, the Legislature needs to turn the maintenance priority analysis over to a small, well-composed Maintenance Commission (five individuals with a state-wide perspective comes to mind--kind of like a good private sector Board of Directors), who will winnow through the proposals using the Legislative formula. If the fund generates \$48M annually, for example, the Commission would develop a priority list of \$48M and submit the list to the Legislature which has one opportunity to vote yes or no on the entire list submitted by the Maintenance Commission (sort of like the Base Closure Commission). This avoids the

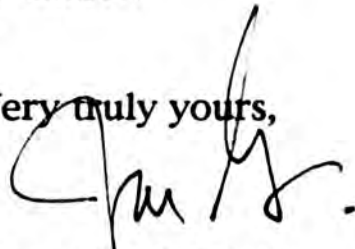
¹ Obviously an amendment to the Alaska Constitution would facilitate maintenance funding but is amendment really desirable or necessary? The Railbelt Energy Fund worked fairly well in actual practice, even if it was rather crude in theory.

understandable temptation to log-roll the maintenance needs of the state.² From a practical political perspective, the Legislature maintains several checks on the Maintenance Commission and the ability to simply end the entire program if it proves unworkable or the finances of the state require a different approach.

Third, if the Legislature approves the list, the Maintenance Commission then contracts for the approved work using a small staff of procurement specialists. I believe it is desirable to require the Maintenance Commission utilize the existing State Procurement Code and other provisions of state law, e.g., Davis-Bacon wages. What the Legislature really needs to avoid is handing over a big pile of money to DOT/PF or another agency that will devour roughly 40% of the money in "overhead." A small, competent staff of individuals reporting directly to the Maintenance Commission could administer the necessary maintenance contracts each year without establishing a huge bureaucracy. In fact, it might even be worthwhile to place a cap on the overhead the Maintenance Commission could charge for administration of maintenance projects if you are interested in performance based government.

So there's the rough concept of how the Legislature could begin meeting the long-term maintenance needs of our little state without getting into a huge political mess. You will no doubt note that I have not addressed the source or amount of funding. Frankly, given modest political will, a state with as many financial resources as ours can find the resources to launch the fund if the means of insuring an equitable and efficient spending plan are outlined in law. As with most matters, success is in the details. Please call if I can answer any questions you have about this matter.

Very truly yours,



Joseph W. Geldhof

² Unquestionably the political process will resort to the normal appropriation process for funding of special maintenance needs based on various considerations other than a rational formula—a process that is compatible with a maintenance formula solution as outlined here.

P.O. Box 16
Koyuk, AK
99753
3-19-98

Representative Eldon Mulder
Room 501, Alaska Legislature
Deferred Maintenance Task Force
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Eldon Mulder:

I ask you to make this letter a number one issue in the state.

First of all, space all over the school is compact. We need more classrooms and labs because the high school shares two classrooms for six classes. There is absolutely no privacy because of the lack of space. Our lunchroom is so small, students have to eat in classrooms. We have a 20' by 20' foot room that is a library, computer lab, but only seven computers, and is used as an independent studies classroom.

The elementary and high school are so old the walls are cracking. This is very embarrassing when school inspectors, and visitors come in. Whenever the tiny gym is in use, the high school shakes because it's so unstable. A decent sized restroom would be nice; furthermore, a decent locker room so we could at least fit all our gym clothes in them. Right now our gym clothes are piled up in the shower room. The shower stalls are corroding because of old age.

A bigger gym would be very nice. The gym we have is only about 40 by 35 feet and makes us dizzy just to look at it. Whenever activities are going on in the gym, community members can't even come to watch because it's too small. After gym nights ect., kids and adults complain about the gym size and wish it could be extended.

Now for safety. We're lucky that we haven't had a real fire in the school yet. If we do, I won't be surprised if people get seriously injured or even die. The hallways are so

narrow that when we have fire drills, students get jammed in the hallways and the lines stall.

PLEASE take this recommendation seriously, and make it one of the top issues in the state. We need better equipment for a better education.

Sincerely


Brandon Dewey

PO BOX 3
Koyuk, Alaska 99753
March 13, 1998

Representative Eldon Muldur
Room 501, Alaska Legislature
Deferred Maintenance Task Force
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Eldon Muldur:

Hi my name is Annie Adams. I'm 16yrs old, and I'm a junior this year at the Koyuk Malemute Highschool. I'm writing you a letter about our school asking you to help us get a new and bigger school.

The first thing I'd like to tell you about our school is we have a small gym, The 100 students in the school share the small gym. When we have sports like volleyball, we hardly have any fans to watch us play, cause people have to sit next to the wall while others stand by the two double doors trying to watch us play volleyball. Sometimes the people that are watching us play get hit with the ball.

We have a PE class, and we have to run around our gym and it makes us get quite dizzy running the same direction for about 20 minutes, so our teacher lets us switch directions every five minutes.

We also need a bigger room for storing and putting all our sports equipment. We have a little room where we store our sports equipment in the gym that has stuff put in boxes or in a cabinet. Our volleyball net gets all tangled up, cause we have no room to put it anywhere to keep it out of the way. It takes 10 minutes of our free time trying to set up the volleyball net. So we need a bigger storage room for our sports equipment.

Third of all we need a computer lab and a library. The highschool has a computer lab and a library put in a small room where it gets because it is so small. You'll get tired really easily from the warm air. We have books on one wall, and on the other walls is where our computers are. That's another reason why we need a bigger school.

Last of all, we need bigger bathrooms. We have only one toilet in the ladies room, and our showers are rusty. We don't even take showers because the water is too cold or

sometimes it's too hot. When we are on break, we line up to use the bathroom, but there is not enough time for all of us to use one bathroom.

So I'm asking for a new school.

Sincerely,

Annie Adams

PO BOX 53024
Koyuk AK, 99753
March 25, 1998

Representative Eldon Mulder
Room 501, Alaska Legislature
Deferred Maintenance Task Force
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Mr. Eldon Mulder:

Hello, my name is Malcolm Henry. I am a sophomore at the Koyuk Malemute High school. I am writing to you because we need a new school.

The bathrooms are small with one urinal and one toilet, and we don't have a locker room. We have two showers but one only works and the floor is rotting. Sometimes we have to wait to use the bathrooms because another person is using it.

The gym is 40x30ft. When ever kids run around in the gym, the high school always shakes. The walls are cracking, and the ball room is real crowded with two lockers and tons of other gym equipment.

The attic is jam packed with lots of school supplies. It is dark, small and very hot up in the attic We need adequate storage. Some of the stuff is sitting around in the hall way.

We need a new school because it is falling apart slowly.

Sincerely,

A handwritten signature in cursive script that reads "Malcolm Henry".

Malcolm Henry

Po Box 53009
Koyuk, AK 99753
3-19-98

Representative Eldon Mulder
Room 501, Alaska Legislature
Deferred Maintenance Task Force
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Eldon Mulder:

I am writing to you because Koyuk is in desperate need of a new school. Our old school is far too small and is starting to fall apart. We are faced with all sorts of problems.

Next year the classrooms will not be big enough for the classes in them. The elementary end of the school has only two bathrooms and next year there will be 71 kids down there. Even this year the bathrooms are almost constantly in use.

Next year the students will have to eat lunch in their classrooms because already the small lunchroom is overcrowded. Another problem with the lunchroom is the elementary library, computer lab, and teacher preparation area are also all in the same room. This makes it even more crowded and puts people in danger of being hurt in an attempt to make it from one end of the cafeteria to the other by paper cutters or the thermo fax. Another problem resulting from this is the danger of food being spattered all over expensive computers and other machinery. All ready one of the computer's keyboards is so grossed up the keys get stuck when typing.

Another problem with our small school is the gym. It is exceedingly puny. It is so small that the community can't participate in school activities. We have a problem even just gathering all the students in it. We can hardly play any sports, and when we run laps we always get dizzy. There is no room for a weight room or an exercise room.

Another problem with our school is the heating is inconsistent in the classrooms. Part of the cause of this is that the classrooms have been sectioned off in an attempt to provide more room. Either you are always freezing and have to wear

coats, or you're boiling and have to open all the windows and doors.

The students in the kindergarten have to attend school in another building. Every day they must inconveniently travel over here to eat lunch and for their gym activities.

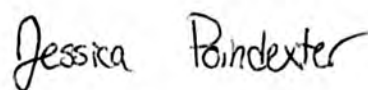
The lab in the high school science/math room is just a small part of the classroom that has been sectioned off. It is so small barely two people can do anything in there. It is also crowded enough that some of the cubboards can't be opened. We have no home-ec room at all in this school, which makes it very difficult to offer such classes. The shop is very crowded and small. We have had to build rafters and stack wood up in them for storage. We have been told it is unsafe and a fire hazard, but there is no where else to put the wood. The high school library is overcrowded, small, and stuffy. There is no air circulation in it, and it has only one small window. It is always unbearably hot and you can hardly ever find what you are looking for. Not only that, but the highschool computer lab is also in the same room which makes it even more crowded.

The foundation of our school is insecure and unsafe. Not only that, but our walls have begun to crack.

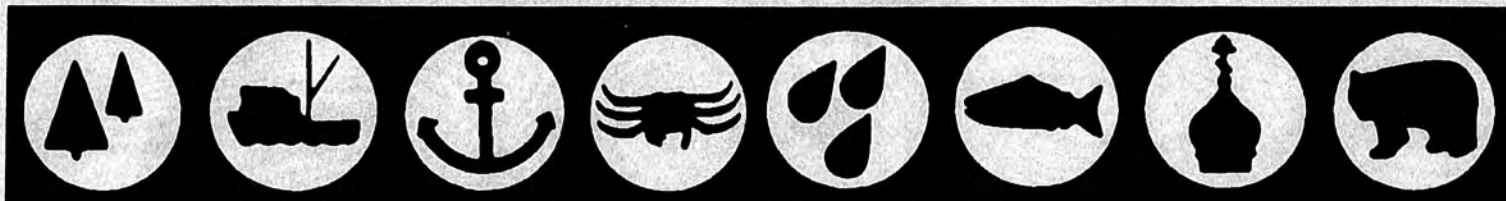
We also have no playground at this school. I have been to many other schools, and this one is the only one that doesn't have a playground. I think there ought to be one for the younger students. Not only that, but this is one of the larger schools, student population wise, with the smallest building I've seen.

I seriously think you should make the building of a new school for Koyuk a priority. It would have many benefits. With more room, and less distractions, the learning of the students might even increase, which is not very high right now. A larger gym and a playground could also keep students out of trouble during their own free time.

Sincerely,

A handwritten signature in cursive script that reads "Jessica Poindexter".

Jessica Poindexter



Kodiak Island Borough School District
Office of the Superintendent
722 Mill Bay Road Kodiak, Alaska 99615
(907) 486-9210

March 31, 1998

The Honorable Eldon Mulder
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative Mulder:

The Board of Education of the Kodiak Island Borough District is pleased to enclose copies of two resolutions for your reference. Both were approved unanimously at the School Board's regular meeting held on March 30, 1998.

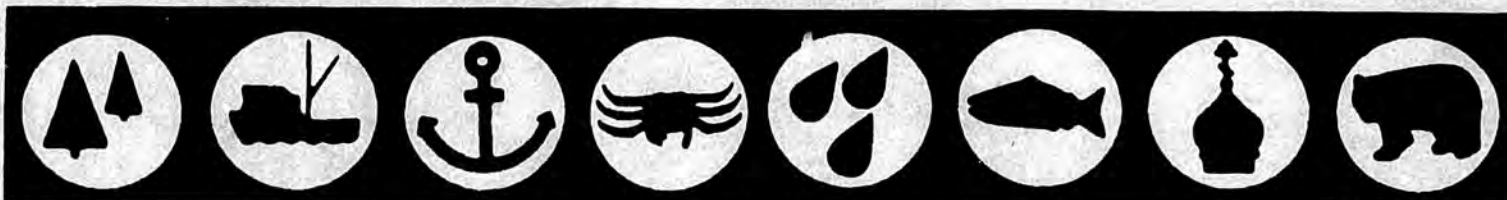
Resolution #978-3 - A Resolution Urging the Governor and the Alaska Legislature to Allocate Full Funding of Education and Resolution #978-4 - A Resolution Urging the Governor and the Alaska Legislature to Allocate Full Funding of Deferred Maintenance of State Educational Facilities show support by the Kodiak Island Borough School District Board of Education for these issues.

Copies of these resolutions have been forwarded to the Governor of the State of Alaska, the State of Alaska Legislature, and the University of Alaska Board of Regents.

Sincerely,

Nancy B. Sweeney
Administrative Assistant

enclosures (2)



Kodiak Island Borough School District

Resolution #978-4

**A RESOLUTION URGING THE GOVERNOR
AND THE ALASKA LEGISLATURE
TO ALLOCATE FULL FUNDING OF
DEFERRED MAINTENANCE OF STATE EDUCATIONAL FACILITIES**

WHEREAS, the Alaska State Legislature Deferred Maintenance Task Force, established by House Concurrent Resolution No. 8, was charged with the mission of identifying and evaluating all current and deferred maintenance needs for public facilities; and

WHEREAS, the Task Force visited twenty communities and viewed many public facilities including 18 schools and 3 University of Alaska campuses, and discussed the condition of state and educational assets with many community leaders; and

WHEREAS, the University of Alaska submitted a list of deferred maintenance needs using the criteria of health and safety, preservation of educational programs, and relationship to other projects; and the Department of Education provided school major maintenance and school construction needs based on the statutory process of priority; and

WHEREAS, the Task Force used 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, and for schools, has expanded this definition to include the need to house students; and*

WHEREAS, the Task Force adopted a report to the Governor and the Legislature on January 10, 1998 that identified state assets with deferred maintenance needs and provided a proposal for financing the needed repairs over a six-year period; and

WHEREAS, the Task Force's Inventory of Deferred Maintenance Needs includes \$196,087,224 for public schools K-12 and \$209,779,421 for the University of Alaska; and

WHEREAS, the price of Alaska North Slope crude has fallen below \$11 per barrel for the first time in four years; and

WHEREAS, the 53 public school districts in Alaska and the University of Alaska system continue to spend an inordinate amount of time and resources struggling to compile an annual budget and secure the necessary resources to ensure that our children are adequately served educationally; and

WHEREAS, delaying maintenance ultimately translates into increased project costs;

NOW THEREFORE BE IT RESOLVED, that the Kodiak Island Borough School District Board of Education supports full funding of deferred maintenance of state educational facilities, and urges the legislature to provide favorable consideration to proposals to provide this funding.

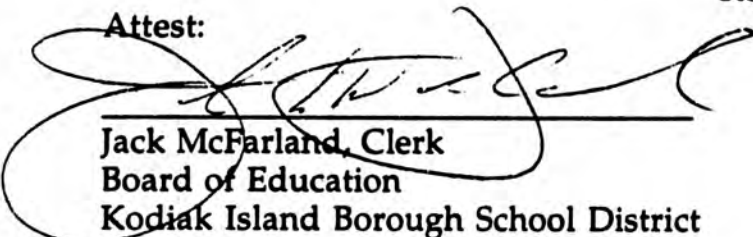
NOW, THEREFORE, BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor of the State of Alaska, the State of Alaska Legislature, and the University of Alaska Board of Regents.

**ADOPTED this thirtieth day of March, 1998
BY THE KODIAK ISLAND BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION.**

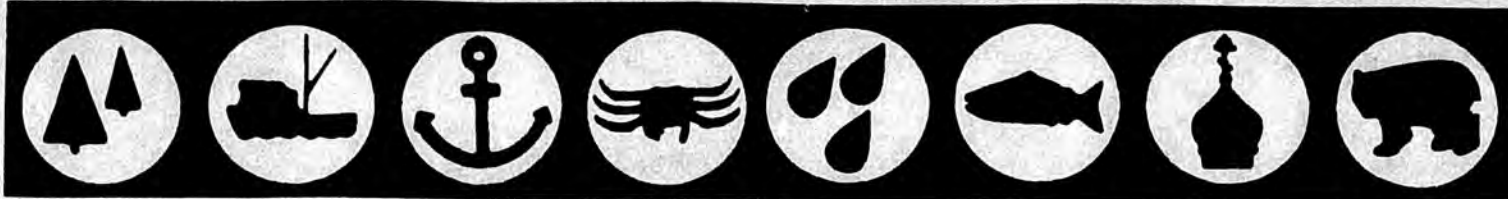


Norm Wooten, President
Board of Education
Kodiak Island Borough School District

Attest:



Jack McFarland, Clerk
Board of Education
Kodiak Island Borough School District



Kodiak Island Borough School District

Resolution #978-3

**A RESOLUTION URGING THE GOVERNOR
AND THE ALASKA LEGISLATURE
TO ALLOCATE FULL FUNDING OF EDUCATION**

WHEREAS, there is no more important foundation for the great state of Alaska's future than education; and

WHEREAS, the State of Alaska is constitutionally mandated to provide K-12 public education and opportunities for higher education to the children of Alaska; and

WHEREAS, the Alaska State Board of Education completed adoption of the *Content Standards for Alaska Students* in 1995; and

WHEREAS, many of the components of Governor Knowles' *Alaska State Quality Schools Initiative* have been formally adopted by the Alaska State Board of Education, and the remainder will be before the Board for adoption this spring; and

WHEREAS, *Education Week's* evaluation of Alaskan education in the publication, *Quality Counts* (January 8, 1998), a comprehensive comparison of education nation-wide, pointed out a precipitous decline in resources accounting for a large part of Alaska's poor showing at a time when 44 other states are increasing support of public schools; and

WHEREAS, the price of Alaska North Slope crude has fallen below \$11 per barrel for the first time in four years; and

WHEREAS, the 53 public school districts in Alaska and the University of Alaska system continue to spend an inordinate amount of time and resources struggling to compile an annual budget and secure the necessary resources to ensure that our children are adequately served educationally; and

WHEREAS, the children of Alaska deserve every opportunity to enter adulthood equipped to successfully participate in society and contribute to the long-term enhancement of our state, nation and world; and

WHEREAS, the depoliticalization of funding for K-12 public education and post-secondary education would benefit all children and enable school districts and the university system to concentrate their efforts in promoting, planning, and implementing quality education rather than in constant debate over the level and division of funding potentially available to serve the educational needs of children;

NOW, THEREFORE, BE IT RESOLVED, that the Kodiak Island Borough School District Board of Education supports full funding of K-12 public education and the budget request of the University of Alaska Board of Regents to afford the children of the great state of Alaska the best education possible during this period in our state when public policy and funding for basic services are being examined and adjusted due to an overall shift away from oil dependency, and urges the legislature to provide favorable consideration to proposals to provide this funding.

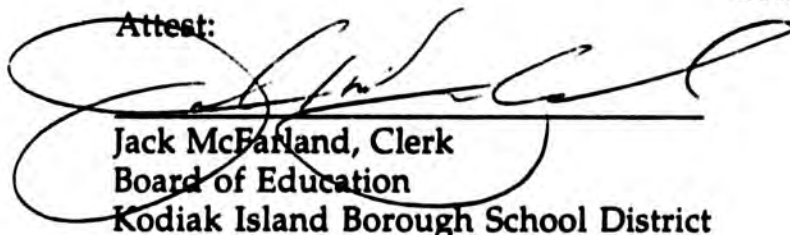
NOW, THEREFORE, BE IT FURTHER RESOLVED, that a copy of this resolution be submitted to the Governor of the State of Alaska, the State of Alaska Legislature, and the University of Alaska Board of Regents.

**ADOPTED this thirtieth day of March, 1998
BY THE KODIAK ISLAND BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION.**



Norm Wooten, President
Board of Education
Kodiak Island Borough School District

Attest:



Jack McFarland, Clerk
Board of Education
Kodiak Island Borough School District

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

MEMORANDUM

DATE: April 13, 1998
TO: Task Force Members
FROM: Representative Eldon Mulder
Co-Chair
RE: White Cliff Elementary, Ketchikan

Senator Tim Kelly
Co-Chair

Mr. Tipton ask that we distribute this to Task Force Members. The report you adopted proposed funding this school in FY 99.

April 6, 1998

To: Deferred Maintenance Task Force

From: George H. Tipton
Ketchikan Gateway Borough Assemblyman
Facilities Committee Chairman

cc: Facilities Committee, Borough Assembly, School Board

Re: Capital Project Funding

As previously mentioned to you, Ketchikan is most appreciative of your recognition of our deferred maintenance in our schools. You reflected this by listing our four school projects for FY99 in your 6 year plan. With money being tight, we realize that your proposed schedule will most likely be stretched out over more years. With this in mind and the fact that our voters have already approved the bonds for all the projects, we would like to reiterate that **Number 1 Project is the funding for a replacement school for White Cliff Elementary.**

Many people will probably say this is new construction, not deferred maintenance. However, this is the oldest operating school in the State, built in 1927, so obviously the "deferred maintenance" that would be required to renovate it to today's safety, educational, etc. requirements will cost more than a new school. We are quickly approaching a time frame whereby this school will cease to exist as an educational facility due to its increasing deficiencies.

While we are hopeful for funding for all the school projects for FY99 as you identified, we wish to reiterate that at a minimum we would like to see **funding for a replacement school for White Cliff Elementary at the 70/30 split**, as recommended in the McDowell report. We are interested in utilizing a prototype design that will save money for the State and the Borough during construction and with the long-term operational costs.

As I mentioned earlier, we realize capital funding is limited, but as you have identified, there is a pressing need to start funding some of the projects this Fiscal Year. We appreciate your continued hard work and support, and look forward to receiving funding for at least this one project this fiscal year.

If you have any questions or need any additional information, please contact me at the numbers listed below.

Ph (w) 907 225 8888 ext 307
(h) 907 225 6392
Fax 907 247 8700



Alaska State Legislature

Representative Beverly Masek

Chair, Military & Veterans Affairs

Vice Chair, Transportation

Vice Chair, Resources

Legislative Council

During Interim:

600 East Railroad Avenue
Wasilla, AK 99654
907-376-2679
907-376-6180 (fax)

During Session:

State Capitol
Juneau, AK 99801-1182
907-465-2679
907-465-4822 (fax)
1-800-505-2678

April 21, 1998

To: Representative Gene Theriault, Co-chair
Representative Mark Hanley, Co-chair
Members of the House Finance Committee
Fr: Representative Beverly Masek
Re: School Construction Funding & SB 11

*Gene Masek and
members of House Finance*

Beverly

Enclosed with this memorandum is a packet of information on the need for renovation and expansion of the Talkeetna Elementary School. It is my hope that each member of the House Finance Committee will review the information contained in the packet and give serious consideration to the Mat-Su Borough School District's request for capital funding to complete this project.

It is the desire of my constituents to see the State of Alaska provide funds in the Capital Budget for the renovation and construction of the Talkeetna Elementary School. While the Mat-Su Borough has other school construction needs, such as Atlasta Middle School and a Meadow Lakes Elementary School, the District has identified Talkeetna as its top priority. Therefore, I bring this issue before you and request that funding be provided for this project.

On October 3, 1995, the citizens of the Mat-Su Borough passed a 70/30 Bond Issue worth \$51,950,000. However, these bonds may not be issued to pay costs of a project until the State of Alaska has authorized the project for debt service reimbursement.

Senate Bill 11 is currently before your committee. It is the desire of my constituents that the House Finance Committee insert an amendment into SB 11, which will restore authorization for school construction debt reimbursement at a 70/30 ratio. This will allow the Mat-Su Borough's bond package to remain valid and applicable for approved school renovation and construction projects.

Every member of the Legislature is keenly aware of the dire need for school construction throughout Alaska. As the fastest growing Borough in the state, the need for construction within the Mat-Su Valley is even more necessary.

We should not be remiss in our obligations to our constituents. School construction is necessary and the need is pressing. I urge the members of this committee to act in the best interests of our children and amend SB 11 and provide funding for school renovation and construction projects.

cc: Representative Scott Ogan
Senator Lyda Green
Senator Rick Halford

HIGHLIGHTS FOR FUNDING CONSTRUCTION AND RENOVATION OF A NEW TALKEETNA ELEMENTARY SCHOOL

- For 20 years the Mat-Su Borough has been Alaska's fastest growing region
- Student enrollment has grown by 3,984 students since 1990 – a 32% increase
- The District is growing the equivalent of one elementary school per year
- 15% of the District's Buildings are over 20 years old
- **District Spends \$2.42 million per year on Maintenance [5% of the total budget]**
- **The Talkeetna School is currently 44% over capacity and is projected to be 63% over capacity in 2 years**
- 75% of all rooms in the school have water damage
- Water must be drained from light fixtures and migrates into the building through the foundation
- **Oldest school in the Mat-Su District – originally constructed in 1964**
- To handle overflow, 4 modular units were added beginning in 1985 – these lack plumbing
- **Voters in the District have already passed a 70%-30% Bond Issue to assist with construction of the new school – these bonds may not be issued to pay costs of a project unless the project has been authorized for debt service reimbursement by the State of Alaska**
- **If funded, construction could begin in 1999 and completed in 2001**

Distributed by the Office of District 28 Representative Beverly Masek
1998 (updated 4/98)

SCHOOL CONSTRUCTION GRANT FUND COMPARISON

DOE Priority	District Name	School Name	Participating Share	State Share	DOE Recommended Funding Level	Total Student Population Change 93 - 98
1	Kashunamuit	Chevak School Replacement	\$462,446	\$22,659,878	\$23,122,324	78.20
2	Chatham	Recovery of Funds - Hobart Bay	\$1,187	\$58,186	\$59,373	(55.95)
3	Lower Yukon	Pilot Station K-12	\$17,134	\$839,585	\$856,720	329.55
4	Lower Yukon	Kotlik K-12	\$17,345	\$849,928	\$867,273	See above
5	Southwest Region	Togiak	\$17,959	\$880,011	\$897,970	264.25
6	Copper River	Kenny Lake Elementary	\$83,087	\$4,071,274	\$4,154,361	212.04
7	Northwest Arctic	Buckland School	\$1,370,682	\$12,336,141	\$13,706,823	328.75
8	Bering Strait	Golovin	\$8,331	\$408,219	\$416,550	283.05
9	Bering Strait	Elim	\$9,351	\$458,209	\$467,560	See above
10	Bering Strait	Teller Elementary	\$9,079	\$444,865	\$453,944	See above
11	Craig	Craig Secondary School	\$3,749,643	\$8,749,166	\$12,498,809	71.55
12	Yukon Flats	Circle K-12	\$1,684	\$82,527	\$84,211	60.40
13	Lower Kuskokwim	Newtok	\$85,182	\$4,173,938	\$4,259,120	556.45
14	Yukon Flats	Arctic Village	\$56,430	\$2,765,046	\$2,821,475	See above
15	Bering Strait	White Mountain	\$9,947	\$487,416	\$497,364	See above
16	Bering Strait	Koyuk K-12	\$9,225	\$452,006	\$461,231	See above
17	Mat-Su	Talkeetna Elementary	\$2,137,980	\$4,988,620	\$7,126,600	2,100.39
50	Mat-Su	Atlasta Middle School	\$760,732	\$1,775,042	\$2,535,775	See above
58	Mat-Su	New Meadow Lakes	\$341,366	\$796,520	\$1,137,885	See above

A Comparison of Costs to the State of Alaska Per District Per Student (FY98)*

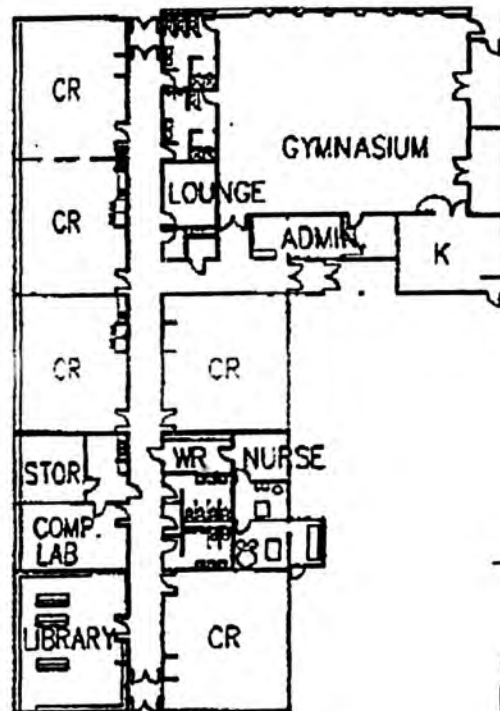
Mat-Su \$697.24
 Bering Strait \$1,302.37
 Yukon Flats \$6,352.64
 Lower Yukon \$1,687.31

- This is the State Share divided by the FY98 Student Count. These figures represent total funding requests on the DOE list.

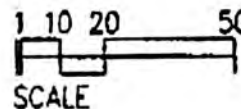
Distributed by the Office of District 28 Representative Beverly Masek

Talkeetna Elementary School Information

- The existing facility is 13,613 s.f.
- 38 students are currently unhoused
- Overcrowding is handled through the use of portables
- The parking lot is used as a playground
- The roof, plumbing, and electrical systems are obsolete
- The building does not comply with ADA requirements
- Construction Costs will be \$7.126 million (\$4,988,620 State Share / \$2,137,980 Borough Share)



EXISTING FLOOR PLAN

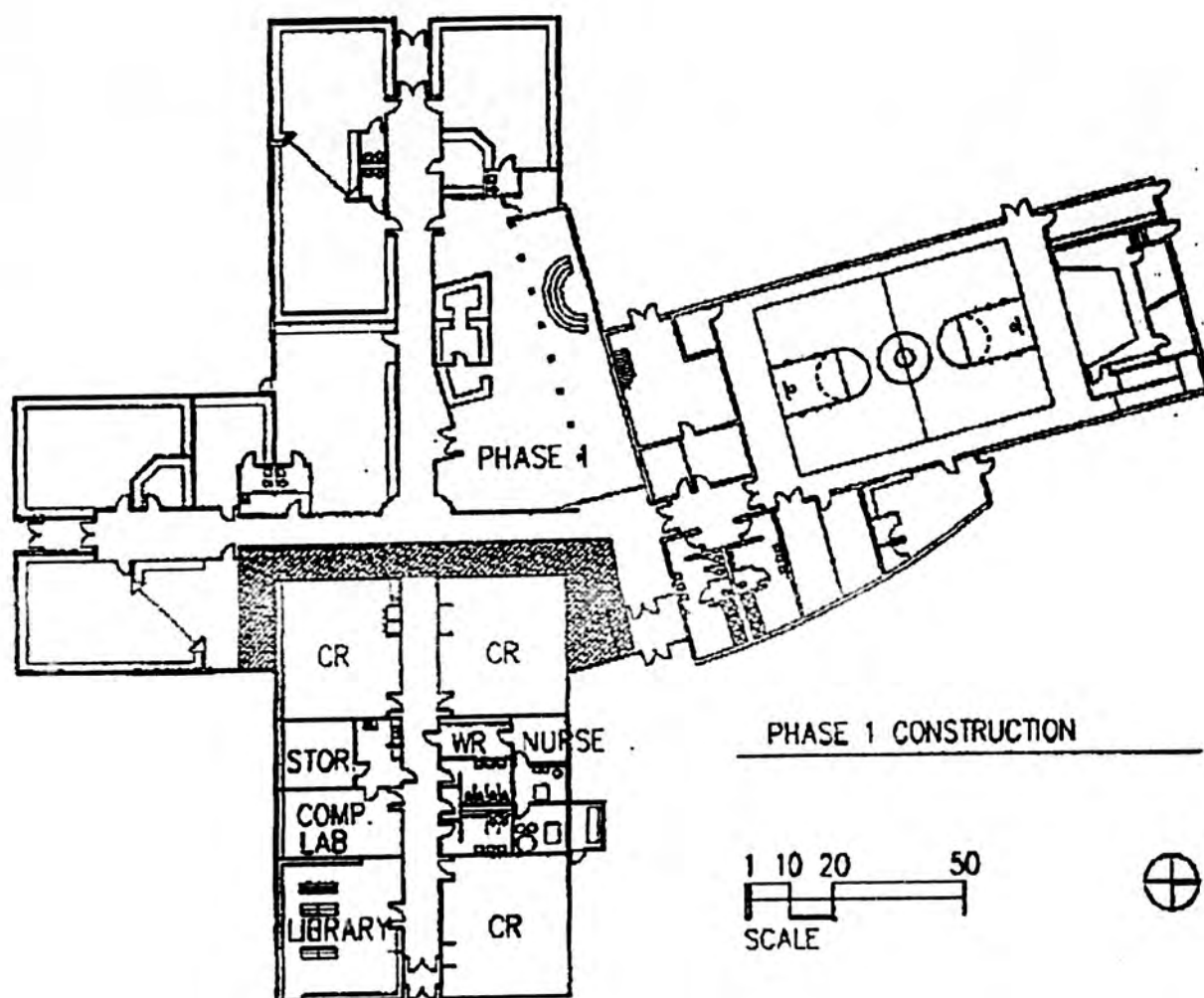


Construction and Renovation will occur in two phases. Preliminary design proposes facilities to house 253 students. 15 additional acres will be used for parking, playgrounds, and traffic separations.

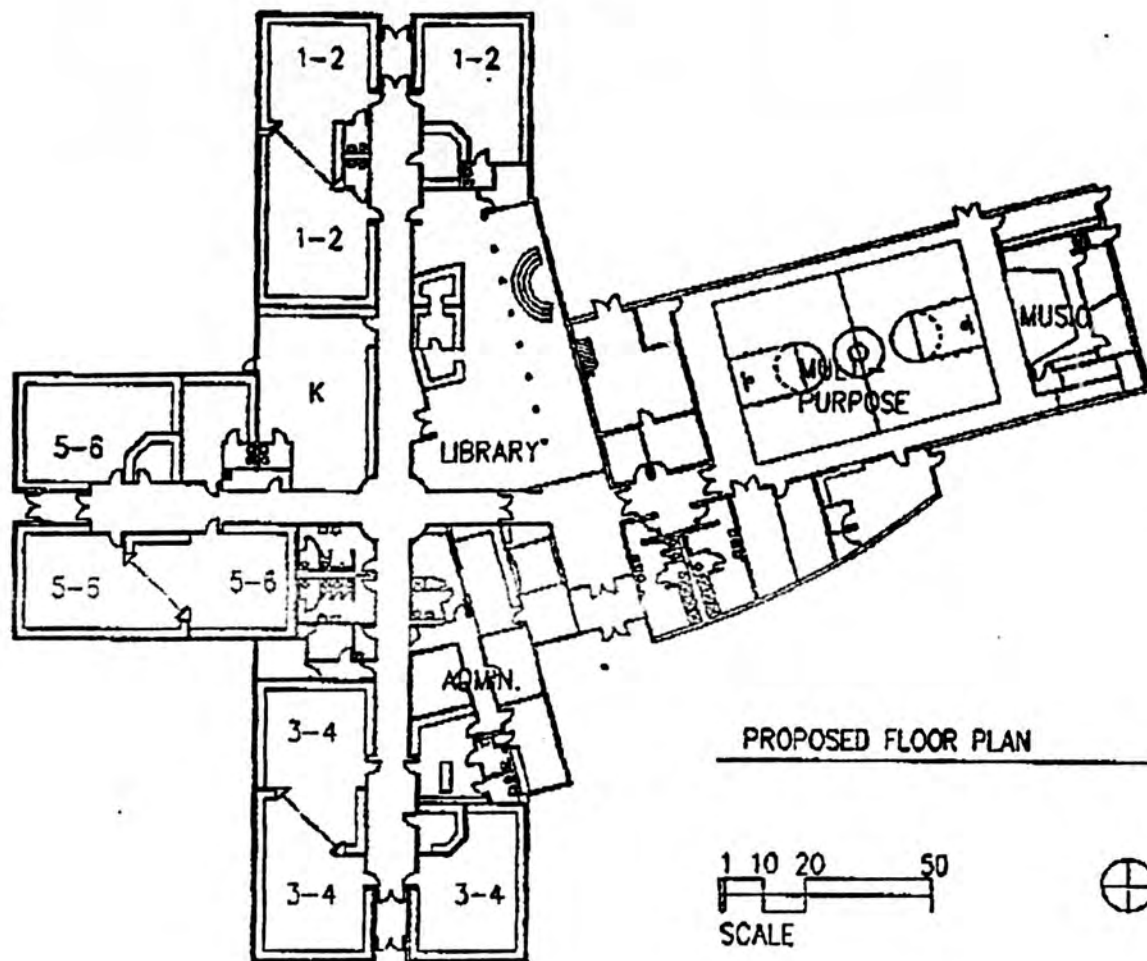
Phase I would begin in the spring of 1999.

Phase II would begin in 2000 and conclude in 2001

Talkeetna Elementary Proposed Phase I Construction



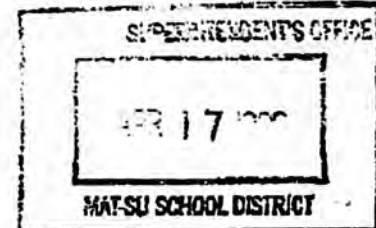
Talkeetna Elementary Proposed Floor Plan



**MATANUSKA-SUSITNA BOROUGH
SCHOOL DISTRICT**

125 W. Evergreen, Palmer, AK 99645

Phone (907) 746-9248 Fax: 746 2684

**MEMORANDUM****DATE:** April 17, 1998**TO:** Principals**FROM:** Bob Doyle, Executive Director of Business and Operations**RE:** Overcrowding

I would like to begin preparing for an overcrowding report for May 20th with the Board. Subsequent to legislative action, we need to prepare for future bond elections and CIP recommendations.

I have quickly calculated schools enrollment for the next five years, beginning in FY 99. This is based upon a 3% growth rate. I compared this to the capacity of each school. Nine schools should be an immediate concern to legislators and parents. (Seven schools exceed capacity this year).

Alternative:	exceeds capacity in FY99
Wasilla Middle:	exceeds capacity in FY99
Colony Middle:	exceeds capacity in FY99
Iditarod:	exceeds capacity in FY99
Sherrod:	exceeds capacity in FY99
Talkeetna:	exceeds capacity in FY99
Cottonwood:	exceeds capacity in FY99
Tanaina:	exceeds capacity in FY99
Finger Lake:	exceeds capacity in FY99

Houston:	will exceed capacity in FY 2002
Goose Bay:	will exceed capacity in FY 2002

In my opinion portables are not an acceptable long term solution. Eliminating kindergarten is not an acceptable long term solution. Leasing space is not an acceptable long term solution. If we are unable to change daily schedules at high school or the school calendar, I truly doubt that our community will accept year round schools as a long term solution.

I will be focusing my efforts on boundary changes in the short term and double shifting in the long term, if the legislature will not step up to the plate and build needed schools for our students. Any elementary school above capacity should require boundary reviews and any over 600 should be considered for double shifting.

Please plan to attend a meeting on May 11, beginning at 1 p.m. I would like to include principals first, and then expand to faculty and parents from each overcrowded school, with an evening meeting to be scheduled later.

CC: Facility Advisory Committee
Scott Schwald, Transportation
Dr. Lehman, Superintendent
Rick Luthi, Director of Secondary Education
School Board Members

Matanuska-Susitna Borough School District

Dr. Robert A. Lehman, Superintendent

125 W. Evergreen, Palmer, AK 99645

Phone (907) 746-9255 Fax 745-0194



"Developing Productive Citizens
in an Ever-Changing World"

January 27, 1998

Senator Lyda Green
Representative Beverly Masck
State Capitol
Room 423
Juneau, AK 99801-1182

Dear Representative Masck:

As you know the Matanuska-Susitna Valley is growing rapidly. We have been increasing in student population the equivalent of about one elementary school per year. In addition, the burden of over crowded schools has increased our maintenance costs throughout the district. We are fortunate in the Valley that the Borough Assembly and School Board have placed a priority this past year on putting extra local dollars into our maintenance efforts.

There does come a time, however, with older buildings like Talkeetna Elementary where not only is the facility too small to serve the increased enrollment (we currently have five portables on site), but it is not cost effective to maintain. Our number one priority in the Matanuska-Susitna District is to replace Talkeetna Elementary. The Talkeetna community is in the process of updating their regional plan and expecting even further growth in the near future. In addition, we need to relieve the overcrowding at the elementary level in the Big Lake - West Wasilla area by building a school in the Meadow Lakes area. We also desperately need to relieve the over crowding at the middle school level in the Wasilla - Colony area. Our voters approved all three of these projects at the 70-30 match level.

We are proud of the support we have received from our Borough Assembly, the School Board and our local voters. Our students need housing as we currently have 64 portables in the district.

Thanks for your help and please let me know if there is anything I can do to assist you in moving our needs to the top of the capitol improvement list.

Sincerely,

Robert A. Lehman, Ph.D.
Superintendent

RH:k

Dr. Masck 1/27/98

Original to follow

Post-Net Fax Note	7671	Date	2/3/98	# of pages	1
To	Beverly Masck	From	Robert Lehman		
Co. Dept		Co.	Mat-Sus Schools		
Phone #		Phone #	746-9255		
Fax #	465-4822	Fax #	745-0194		

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

125 W. Fairgrounds, Palmer, AK 99645

Phone: 907-746-9248 Fax: 907-746-1682



February 4, 1998

Mr. Dan Stalworthy, staff
Representative Bev Masek
Capitol Building, Room 432
Juneau, Alaska 99801-1182

Request for Information

The Mat-Su School District has a strong maintenance program and this fiscal year the District is spending over \$2,420,715, which represents five percent of the operating budget. This may be a frugal amount to some, but I would like to remind you that we live in a conservative tax paying area of the state and not an REAA. This amount does not include the additional money provided by the assembly for renovation and renewal projects. This amount is sufficient to maintain over \$320 million worth of facilities that include over 1,900,000 million square feet.

School Board priorities have always been high quality education for children, with the first priority being classroom teachers. Maintenance staff has not kept up with new teachers or new facilities, however we continue to maintain all schools even though we have a back log of work orders. 15% of our facilities are over 20 years old. Talkeetna and Sherrod are considerably older. If the legislature steps up to the plate and does the right thing, by providing new schools for the students in the Mat-Su that are either unhoused or poorly housed, then I can assure you we will maintain the buildings. We are asking for increases for maintenance this year, and have implemented building inspections and community involvement in our facility maintenance programs. We are ready to begin constructing new schools as soon as the legislature matches the funds already approved by our voters. If I can be of further help, please let me know.

Sincerely,

Bob Doyle
Executive Director, Business and Operations
Matanuska-Susitna School District

Post-it® Fax Note	7671	Date	2/4/98	# of pages	1
To:	Dan Stalworthy	From:	Dr. Lehman		
On Dept:	Masek's Office	Co:			
Phone #		Phone #	907-746-9255		
Fax #	(907) 465-4822	Fax #	907-745-0194		

By: D. Moore
Adopted: 5/6/97

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 97-022

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY OPPOSING THE
FINANCE COMMITTEE AMENDMENTS TO SENATE BILL 11 AND OPPOSING SENATE
BILL 11 UNLESS THE BILL IS REVISED.

WHEREAS, the education construction needs of the Matanuska-Susitna Borough are among the most severe in the state; and

WHEREAS, the Senate Finance Committee amendments to Senate Bill 11 would drop state debt reimbursement to 50 percent retroactive to 1995; and

WHEREAS, debt reimbursement at 50 percent would nullify the effects of the 1995 election in which the voters approved the three projects for construction; and

WHEREAS, the title of Senate Bill 11 was also amended to reflect only 50 percent reimbursement which precludes amendments in the House of Representatives to restore the 70 percent level.

NOW, THEREFORE, BE IT RESOLVED the Matanuska-Susitna Borough Assembly supports amendments to Senate Bill 11 which would restore the 70 percent reimbursement for borough education construction projects that were approved by the voters in 1995.

BE IT FURTHER RESOLVED that unless the 70 percent state debt reimbursement level is restored by the House of Representatives, the Matanuska-Susitna Borough Assembly opposes the adoption of Senate Bill 11 at the 50 percent level.

Adopted: 4/17/97

MATANUSKA-SUSITNA BOROUGH
JOINT ASSEMBLY/SCHOOL BOARD RESOLUTION
JOINT RESOLUTION SERIAL NO. 97-001

A JOINT RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AND MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD SUPPORTING THE AMENDED SENATE BILL 11 TO PROVIDE 70 PERCENT DEBT REIMBURSEMENT FOR SCHOOL CONSTRUCTION PROJECTS APPROVED BY THE DEPARTMENT OF EDUCATION AND THE VOTERS PRIOR TO JANUARY 1, 1997.

WHEREAS, on any given instructional day, approximately 1,500 students will be receiving instruction in portable, temporary classrooms; and

WHEREAS, the Matanuska-Susitna Borough has had to build and maintain over 60 temporary classrooms, more than any other district in the State of Alaska, in order to meet this burgeoning demand for classroom space; and

WHEREAS, on October 3, 1995 the Matanuska-Susitna Borough voters approved a ballot proposition totaling \$51,950,000 for a new and remodeled and expanded Talkeetna Elementary School, a new core area elementary school, and a new middle school if the state reimbursed the borough at least 70 percent of the debt service cost; and

WHEREAS, Senate Bill 11 has been amended to include that educational facilities approved by the Department of Education and the voters prior to January 1, 1997 be reimbursed at 70 percent.

NOW, THEREFORE, BE IT RESOLVED that the Matanuska-Susitna Borough Assembly and the Matanuska-Susitna Borough School Board unanimously express its appreciation and support for the 70/30 percentage reimbursement for construction of educational facilities approved by the Department of Education and the voters prior to January 1, 1997.

BANDITS STEAL SMOKEY'S SIGN. SEE PAGE A2

MIDWEEK

Volume 49, Number 90 July 9, 1997



Frontiersman

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50¢

Growing with Alaska's Mat-Su Valley since 1947

Board to prioritize school projects

By EOWYN LeMAY IVEY

Frontiersman reporter

The Mat-Su school board is slated to prioritize nearly \$200 million in capital improvement projects next week. But even being No. 1 on the wish list is no guarantee.

The school district administration is again recommending Talkeetna Elementary as the top building project, followed by a new middle school, an elementary school in the Meadow

Lakes area, a new Houston High School so the existing building can be converted into a middle school and an additional elementary school for the core area. The board will consider the administrative recommendations at its July 16 meeting when it will be able to make changes if the members desire.

According to the administration, the recommended list directly reflects community priorities. Additional public testimony regarding this and other agenda items will be allowed at the be-

ginning of the next week's meeting during "persons to be heard." Each speaker is limited to three minutes.

The top three on the administration's list remain the same as during the past several years. Local voters approved a more than \$50 million bond two years ago for the addition and renovation to Talkeetna Elementary and the new elementary and middle school. However, state funding has not yet been earmarked for the projects.

"We're not even getting money for

the top three," said Bob Doyle, who recently took the new title of executive director of business and operations. He said the administration could have listed as many as 25 projects rather than 18, but there didn't seem to be much point.

He said even Talkeetna Elementary, with active community members fighting for years for improvements to the aging building, has received only enough money to purchase the land and develop a design.

While this school remains the top priority, several projects were added by the administration to the capital improvements projects. At number six: a \$3-million upgrade to Palmer's Sherrod Elementary School. Its neighboring school, Swanson Elementary, received a major face-lift two years ago.

Doyle said several other projects were added to the list this year due to testimony at board meetings. Contrary

See CIP, Page A11

**Suspect
search
ongoing**
Stavenjord on

Festival of fun



**Valley
blaze
on 4**

CIP: Public input used

Continued from Front Page

to the concerns of some Wasilla High School parents asking for a building renovation, Doyle said public opinion does influence the district's priorities.

A more than \$1 million gymnasium addition for the Mat-Su Alternative School has been ranked seventh following a presentation to the board by the school's principal, Peter Burchell.

And Wasilla High has also made its way onto the CIP list with a \$10.5 million upgrade listed in eighth place. This follows numerous presentations and testimony from Wasilla parents who told board and borough assembly members their school has fallen into a dilapidated state.

Upper Susitna Valley parents have also altered the list with their requests for a middle school program separate from Susitna Valley High. A nearly \$9 million middle school for the

area is ranked as the district's ninth priority.

Doyle said these priorities indicate the district is taking note of community concerns. However, several Wasilla parents have said the process is not public enough and should involve the school and community more.

In response, the district will implement a new strategy this coming school year. Each school will have a building review committee involving the principal, Parent-Teacher Association president, custodian and central maintenance workers.

"They will walk through the buildings and agree on what things custodians should be taking care of and what things maintenance should be taking care of," Doyle said. "This information will also feed into the CIP list."

Wasilla High parent Nanette Rucker says this is good news, but she would like the final CIP recommendations to the board

School district wish list

- 1) Talkeetna Elementary addition/renovation — \$7.6 million
- 2) Atlasta Middle — \$30.5 million
- 3) Meadow Lakes Elementary — \$12.3 million
- 4) Houston High School — \$32.9 million
- 5) greater core elementary — \$12.6 million
- 6) Sherrod Elementary upgrade — \$3 million
- 7) Alternative School gym — \$1.3 million
- 8) Wasilla High upgrade — \$10.5 million
- 9) Su Valley Middle — \$9 million
- 10) career center — \$17.5 million
- 11) food service/nutrition center — \$5.9 million
- 12) district central office building — \$7.8 million
- 13) operations/maintenance building — \$4 million
- 14) performing arts auditorium — \$5.4 million
- 15) Palmer area elementary school — \$13 million
- 16) special education resource center — \$13.9 million
- 17) Colony High swimming pool — \$5.8 million
- 18) Skwentna School — \$650,000

to be made by a district-wide committee with parents and school staff.

"But I appreciate that it has made this progress," Rucker said. "It makes me feel like someone is listening."

She said she has also come to

realize PTAs need to do more than organize bake sales for their schools.

"We need to be more involved in the legislative process," Rucker said. "We need to be applying some pressure if necessary."

COMMONWEALTH NORTH**State of Alaska
Deferred Maintenance Resolution****Commonwealth North:**

Acknowledges the needs identified in the Deferred Maintenance Task Force report entitled "Building Alaska for the 21st Century."

Supports budgeting long-term financing for meeting deferred maintenance needs, and spreading the cost of maintaining capital facilities over their useful lives.

Encourages mandatory separate maintenance funding as a routine part of the budget process. Capital appropriations must also make separate and mandatory provision for maintenance.

Notes that payment for this financing must still fit within the overall requirements of the Long Range Financing Plan previously endorsed by Commonwealth North. Funding must be identified as part of the overall goal of fiscal responsibility. Maintenance must be a part of the total capital funding package, not in addition to it.

Forwards this resolution to all members of the Alaska State Legislature, Governor Tony Knowles, Alaska's congressional delegation, the media, and other civic groups.

Resolved for the following reasons:

1. The funding of adequate maintenance is part of the normal stewardship of State capital assets. It is also a widely accepted sound business management practice.
2. During tight fiscal times, maintenance is an easy and expedient type of expense to postpone.
3. Accumulated postponement of funding maintenance has reached a critical point. The Deferred Maintenance Task Force has identified approximately \$1.5 billion worth of specific needs.
4. Commonwealth North urges resolution of this issue whether or not an advisory vote is held.

PO Box 35116
Juneau, AK 99803
April 27, 1998

The Honorable Gary Wilken
Chairman, Senate HESS Committee
Alaska Senate

The Honorable Robin Taylor
Senate Majority Leader
Alaska Senate

Dennis

The Honorable Eldon Mulder
Co-Chairman Deferred Maintenance Task Force
Alaska House of Representatives

The Honorable Con Bunde
Chairman, House HESS Committee
Alaska House of Representatives

Dear Senators and Representatives:

The Department of Corrections child abuse study as reported in the newspaper (*Juneau Empire*, April 22) showed so many sampling mistakes that I do not consider it valid research and hope it is not used in any decision-making by the Alaska Legislature. Assuming the newspaper report is accurate, the study had at least the following mistakes:

1. Rather than find an objective method to learn if the population selected for sampling were victims of child abuse, the population was simply asked if they were abused. That is the equivalent of asking a population if they are responsible for bad things that have happened to them. The classic mistake in sampling prison populations is to conclude that the jury system is not working because so many prisoners say they are wrongfully convicted and the mistake cannot be avoided by having the respondents be anonymous. This study is not too different from that mistake. Furthermore, at least according to the article, the sample population was selected by allowing individuals to decide if they wanted to participate. There is a widely acknowledged bias in that sample selection method.

A statistically defensible study showing a correlation between child abuse and criminal activity (as opposed to a cause and effect, which is a different mistake) would have randomly selected a population from all Alaskans and then looked for statistically valid tendencies among the part of the sample selected which happened to have been convicted of a crime.

2. The study found a correlation and the researcher concluded a cause and effect. That is a classic sampling mistake. Examples of mistakes include that undiscovered factors may be the cause of one or both effects and therefore the wrong

treatment or response may be used.

3. There was an expected outcome inherent in the way the study was conducted (Commissioner Otte even said, "It's a bit shocking and sad that we were so right."). There seems to be little chance that something unknown and unexpected would have been discovered or for that matter that no correlation would have been discovered. Therefore, this study does not qualify as research.

Population sampling must use statistically valid methodologies in order to be worthwhile. Too often (in my opinion) social research is directed at swaying public opinion, generating newspaper headlines and influencing decisions of lawmakers rather than increasing our knowledge. Very often, a statistically valid procedure cannot be designed that can prove or disprove an observation that most of us believe to be true and that may happen most often when there is no alternative to asking a particular human population to explain their own lives. Thank you for your time.

Best regards,

A large, stylized handwritten signature in black ink, appearing to read 'T. Boutin', is written over the typed name.

Tomas H. Boutin

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898

TEXT: (907) 465-3652
FAX: (907) 586-8365
PHONE: (907) 465-3900

May 4, 1998

The Honorable Eldon Mulder
Alaska State Legislature
State Capitol, Room 501
Juneau, AK 99801-1182

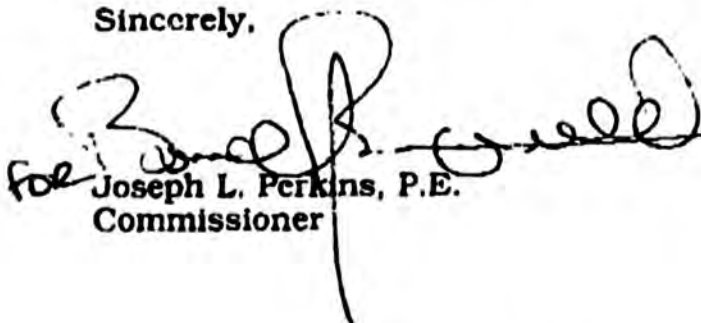
Dear Representative Mulder:

The Deferred Maintenance Task Force identified Computer Maintenance Management Systems (CMMS) as an effective and integral component of a preventative maintenance program. The Task Force publication Building Alaska for the 21st Century (January 10, 1998) recommended state agencies be required to put in place a Preventative Maintenance Program. It is estimated the initial cost of installing additional Computerized Maintenance Management Systems in department maintained facilities to be \$4,800,000. This funding level will provide a computerized maintenance system for our highest priority buildings. The Department maintains numerous other buildings such as warehouses, storage sheds, etc. that will be managed with a card file management system.

The \$4,800,000 figure is based on an estimated 480 buildings at \$10,000 per building. The actual number of buildings warranting a CMMS will not become known until a need evaluation is performed. The \$10,000 per building is an estimate based on the enclosed preliminary single building cost. The actual cost per structure will be determined by variables, which are uncertain at this time. The Department will establish a program of installing the CMMS that will take advantage of cost efficiencies available such as consolidation of travel and interagency cooperation.

Our public buildings have suffered from insufficient maintenance for too long. With your actions, we can provide a tool that will assist our maintenance managers in providing a service more cost effectively.

Sincerely,


for Joseph L. Perkins, P.E.
Commissioner

Enclosure

MEMORANDUM

State of Alaska
Department of Transportation and Public Facilities
Facility Services

To: Rod Wilson, Architect
Headquarters, DOT&PF

Date: 3/25/98

From: Steven Flodin P.E. (Facilities Chief) **Phone No.: 269-0808**
James Byers, (Bldg. Maintenance Superintendent)
Central Region, DOT&PF **Subject: CMMS Cost Estimates**

The estimated costs for a maintenance management system has been broken down into several categories depending on the approach we utilize in performing the work.

HARDWARE & SOFTWARE**1. SINGLE SITE**

Maximo Pro Advantage software (single site, single user)	\$3,500
Maximo Pro Advantage software (up to five sites)	\$4,600
Computers (depends on number of sites, etc)	\$3,000 to \$5,000
Single site set-up (Labor)	\$1,600

2. CENTRAL SITE

Maximo Enterprise (central server system)	\$61,250
Add for a DDC system interface	\$18,750
Hardware (Computer system)	\$19,000
System Set-up (Labor)	\$14,500

CONTRACT SERVICES FOR A FACILITY (Assume 150 tags per facility)**1. OUT OF TOWN**

150 tags @ \$3 per tag	\$ 450
Tagging Labor @ \$100/hr for 5 days	\$4,000
Input data into computer @ \$100/hr for 5 days	\$4,000
Travel & per diem 5 days @ \$100 plus \$600 travel	\$1,100
Training (If required) 2 days @ \$100/hr	\$1,600
Software Maintenance (If wanted)	\$ 700
DOT&PF Management	<u>\$ 500</u>
TOTAL =	\$12,350

2. IN TOWN

Same as above with exception of travel and per diem **TOTAL = \$11,250**

IN HOUSE (M&O) SERVICES FOR A FACILITY (NOTE labor is general funded)**1. OUT OF TOWN (BUSH)**

150 tags @ \$3 per tag	\$ 450
Tagging Labor @ \$33/hr for 45 hours	\$1,485
Binders, Film, etc.	\$ 200
Input data into computer @ \$50/hr for 5 days	\$2,000
Travel & per diem 6 days @ \$100 plus \$1,600 travel	\$2,200
Training (If required) 2 days @ \$100/hr	\$1,600
Software Maintenance (If wanted)	\$ 700
DOT&PF Management (M&O)	<u>\$ 720</u>
TOTAL =	\$9,355

3. SATELLITE FACILITIES (Palmer, Wasilla, Kenai/Soldotna)

150 tags @ \$3 per tag	\$ 450
Tagging Labor @ \$33/hr for 45 hours	\$1,485
Binders, Film, etc.	\$ 200
Input data into computer @ \$50/hr for 5 days	\$2,000
Travel & per diem 6 days @ \$100 plus \$700 travel	\$1,300
Training (If required) 2 days @ \$100/hr	\$1,600
Software Maintenance (If wanted)	\$ 700
DOT&PF Management (M&O)	<u>\$ 360</u>
TOTAL =	\$8,095

4. ANCHORAGE BOWL FACILITIES

150 tags @ \$3 per tag	\$ 450
Tagging Labor @ \$33/hr for 45 hours	\$1,485
Binders, Film, etc.	\$ 200
Input data into computer @ \$50/hr for 5 days	\$2,000
Training (If required) 2 days @ \$100/hr	\$1,600
Software Maintenance (If wanted)	\$ 700
DOT&PF Management (M&O)	<u>\$ 250</u>
TOTAL =	\$6,685

COMPARISON PRICING

The following is the DMVA quote to AVTEC to tag an 8,000 sq ft. building in Seward.

7.5 hrs x 3 days x 2 men	= 45 hours	
Travel to and from	= 15 hours	
TOTAL	= 60 hours x \$33/hr	= \$1,980
Per diem		= \$ 200
Paper/binders/film processing		= \$ 120
Vehicle and Mileage		= \$ 100
Administrative Overhead		= <u>\$ 300</u>
TOTAL		= \$2,700

Please note this does not include computer input, hardware, software, training, and based upon the per diem, it appears that the personnel are staying and eating at the school. They are also receiving assistance from the AVTEC personnel to access equipment and records.

The following is the price from Johnson Controls to install a Maintenance Management system in 6 Pioneer homes located in Juneau, Sitka, Ketchikan, Fairbanks, Anchorage, and Palmer. The project included up to a maximum of 1,000 tags, a work station with software at each location, inputting, travel and per diem, and a year of support services. Total cost for all six locations was \$86,800 or \$14,466 per site.

cc: James Byers
Chet Halcomb
File

SCOMM

111:38

ALASKA STATE LEGISLATURE

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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
Page 3

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>
TOTAL	\$526,000,000

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

Deferred Maintenance Task Force -- A Strong Beginning
Representative Eldon Mulder, Co-Chair
June 11, 1998
Page 4

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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MEMORANDUM

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

Senator Tim Kelly
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	16,000,000
TOTAL	\$526,000,000

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

Members, Deferred Maintenance Task Force
May 26, 1998
Page 2

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

Alaska'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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DEFERRED MAINTENANCE TASK FORCE

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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".

-more-

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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

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

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

Replacement

Schools and University	
Buildings	\$304,000,000
Subtotal	\$1,420,000,000

Total available in financing plan

Schools, University	
Buildings, and Other	\$80,000,000
Construction	

**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.**

Total **\$1,500,000,000**

Deferred Maintenance Task Force
Building Alaska for the 21Century

<u>BUILD ALASKA Spending and Debt Service</u>							
	<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
Totals	390,000.0	340,000.0	340,000.0	340,000.0	290,000.0	260,000.0	1,960,000.0

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				
Revenues										
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							
Total Revenues	2,394.5	2,314.1	2,272.0	2,242.0	2,229.9	2,226.7				
Expenditures										
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				
Total Expenditures	2,370.9	2,314.1	2,272.0	2,242.0	2,229.9	2,226.7				
Expenditure Reduction		56.8	42.1	30.0	12.1	3.2				
							FY 2004	FY 2005	FY 2006	FY 2007
CBRF Beginning Balance	3,297.4	3,515.1	3,805.6	4,100.9	4,161.1	4,175.8	4,151.4	4,167.9	4,185.7	4,204.7
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
CBRF Fund Ending Balance	3,515.1	3,805.6	4,100.9	4,161.1	4,175.8	4,151.4	4,167.9	4,185.7	4,204.7	4,225.0
Build Alaska Fund Beginning Balance	0.0	17.8	24.3	26.5	11.4	18.4	11.0	6.5	2.0	0.4
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 CBRFand 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)
Capital Fund Ending Balance	17.8	24.3	26.5	11.4	18.4	11.0	6.5	2.0	0.4	6.3

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. "

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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

DRAFT

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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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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

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 - b) Summary of Site Visits Including Photographs
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CORRECTION

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



Rev. 6/98

Central Microfilm Services
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State of Alaska

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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.

DRAFT