

ALASKA LEGISLATURE COMMITTEE FILES 1900-1900 0072

3792 HTRA HB 409 - HB 413

668

3. Recommendations to include the appropriate language in the Department of Education Regulations that would assure a State mandated, regulated, and monitored school bus driver training program and related services.
4. Recommendations to include the appropriate language in the Department of Education Regulations that would provide for State Certification for School Bus Driver Trainers and School Bus Drivers.

PHASE II CURRICULUM - REPORTING

- A. Prepare curriculum and establish visual aids needed for driver training program.
- B. Print and distribute materials to local districts along with guidelines for the preparation for approval of their respective training programs.
- C. Design, print, and distribute all forms to all related agencies needed for required reporting.
- D. Determine and prepare curriculum and material needs for the driver trainer instructors workshop.

PHASE III IMPLEMENTATION - EVALUATION

- A. Establish necessary workshops to acquaint contractor and district personnel with programs, forms, procedures, etc.

- B. Establish workshops with D.M.V. personnel for program coordination.
- C. Establish and begin annual workshop to qualify driver trainers.
- D. Begin driver training program on local level.
- E. Evaluate program for efficiency of training and reporting procedures.

PHASE IV RESTRUCTURE - REORGANIZE

Alter, change, redesign, or upgrade any portion of the program as needed or required.

VI. CLOSING STATEMENT

This plan has identified a need, spelled out the process to rectify that need, and provided for an ongoing program with room to fluctuate as the business it regulates varies according to the educational requirements of the community.

One of the major endeavors of the plan was to alleviate the discrepancies regarding school bus driver training while allowing a good measure of local control of respective school districts.

The concepts of permitting school districts, in conjunction with the local contractors, to submit their own training programs for approval is

DRAFT

totally new, but has a tremendous amount of merit. Factors such as attitudes, public relations, and cooperation will be greatly enhanced and possibly the programs submitted will even be more stringent than one developed on a state level, because of the flexibility to stress the proper emphasis where needed.

The adoption of this plan by the State Department of Education will fulfill their responsibility to formulate and administer a school bus driver training program and pave the way for future developments and progress.

Honoring - Koliganek High School Girls'
Basketball Team Class A State
Champions

Honoring - Master Sergeant James L.
Bondsteel

Honoring - Lindi Wolf

A message dated April 30, 1986, was read stating the Senate has passed the following and they are transmitted for consideration:

FIRST READING AND REFERENCE OF SENATE BILLS

CSSB 339(Fin)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 339 (Finance), by the Finance Committee, entitled:

"An Act relating to mercury classics."

was read the first time and referred to the Rules Committee.

CSSB 405(Fin)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 405 (Finance), by the Finance Committee, entitled:

An Act relating to loans under the
Alaska grain reserve program; and
providing for an effective date."

was read the first time and referred to the House Special Committee on State Loans and the Finance Committee.

SB 474am

SENATE BILL NO. 474 amended, by the Labor and Commerce Committee, entitled:

"An Act relating to exemptions from
licensing requirements as electrical
administrators; and providing for an
effective date.

was read the first time and referred to the Labor & Commerce Committee.

HJR 34

HOUSE JOINT RESOLUTION NO. 34
Urging Congress to maintain the current
level of federal funding for child
nutrition programs.

Legislative Resolve No. 43

CSHB/409(Trsp)

A message dated April 30, 1986, was read stating the
Governor has signed the following bill and is transmitting
the engrossed and enrolled copies to the Lieutenant
Governor's office for permanent filing:

COMMITTEE SUBSTITUTE FOR HOUSE BILL
NO. 409 (Transportation)
An Act relating to training and
licensing of school bus drivers; and
providing for an effective date.

Chapter No. 19, SLA 1986

file

MESSAGES FROM THE SENATE

A message dated April 30, 1986, was read stating the Senate
has approved the following citations and they are
transmitted for consideration:

Honoring - Juneau Students State Champions
Alaska Future Problem Solving Bowl
by Senators Ray, Fahrenkamp and DeVries

Honoring - Morgen Paul - 1986 Alaska
Spelling Bee Champion
by Senators Coghill, Bennett, Fahrenkamp,
DeVries, Faiks and Kerttula; and
Representative Shultz

Honoring - Delta Junction High School
Girls' Volleyball Team AAA State
Champions
by Senator Coghill; and Representative
Shultz

The citations were referred to the Rules Committee for
placement on the calendar.

The message also stated the Senate has approved the
following citations and they are being enrolled:

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB 409

NEUTRAL

MAY 2, 1985

*2/10/13
m...*

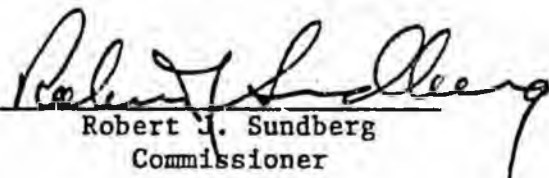
This bill does not make any drastic changes in the licensing of school bus drivers. The major impact will be on school bus contractors and school bus drivers in that a background check must be completed prior to issuance of the original license rather than after issuance. If the applicant has resided in Alaska only for the two years immediately preceding application, the delay in issuing the license will be approximately three weeks. If the applicant has resided in other states during the two years immediately preceding application, the delay in issuing the license will be approximately eight weeks. Contractors will have to plan accordingly in hiring and training new drivers.

Present law indicates a school bus permit will not be issued until "the department is satisfied as to the applicant's good character, competence, and fitness to be licensed...." Thus, the department adopted regulations which specify who cannot be licensed. This bill takes the discretion away from the department and specifies in statute who cannot be licensed. The bill adds one criminal offense that is not in the regulations which disqualify an applicant, however, the department's regulations are much stricter in regard to driving offenses. With the above wording being deleted, the regulations dealing with good character and competence may have to be repealed.

The cost mentioned in proposed section 28.15.046(f) is currently \$12.00 for a fingerprint search of the national criminal records as required in AS 28.15.046(b)(4). Individual states do not charge for a fingerprint search for another state, as required in AS 28.15.046(b)(5) if the applicant has resided outside Alaska within the two years prior to application.

In regard to AS 28.15.046(b)(6), this will require the state to have an approved school bus driver training course. The Department of Education is currently working on a master plan to include this. It does not appear it will be complete by the effective date of this bill. Without such a program, no school bus driver permits could be issued. Each contractor presently has a training program, however, they are not state approved.

Recommend Section 1 of the bill be repealed. Licensing of taxi drivers is presently handled at the local government level and the department would prefer to leave the control at the local level.


Robert J. Sundberg
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 409
 Title: An Act relating to
licensing of school bus drivers....
 Sponsor: Jenkins
 Requestor: House Transportation
 Date of Request: 4-30-85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Life and Property Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles
Driver Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		4.2	4.4	4.6	4.8	5.0
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		4.2	4.4	4.6	4.8	5.0

CAPITAL						
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REVENUE		4.2	4.4	4.6	4.8	5.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND		4.2	4.4	4.6	4.8	5.0
FEDERAL FUNDS						
OTHER						
TOTAL		4.2	4.4	4.6	4.8	5.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This legislation requires fingerprint search of FBI files on each original school bus driver applicant. The FBI charges \$12.00 per search. DMV receives approximately 350 original applications per year. DMV will be required to pay the FBI for the searches, however, the applicant is required to cover this cost. Thus, at time of application each applicant will be required to pay \$12.00 (in addition to license fee), which will be deposited in the general fund. 350 applicants x \$12.00 per search = \$4,200. A 5% growth factor was used for FY87 & subsequent years.

Prepared By: Bill Brown Phone: 465-4335
 Division: Motor Vehicles Date: 5-1-85

Approved by Commissioner: [Signature] Date: 5-1-85
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Better
for you
only

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER

WITH STAFF COMMENTS RECEIVED FROM REP. JENKINS

(All underlined portions were given by David Garrison, Rep. Jenkins office)

NEUTRAL POSITION

This bill does not make any drastic changes in the licensing of school bus drivers. The major impact will be on school bus contractors and school bus drivers in that a background check must be completed prior to issuance of the original license rather than after issuance. If the applicant has resided in Alaska only for the two years immediately preceding application, the delay in issuing the license will be approximately (According to David Garrison, Rep. Jenkins staff, he talked with Commissioner Sundberg and according to him, with the computer doing the finger prints the turn around is one week. They made it three weeks in case of sickness, computer breakdown, etc. Three weeks would be the longest it would take for a state check.) If the applicant has resided in another state during the two years immediately preceding application, the delay in issuing the license will be approximately eight weeks. Contractors will have to plan accordingly in hiring and training new drivers.

Present law indicates a school bus permit will not be issued until " the department is satisfied as to the applicant's good character, competence, and fitness to be licensed..." Thus, the department adopted regulations which specify who cannot be licensed. this bill takes the discretion away from the department and specifies in statute who cannot be licensed. The bill adds on criminal offense that is not in the regulations which disqualify an applicant, however, the department's regulations are much stricter in regard to driving offenses. With the above wording being deleted, the regulations dealing with good character and competence may have to be repealed.

The cost mentioned in proposed section 28.15.046(f) (costs of conducting the background check of fingerprinting) is currently \$12.00 for a fingerprint search of the national criminal records as required in AS 28.15.046 (b)(4). Individual states do not charge for a fingerprint search for another state, as is required in AS 28.15.046(b)(5) if the applicant has resided outside Alaska within the two years prior to applicant. (Mike Ford, the drafting attorney assured David of Rep. Jenkins staff, that this bill would not reduce the existing code or stop the department from requiring more stringent codes. this would only be the minimum requirements. David spoke with Bill Brown of Public Safety and he Bill will check this out with the attorneys if additional language is required, which perhaps could be done with a committee substitute.)

In regard to AS 28.15.046(b)(6), this will require the state to have an approved school bus driver training course. The Department of Education

is currently working on a master plan to include this. It does not appear it will be complete by the effective date of this bill. Without such a program, no school bus driver permits could be issued. Each contractor presently has a training program, however, they are not state approved (According to Commissioner Sundberg, just delete this section. They are not enforcing it to the full letter of the law).

Recommend Section 1 of the bill be repealed. Licensing of taxi drivers is presently handled at the local government level and the department would prefer to leave the control at the local level.

*Signed by Commissioner Sundberg, May 2, 1985

HOUSE BILL 409 "An Act relating to licensing of school bus drivers..."

Rep. Jenkins has provided us with a position paper on HB 409 which explains that HB 409 sets minimum requirements for school bus drivers.

It also takes the existing state department of public of safety regulations and introduces them into statute. Plus he has listed the additions made to the statute.

The department of public safety has provided a neutral position paper. They have suggested deleting "AS 28.15.046(b) which will require the state to have an approved school bus driver training course. The Department of Education is currently working on a master plan to include this. It does not appear it will be complete by the effective date of this bill."

In talking with the Department of Education, committee staff learned that DOE would like ~~the opportunity to address this bill~~, but the individual with the ~~answers to any questions and comments~~ is out of town and unable to get that information to us for this morning's meeting.

They also expressed their concern regarding ~~AS 28.15.046(b)~~ since their ~~Master Plan for School Bus Driver Training~~ is still in draft form.

In addition, the department of Education stated that they support the concept of the bill, and will be providing us with a fiscal note and position paper per our request.

The only opposition to this bill, was an informal complaint expressed regarding AS 28.15.045(f) which requires the applicant to pay for the costs of conducting the background check required under (b)(4) and (5).

FYI: HB 409 does have a State Affairs referral.

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4453/4530

2201 ROOSEVELT DRIVE
ANCHORAGE, ALASKA 99503
(907) 248-4234



MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
HOUSE STATE AFFAIRS COMMITTEE

Representative Roger Jenkins

DISTRICT 11

HOUSE BILL NO. 409

LICENSING OF SCHOOL BUS DRIVERS

by Rep. JENKINS

House Bill No. 409 would set minimum requirements for school bus drivers. The bill would require the applicants to satisfy the department of public safety that they are of good character and are competent and fit to be licensed to drive school age children.

House Bill No. 409 takes the existing state department of public safety regulations and implements them into statute. In addition the bill adds the following:

1. The applicant must complete a state approved school bus driver training course. [Subsection (b)(6), page 2, lines 15-17.]
2. The applicant must supply the department of public safety with sufficient information to complete national criminal records check. [Subsection (b)(4), page 2, lines 9-11.]
3. The applicant must successfully complete a background check within the state or states which he or she has resided for at least the past 2 years. [Subsection (b) (5), page 2, lines 12-14.]
4. The applicant must not have been convicted of a felony or misdemeanor involving distribution of a controlled or imitation controlled substance. [Subsection (c)(7), page 3, lines 2-3.]
5. The applicant must not have been convicted of a felony involving possession of a controlled or imitation controlled substance. [Subsection (c)(6), pages 2-3, lines 29-1.]
6. The applicant must not have been convicted of driving while intoxicated within two years or must not have been convicted of multiple DWI's. [Subsection (d), page 3, lines 6-10.]
7. The applicant must bare the cost of background checks. [Subsection (f), page 3, lines 16-21.]

The children, whose parents have entrusted the state to educate, must have school bus drivers of good character who are educated in safety.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

April 29, 1985

SUBJECT: Sectional analysis
(Work Order No. 14-1144)

TO: Representative Roger Jenkins

FROM: Michael R. Ford *M.R.F.*
Legislative Counsel

The following is a sectional analysis of the above referenced work order:

Section 1 deletes the existing authority of the department to regulate licensing of school bus drivers.

Section 2 adds a new section governing licensing of school bus drivers. Sets forth specific licensing requirements and lists specific criminal convictions that would prevent licensing.

Section 3 effective date section.

MFF:obj
J14/055

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB 409

NEUTRAL

MAY 2, 1985

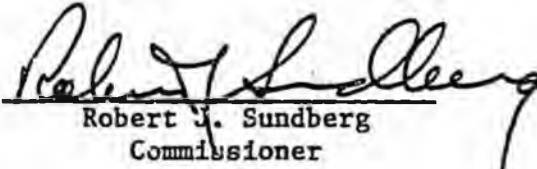
This bill does not make any drastic changes in the licensing of school bus drivers. The major impact will be on school bus contractors and school bus drivers in that a background check must be completed prior to issuance of the original license rather than after issuance. If the applicant has resided in Alaska only for the two years immediately preceding application, the delay in issuing the license will be approximately three weeks. If the applicant has resided in other states during the two years immediately preceding application, the delay in issuing the license will be approximately eight weeks. Contractors will have to plan accordingly in hiring and training new drivers.

Present law indicates a school bus permit will not be issued until "the department is satisfied as to the applicant's good character, competence, and fitness to be licensed...." Thus, the department adopted regulations which specify who cannot be licensed. This bill takes the discretion away from the department and specifies in statute who cannot be licensed. The bill adds one criminal offense that is not in the regulations which disqualify an applicant, however, the department's regulations are much stricter in regard to driving offenses. With the above wording being deleted, the regulations dealing with good character and competence may have to be repealed.

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Recommend Section 1 of the bill be repealed. Licensing of taxi drivers is presently handled at the local government level and the department would prefer to leave the control at the local level.


Robert J. Sundberg
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

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licensing of school bus drivers...
 Sponsor: Jenkins
 Requestor: House Transportation
 Date of Request: 4-30-85

FISCAL DETAIL

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 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles
Driver Services

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PART-TIME						
TEMPORARY						

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Prepared By: Bill Brown Phone: 465-4335
 Division: Motor Vehicles Date: 5-1-85

Approved by Commissioner: [Signature] Date: 5-1-85
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

(8) who is required under ch. 27 of this title to furnish proof of financial responsibility and who has not done so. (§ 19 ch 178 SLA 1978)

NOTES TO DECISIONS

Stated in Commercial Fisheries Entry 2011 (File No. 4464), 606 P.2d (1980).
Comm'n v. Apokedak, Sup. Ct. Op. No.

Collateral references. — 5 Am. Jur.,
Automobiles, § 151.

Sec. 28.15.041. Classification of drivers' licenses. (a) The commissioner shall provide by regulation for the classification of drivers' licenses. The regulations shall specify license classifications which are reasonably necessary for the safe operation of the various types, sizes and combinations of motor vehicles. The regulations shall also establish medical standards, standards of driving conduct and proficiency, and other standards governing the issuance, renewal, or denial of these licenses. The department may examine each applicant to determine his qualifications according to the class of license applied for, and upon issuing a driver's license the department shall indicate on the license the classification for which an applicant for a license has qualified by examination. The regulations and any subsequent modifications under this section become effective only if approved by a concurrent resolution adopted by a majority vote of each house of the legislature.

(b) No person may drive a school bus transporting school children, or a bus transporting school-age children or another motor vehicle when in use for the transportation of persons for compensation until he has applied for and has been issued a license for that purpose under (a) of this section. The department may not issue a license under this subsection unless the applicant is at least 19 years of age, has had at least one year of driving experience, and the department is satisfied as to the applicant's good character, competence and fitness to be licensed; nor may the department issue the license until proper application has been made and all required driving, written, and physical examinations have been successfully completed. A license issued under this subsection expires on September 1 of the year following issuance. Application for renewal may be made by submitting to the department the results of a current physical examination and paying the required fee. (§ 19 ch 178 SLA 1978)

Sec. 28.15.051. Instruction permit, temporary driver's license and special driver's permit. (a) Except as provided in (b) of this section, a person who is at least 14 years of age may apply to the

department for an applicant has succeeded § 81 of this chapter an instruction permit in his immediate motor vehicle on a to exceed two years at least 19 years of the type or class of control over the vehicle who accompanies a drives a motorcycle

(b) The department restricted instruction restricted period to is enrolled in a driving and is approved permit allows the possession, to drive an approved instructor the permittee is driven under the immediate

(c) The department applicant for a driver or class of motor vehicle investigation and determination to receive a driver's license. A temporary driver's license has been issued or has been

(d) The department who is at least 14 years of age guardians for the purpose may be issued upon prescribed tests and fees driver's license. The ordinance prohibits under the age of 16 nonareawide basis or basis is acquired under

(e) Notwithstanding the department may issue a special license to be issued on an individual basis by the

586. Setting Aside Sentence

(b) A school bus driver permit will be revoked for

- (1) conviction of driving while intoxicated;
- (2) conviction of reckless driving;
- (3) conviction of a third offense of driving in violation of permit restrictions;
- (4) any reason that would be grounds for denial under 13 AAC 08.010;

(5) knowingly making a false statement or concealing a material fact or otherwise committing a fraud in an application for a permit;

(6) repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.050. PERIOD OF SUSPENSION OR REVOCATION. (a) The period of suspension of a school bus driver permit is as follows:

- (1) violation of permit restrictions – first offense 30 days, second offense six months;
- (2) for the duration of a limitation placed on the driver's license as provided by 13 AAC 08.045(a)(2);
- (3) for the duration of the suspension or revocation of the driver's license as provided by 13 AAC 08.045(a)(3).

(b) the period of revocation of a school bus driver permit is as follows:

- (1) one year for first conviction of driving while intoxicated or reckless driving, and permanent revocation for conviction of a second offense or the first offense if it occurred while driving a school bus;
- (2) one year for third offense of driving in violation of permit restrictions;
- (3) until applicant is eligible for reissuance if it is for a reason which would be grounds for denial under 13 AAC 08.010;

(4) one year for knowingly making a misrepresentation in an application for a permit;

(5) repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.055. RE-EXAMINATION. Upon written request of a police officer, the Department of Education, or the employer of a school bus driver, the department will, in its discretion, upon giving 10 days' notice to the school bus driver, require him to submit to a part or all of the examination requirements. After examination the department will, in its discretion, if the school bus driver did not satisfactorily pass examination, revoke his permit until the examination is passed. Refusal or neglect to submit to re-examination will result in revocation of the permit until the examination is satisfactorily completed. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.060. DEFINITIONS. In 13 AAC 08.005 – 13 AAC 08.060, unless context requires otherwise

(1) "convicted with such frequency of serious traffic offenses" means one conviction of driving while intoxicated or reckless driving during the 12 months immediately before application, or four convictions for any other violation of traffic law or regulations while driving a motor vehicle during the 24 months immediately before application, or two or more convictions for driving while intoxicated or reckless driving at any time before application;

(2) repealed 5/2/81;

(3) repealed 5/2/81;

(4) "permit" means a school bus driver permit issued by the department;

(5) "unlimited Alaska driver's license" means an Alaska driver's license which is not limited under the provisions of AS 28.15.201;

(6) "department" means Alaska Department of Public Safety. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

(3) the person's visual acuity may not be less than 20/30 in one eye and 20/200 in the other eye, either with or without corrective lenses;

(4) the person may not have monocular vision;

(5) the person may not have a history of fainting spells, dizziness, convulsions, epilepsy, or cardiac ailment during the 12 consecutive months immediately preceding the examination;

(6) the person must have normal use of both hands, arms, and feet;

(7) the person may not have a physical disability that would prevent safe operation of a school bus under all driving conditions;

(8) the person may not presently be under treatment for excessive use of alcohol or drugs.

(b) Except as provided in (c) of this section, a renewal of a school bus driver permit may not be granted unless the requirements of (a)(1) - (8) of this section are met.

(c) When a person has a "skin test" that does not show the person to be free of tuberculosis, a chest X-ray is not required under (a)(2) of this section if within 18 months before the skin test the person had a chest X-ray that showed him to be free of tuberculosis. Nothing in this section, however, prevents the person conducting the examination from concluding that the X-ray is necessary for diagnostic purposes and requiring that an X-ray be taken.

(d) A report of an examination performed under this section by a physician's assistant or an advanced nurse practitioner must be signed by that person, and include the name of the collaborating physician. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78; am 8/12/82, Reg. 83)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.030. PERMIT TO BE CARRIED AND EXHIBITED. A driver of a school bus shall have in his immediate possession his school bus driver permit and his driver's license when operating a school bus transporting a child to or from school or a school activity and shall, upon the request of a police officer, display and

temporarily give to the police officer for examination his school bus driver permit. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.035. RESTRICTED PERMIT. A school bus driver permit shall, depending upon the type of vehicle in which the driving examination was given, be restricted as follows:

(1) if the examination was given in a school bus with a manufacturer's rated capacity of less than 24, the permit shall be restricted on its face to "15 passengers or less";

(2) if the examination was given in a school bus with a manufacturer's rated capacity of 24 or more, the permit shall be unrestricted and allows operation of any school bus. (Eff. 12/31/69, Reg. 31)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.040. CANCELLATION OF PERMIT. The department will, in its discretion, cancel a school bus driver permit for the following:

(1) unintentional, erroneous information or improper application;

(2) repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.045. SUSPENSION OR REVOCATION OF PERMIT. (a) A school bus driver permit will, in the department's discretion, be suspended by the department for

(1) driving a school bus in violation of the permit restrictions;

(2) conviction of a traffic offense which results in a limitation being placed on the driver's license, except an offense which requires revocation under (b) of this section;

(3) conviction of an offense which results in suspension or revocation of the driver's license, unless suspension or revocation is for a conviction of an offense which requires revocation under (b) of this section.

(2) the person must have a chest X-ray or "skin test" that shows the person to be free of tuberculosis;

(2) has not been licensed to operate a motor vehicle for at least one year before the date of application;

(3) is not at the time of application validly licensed to operate a motor vehicle in Alaska or does not have a valid unlimited Alaska driver's license in his possession;

(4) has not attained the age of 19;

(5) has been convicted of any of the following offenses within 20 years of the time of application: sexual abuse of a minor; sexual assault; incest; unlawful exploitation of a minor; contributing to the delinquency of a minor; felony offense involving distribution of prohibited drugs; or promoting prostitution in the first or second degree.

(b) Repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.015. APPLICATION REQUIREMENTS. Applicants for an original school bus driver permit shall, at the time of application, furnish the following to the examiner in order for the application to be accepted:

(1) a completed health history on a form prescribed by the Department of Public Safety;

(2) two sets of applicant fingerprint cards.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.020. EXAMINATION OF APPLICANTS. (a) The school bus driver's written examination may not be administered to an applicant more than twice during any 12 consecutive months, and a one-week waiting period is required between the two tests allowed. A score of 80 is required to pass, and the test shall be comprised of questions concerning

(1) traffic laws and regulations; and

(2) school bus drivers' operating regulations promulgated by the Department of Education.

(b) The driving examination shall be administered in the type of equipment which the

applicant is to operate, and the equipment shall be furnished by the applicant or his employer. The driving examination may not be administered to an applicant more than twice during any 12 consecutive months, and a one-week waiting period is required between the two tests allowed. A score of less than 31 is required to pass, and the examination shall consist of at least the following maneuvers:

(1) with engine off, starting engine and moving into the rest of the required maneuvers;

(2) two right-hand turns and two left-hand turns;

(3) where practical and possible, a railroad crossing stop;

(4) the use of special lighting and other special equipment required by regulation;

(5) movement through intersections controlled by signs or signals, unless such signs or signals are not available in the area of the examination;

(6) simulated loading and unloading of children.

(c) Where it is impractical for the department to administer the driving test, and upon agreement with the employer or other person acceptable to the department, the driving examination may be administered by the employer or other person acceptable to the department who shall certify to the proficiency of the applicant's driving skills by signing the examination form as the "examiner." (Eff. 12/31/69, Reg. 31)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.025. MEDICAL STANDARDS. (a) A school bus driver permit may not be issued to a person who does not meet the following minimum standards as certified by a medical doctor, a physician's assistant licensed by the State Medical Board, or an advanced nurse practitioner licensed by the Board of Nursing, on the form required in 13 AAC 08.015(1):

(1) the person must be free of communicable disease at the time of examination;

13 AAC 06.060. PERIODIC INSPECTION REQUIRED. Annulled under AS 44.62.320, passed 5/26/76.

13 AAC 06.070. OFFICIAL INSPECTION STATIONS. Annulled under AS 44.62.320, passed 5/26/76.

13 AAC 06.080. DISPLAY OF CERTIFICATE OF INSPECTION. Annulled under AS 44.62.320, passed 5/26/76.

13 AAC 06.090. PROHIBITED PRACTICES.
(a) No person may perform repairs or adjustments upon a vehicle that are not in accord with acceptable or customary repair practices or not in accordance with the provisions of this title or applicable statutes.

(b) No person may willfully conceal or misrepresent the identity or condition of a vehicle, nor make a false or misleading statement or present false evidence in connection with the inspection, repair, or adjustment of a vehicle.

(c) Annulled under AS 44.62.320, passed 5/26/76.

(d) Annulled under AS 44.62.320, passed 5/26/76.

(e) Annulled under AS 44.62.320, passed 5/26/76.

(f) No police officer or other person authorized by the department to conduct inspections under this chapter may order, direct, recommend, or influence the repair or adjustment of a vehicle or its equipment by a particular person, or perform repair or adjustment at a roadside inspection area for compensation, nor may a person solicit in any manner, at a roadside inspection area or upon a surrounding or an adjacent highway, any repair or adjustment business for compensation. (Eff. 12/31/69, Reg. 31; am 7/5/75, Reg. 54)

Authority: AS 28.05.030
AS 28.35.230

Editor's Note: The penalty for violation of traffic regulations is provided by statute. Re: AS 28.35.230.

CHAPTER 08. DRIVER LICENSING AND SAFETY RESPONSIBILITY

Article

1. School Bus Driver Permit
(13 AAC 08.005-13 AAC 08.060)
2. Safety Responsibility
(13 AAC 08.075-13 AAC 08.110)
3. Classified Driver's Licenses
(13 AAC 08.140-13 AAC 08.160)
4. Traffic Violations Demerit Point System
(13 AAC 08.210-13 AAC 08.290)
5. Standards for Licensing of Drivers
(13 AAC 08.310-13 AAC 08.400)
6. Mandatory Auto Insurance
(13 AAC 08.410-13 AAC 08.440)

ARTICLE 1. SCHOOL BUS DRIVER PERMIT

Section

05. Application of regulations
10. Denial of permit
15. Application requirements
20. Examination of applicants
25. Medical standards
30. Permit to be carried and exhibited
35. Restricted permit
40. Cancellation of permit
45. Suspension or revocation of permit
50. Period of suspension or revocation
55. Re-examination
60. Definitions

13 AAC 08.005. APPLICATION OF REGULATIONS. 13 AAC 08.005 - 13 AAC 08.060 apply to a person who operates a school bus when it is transporting a child, other than his own, to or from school or a school activity. (Eff. 12/31/69, Reg. 31)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.010. DENIAL OF PERMIT. (a) A school bus driver permit may not be issued to an applicant who

(1) has been convicted with such frequency of serious traffic offenses as to indicate a disregard for traffic laws and the safety of others;

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HT 5-9-85

Tam

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1-21-86

REQUEST

Bill/Resolution No.: HB 409
 Title: An Act relating to licensing of school bus drivers..
 Sponsor: Jenkins
 Requestor: House Transportation
 Date of Request: 1-21-86

FISCAL DETAIL

Agency Affected: Public Safety
 BRU: Motor Vehicles
 Components: Driver Services

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		8.4	8.8	9.2	9.7	10.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	8.4	8.8	9.2	9.7	10.2
CAPITAL						
REVENUE	0	8.4	8.8	9.2	9.7	10.2

FUNDING : (Thousands of Dollars)

GENERAL FUND	0	8.4	8.8	9.2	9.7	10.2
FEDERAL FUNDS						
OTHER						
TOTAL	0	8.4	8.8	9.2	9.7	10.2

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

This legislation requires fingerprint search of FBI files on each original school bus driver applicant. The FBI charges \$12.00 per search. DMV receives approximately 700 original applications per year. DMV will be required to pay the FBI for the searches, however, the applicant is required to cover this cost. (cont')

Prepared by: Bill Brown Phone: 465-2650
 Division: Motor Vehicles Date: 1-21-86

Approved by Commissioner: [Signature] Date: 1-21-86
 Agency: Public Safety

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 409

ANALYSIS (cont')

At time of application each applicant will be required to pay \$12.00 (in addition to license fee), which will be deposited in the general fund. 700 applicants x \$12.00 per search = \$8,400. A 5% growth factor was used for FY88 and subsequent years.

ASSUMPTION

Effective date of July 1, 1986.

INFORMATION

For the fiscal note dated 5-1-85, an estimate of the number of original school bus applicants was used. During 1985, statistics were compiled to obtain the actual number. This fiscal note is based on actual number of applicants in calendar year 1985.

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4453/4530

2201 ROOSEVELT DRIVE
ANCHORAGE, ALASKA 99503
(907) 248-4234



MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
HOUSE STATE AFFAIRS COMMITTEE

Representative Roger Jenkins

DISTRICT 11

M E M O R A N D U M

Date: January 21, 1986

To: All House Transportation Committee Members
All Co-Sponsors of HB 409

From: Representative Roger Jenkins

Re: January 22 House Transportation Committee Hearing of HB 409, "An Act relating to licensing of school bus drivers; and providing for an effective date."

Enclosed please find a copy of HB 409 and back-up material. As co-sponsor of the bill, you will be interested to know that it will be heard tomorrow, January 22, by the House Transportation Committee at 7:00 a.m.

Included in this packet are:

- HB 409
- my outline of the bill
- Legislative Council's sectional analysis
- The Department of Public Safety's May 2, 1985 Position Paper and Fiscal Note
- AS 28.15.041 (affected by Section 1 of my bill)
- 13 AAC 08.055-.060
- May 9, 1985 House Transportation Committee Minutes
- The Department of Public Safety's January 21, 1986 Fiscal Note and Fiscal Note Analysis



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

10/31/89
Date

H B

4 1 3

COMMITTEE REPORT

HOUSE

79

(7)

FINANCE

FURTHER:

5/1/85

Date: _____

The Committee on TRANSPORTATION has had HR 413

"An Act providing for the issuance of general obligation bonds in the amount of \$350,000,000 for the purpose of paying the cost of transportation projects; calling for a special election on the question; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John Smith

M. Maguire

Mark Deery

John N. W.C.C.

Bette Cate

CHAIRMAN

Introduced: 5/1/85
Referred: Transportation
and Finance

1 IN THE HOUSE

BY BOUCHER AND COTTEN

2

HOUSE BILL NO. 413

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$350,000,000 for the
8 purpose of paying the cost of transportation pro-
9 jects; calling for a special election on the ques-
10 tion; and providing for an effective date."

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

12 * Section 1. For the purpose of paying the cost of transportation
13 projects, general obligation bonds of the state in the principal amount of
14 not more than \$350,000,000 shall be issued and sold. The full faith,
15 credit, and resources of the state are pledged to the payment of the prin-
16 cipal of and interest and redemption premium, if any, on these bonds.
17 These bonds shall be issued under the provisions of AS 37.15 as those
18 provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1985
21 Transportation Projects Fund" shall be established, to which shall be
22 credited the proceeds of the sale of the bonds described in sec. 1 of this
23 Act except for the accrued interest and premiums.

24 * Sec. 3. (a) The amount of \$350,000,000 is appropriated from the
25 "1985 Transportation Projects Fund" to the Department of Transportation and
26 Public Facilities to be allocated in accordance with the following projects
27 and estimates:

28 (1) transportation projects within the Municipality of
29 Anchorage:

*Per Knowledge
Projects & Fee Paid
Based on
TRSP. SP. TR. 74
(PUBLIC SAFETY)*

1	West Northern Lights	21,000,000
2	Eklutna Transportation Project	28,000,000
3	Lake Otis Drive	15,500,000
4	Boniface Parkway and interchanges	26,300,000
5	C St., Tudor to ARR	2,000,000
6	100th and Minnesota interchange	3,500,000
7	C St., - Klatt Road	2,600,000
8	Spenard Road	12,600,000
9	36th Avenue	3,100,000
10	Dimond Blvd	5,600,000
11	Arctic Blvd	5,600,000
12	Pedestrian improvements	1,700,000
13	Traffic circulation improvements	2,000,000
14	Anchorage road district service areas	3,500,000
15	Limited road service areas	2,000,000
16	Eagle River Hiland Road bridge	3,000,000
17	Chugiak-E.R.-Birchwood road improvements	1,400,000
18	Old and New Seward Highway Intersections	
19	improvements	5,600,000
20	Eagle River-Birchwood-Chugiak State	
21	Road improvements	5,000,000
22	Total	\$150,000,000
23	(2) transportation projects in the following house election	
24	districts, in the respective amounts:	
25	District 1	17,392,439
26	District 2	8,695,565
27	District 3	8,695,565
28	District 4	17,391,304
29	District 5	17,391,304

1	District 6	8,695,565
2	District 16	17,391,304
3	District 17	8,695,565
4	District 18	8,695,565
5	District 19	8,695,565
6	District 20	17,391,304
7	District 21	8,695,565
8	District 22	8,695,565
9	District 23	8,695,565
10	District 24	8,695,565
11	District 25	8,695,565
12	District 26	8,695,565
13	District 27	8,695,565
14	Total	\$200,000,000

15 (b) The proceeds of the bond issue may be reallocated among the
16 listed projects as provided by law.

17 * Sec. 4. If the issuance of these bonds is authorized by the qualified
18 voters of the state, the amount of \$1,225,000 or as much of that amount as
19 is found necessary is appropriated from the general fund of the state to
20 the state bond committee to carry out the provisions of this Act and to pay
21 expenses incident to the sale and issuance of the bonds authorized in this
22 Act. The amounts expended from the appropriation authorized by this sec-
23 tion shall be reimbursed to the general fund from the proceeds of the sale
24 of the bonds authorized by this Act.

25 * Sec. 5. The amount withdrawn from the public facility planning fund
26 for the purpose of advance planning for the improvements financed under
27 this Act shall be reimbursed to the fund from the proceeds of the sale of
28 bonds authorized by this Act.

29 * Sec. 6. The question whether the bonds authorized in this Act are to



National Bank of Alaska

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D. L. MELLISH
CHAIRMAN OF THE EXECUTIVE COMMITTEE

May 1, 1985

Mayor Tony Knowles
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mayor Knowles:

Recently, you requested the Legislature and the Governor to place a \$350 million statewide general obligation bond issue on the ballot in 1985 to fund basic transportation and utility projects. I join you in that request, and would be pleased to offer my assistance.

Last year, I served as Chairman of Anchorage's Accelerated Road Citizen Committee. Our priorities are well established, and our program is on track. Improvement of our major roads is needed now more than ever. With changes in world oil markets, the State of Alaska does have less revenue available than in the recent past. However, there is no cause to abandon or delay our most needed capital improvements. Anchorage cannot cease to grow as a community. Our job should be to find appropriate ways to provide for that growth. General obligation bonding is a proven and conventional method of financing those elements of community infrastructure which have long term benefits. It is a most appropriate means of financing transportation, utility and educational projects.

I encourage you to pursue a statewide general obligation bond for 1985.

Sincerely,

Donald L. Mellish
Chairman of the Executive Committee

DLM/dlk

file: Bond issue !! *BJ*

APPROVED
Date: 4-23-85

Submitted by: Chairman of the Assembly
Prepared by: Office of Management & Budget
For reading: April 23, 1985

ANCHORAGE, ALASKA
AR NO. 85-97

A RESOLUTION URGING THE STATE OF ALASKA TO ISSUE GENERAL OBLIGATION BONDS FOR FUNDING STATE WIDE TRANSPORTATION, UTILITY AND EDUCATION PROJECTS

WHEREAS, the Anchorage Accelerated Road Program and the Eklutna Water project have been capital funding priorities of the Municipality for several years and are essential to the public safety and welfare of both current and future residents, and

WHEREAS, we must make a firm commitment to funding these projects even though the reduction of state revenues has sharply cut the anticipated state capital budget, and

WHEREAS, prior to the influx of state oil dollars, many state wide infrastructure development projects were funded through the traditional and fiscally responsible mechanism of general obligation bonds, and

NOW, THEREFORE, the Anchorage Assembly resolves:

That the state of Alaska should supplement the 1986 capital budget with a state general obligation bond issue in November of 1985 to provide for funding of the Municipality's minimum requirement for state capital funds in 1986.

PASSED AND APPROVED by the Anchorage Assembly this 23rd day of April, 1985.

John August
Chairman

ATTEST:
Rocky E. Smith
Municipal Clerk

TABLE 1.9

State of Alaska
State General Obligation Bond Issues
Since Statehood

<u>Date</u>	<u>Purpose</u>	<u>Amount Issued</u>	<u>Principal Outstanding as of 6/30/84</u>	<u>ANIC ^{1/}</u>
June 1, 1958 ^{2/}	University of Alaska	\$ 1,290,000	250,000	2.97%
July 1, 1961	Transportation	12,500,000	5,490,000	3.56
July 1, 1961	University of Alaska	1,200,000	0	3.54
July 1, 1961	Airport	275,000	0	3.00
July 1, 1962	Transportation	5,500,000	0	3.56
July 1, 1962	University of Alaska	800,000	0	3.23
July 1, 1962	Airport	275,000	0	2.94
July 1, 1962	Hospital	354,000	0	2.94
April 1, 1963	University of Alaska	2,650,000	0	3.33
April 1, 1963	Education	2,700,000	0	3.33
April 1, 1963	Airport	1,550,000	0	3.33
April 1, 1963	Education	600,000	0	3.10
Jan. 1, 1964	Various	7,865,000	0	3.56
Oct. 1, 1966	Various	12,485,000	6,777,000	3.75
Oct. 1, 1966	Various	2,600,000	1,156,000	3.75
May 1, 1967	Various	16,500,000	8,405,000	4.50
Sept. 1, 1967	Transportation	10,500,000	7,750,000	4.90
April 1, 1968	Various	15,500,000	4,400,000	5.18
Oct. 1, 1968	Various	10,500,000	3,625,000	5.24
May 1, 1969	Transportation	8,500,000	3,050,000	5.73
July 1, 1969	Various	10,500,000	0	5.69
Sept. 1, 1969	Various	8,200,000	0	5.62
Oct. 1, 1969	University	2,030,000	1,320,000	3.00
Mar. 1, 1970	Various	11,501,000	0	5.49
July 1, 1970	Various	12,900,000	0	5.91
Sept. 1, 1970	Various	11,325,000	2,125,000	5.87
Feb. 1, 1971	Various	21,325,000	9,500,000	5.07
June 1, 1971	Various	18,880,000	13,920,000	6.03
June 1, 1971	University	3,750,000	2,800,000	6.04
June 1, 1971	University	1,200,000	800,000	6.00
Feb. 1, 1972	Various	23,445,000	14,800,000	5.23
May 1, 1972	Various	30,000,000	18,300,000	5.15
Jan. 1, 1973	Transportation	20,000,000	14,000,000	5.12
June 1, 1973	Various	27,000,000	17,400,000	5.10
Aug. 1, 1973	Various	31,000,000	25,500,000	5.80
Sept. 1, 1974	Various	30,000,000	24,900,000	6.85
Feb. 1, 1975	Various	40,000,000	31,600,000	5.98
May 1, 1975	Various	42,000,000	35,000,000	6.52
Oct. 1, 1975	Various	42,915,000	30,100,000	6.85
March 1, 1976	Various	40,000,000	22,500,000	5.86
July 1, 1976	Various	40,000,000	22,500,000	5.80
Feb. 1, 1977	Various	40,000,000	25,000,000	5.08

TABLE 1.9 (continued)

<u>Date</u>	<u>Purpose</u>	<u>Amount Issued</u>	<u>Principal Outstanding as of 6/30/84</u>	<u>ANIC</u> ^{1/}
Oct. 1, 1977	Various	40,000,000	20,000,000	4.50
April 1, 1978	Various	45,000,000	20,000,000	4.86
Jan. 1, 1979	Various	40,000,000	20,000,000	5.52
May 1, 1979	Various	60,000,000	36,000,000	5.59
July 1, 1980	Various	125,000,000	75,000,000	5.76
April 1, 1982	Various	200,000,000	155,540,000	9.98
Nov. 1, 1982	Various	185,000,000	166,500,000	7.72
Oct. 1, 1983	Various	<u>78,000,000</u>	<u>78,000,000</u>	7.47
		\$1,395,415,000	\$924,008,000	

Source: Department of Administration, Bonded Debt and Debt Service, Fiscal Years ended June 30, 1984 and June 30, 1971.

^{1/} ANIC - Average Net Interest Cost, except for Oct. 1, 1983 sale which is true interest.

^{2/} State assumed obligation of Territory.

TABLE 1.8
 Functional Distribution of State G.O. Debt
 Issued Since Statehood

(\$ in thousands)

<u>Function</u>	<u>Amount Issued</u>	<u>Percentage</u>
Transportation	\$ 541,744	38.9
Flood Control and Harbor Development	75,790	5.4
Education	386,879	27.8
Health and Housing	75,534	5.4
Water and Sewer	135,640	9.8
Fish, Game and Recreation	93,099	6.7
Public Safety (Fire and Corrections)	<u>85,439</u>	<u>6.1</u>
TOTAL	\$1,394,125	100.0%

Source: Bonded Debt and Debt Service, State of Alaska, June 30, 1984 and
 June 30, 1971.

TABLE 1.10

State of Alaska
General Obligation Bonds Authorized and Issued Since Statehood

<u>Fiscal Year</u>	<u>Authorized</u>	<u>Issued</u>	<u>Bonds Outstanding</u>
1959	0	0	\$ 2,932,000
1960	0	0	2,902,000
1961	\$ 30,500,000	0	2,806,000
1962	0	\$ 13,975,000	23,405,000
1963	17,325,000	14,429,000	30,336,000
1964	0	7,865,000	37,614,000
1965	7,000,000	0	36,737,000
1966	0	0	35,535,000
1967	62,585,000	31,585,000	65,872,000
1968	13,185,000	26,000,000	90,094,000
1969	44,700,000	19,000,000	105,333,000
1970	0	32,231,000	133,834,000
1971	146,200,000	69,380,000	195,203,000
1972	0	53,445,000	238,943,000
1973	124,500,000	47,000,000	274,578,000
1974	0	31,000,000	293,114,000
1975	189,575,000	112,300,000	392,508,000
1976	0	82,915,000	462,923,000
1977	200,981,000	80,000,000	530,008,000
1978	0	85,000,000	596,213,000
1979	271,355,000	100,000,000	670,503,000
1980	0	0	631,723,000
1981	289,712,500	125,000,000	701,178,000
1982	0	200,000,000	842,413,000
1983	0	185,000,000	946,183,000
1984	0	78,000,000	924,008,000
TOTAL	\$1,397,618,500	\$1,394,125,000	

Source: Department of Administration, Bonded Debt and Debt Service, Fiscal Years ended June 30, 1984 and June 30, 1971.

TITLE STATE OF ALASKA INVESTMENT

AMOUNT \$350,000,000

INTEREST RATE 10.00%

YEAR	RATE	PRINCIPAL BEGINNING OF PERIOD	INTEREST FOR 12 MONTH PERIOD	TOTAL INTEREST TO DATE
1985	10.00%	350,000,000	35,000,000	35,000,000
1986	10.00%	385,000,000	38,500,000	73,500,000
1987	10.00%	423,500,000	42,350,000	115,850,000
1988	10.00%	465,850,000	46,585,000	162,435,000
1989	10.00%	512,435,000	51,243,500	213,678,500
1990	10.00%	563,678,500	56,367,850	270,046,350
1991	10.00%	620,046,350	62,004,635	332,050,985
1992	10.00%	682,050,985	68,205,099	400,256,084
1993	10.00%	750,256,084	75,025,608	475,281,692
1994	10.00%	825,281,692	82,528,169	557,809,861
1995	10.00%	907,809,861	90,780,986	648,590,847
1996	10.00%	998,590,847	99,859,085	748,449,932
1997	10.00%	1,098,449,932	109,844,993	858,294,925
1998	10.00%	1,208,294,925	120,829,493	979,124,418
1999	10.00%	1,329,124,418	132,912,442	1,112,036,859
2000	10.00%	1,462,036,859	146,203,686	1,258,240,545

This example indicates the effect of investing \$350,000,000 for fifteen years at 10%. It also assumes that each years interest is re-invested at the same rate.

TITLE STATE OF ALASKA G.O.

AVERAGE LIFE 6.220285
NET INTEREST COST 7.6825%

ISSUE DATE 11-01-85

NOTE: All dollar amounts in the table are in thousands.

ISSUE SIZE \$350,000,000

YEAR	RATE	PRINCIPAL PAYMENT	INTEREST	TOTAL THIS ISSUE	CURRENT O/S DEBT SERVICE	TOTAL DEBT SERVICE	UNREST. REVENUE (1)	DEBT SERV AS A % OF UNR. REV.
1983								
1984								
1985					169,524	169,524	3,263,000	5.20%
1986	5.750%	22,765	25,806	48,571	163,244	211,815	2,900,000	7.30%
1987	6.250%	24,870	24,497	49,367	154,892	204,259	2,741,000	7.45%
1988	6.750%	27,170	22,942	50,112	147,906	198,018	2,482,000	7.98%
1989	7.000%	29,685	21,108	50,793	135,512	186,305	2,398,000	7.77%
1990	7.200%	32,430	19,030	51,460	120,306	171,767	2,317,000	7.41%
1991	7.400%	35,430	16,695	52,125	95,483	147,608	2,164,000	6.82%
1992	7.600%	38,705	14,074	52,779	68,201	120,980	2,157,000	5.61%
1993	7.800%	42,285	11,132	53,417	59,688	113,105	2,111,000	5.36%
1994	8.000%	46,200	7,834	54,034	33,930	87,964	2,009,000	4.38%
1995	8.200%	50,460	4,138	54,598	23,084	77,681	1,915,000	4.06%
1996			0	0	21,474	21,474	1,833,000	1.17%
1997			0	0	16,665	16,665	1,840,000	0.91%
1998			0	0	14,388	14,388	1,830,000	0.79%
1999			0	0	9,009	9,009	1,790,000	0.50%
2000			0	0	2,600	2,600	1,734,000	0.15%
2001			0	0	0	0		
2002			0	0	0	0		
2003			0	0	0	0		
2004			0	0	0	0		
2005			0	0	0	0		
TOTAL		=====	=====	=====	=====	=====		
		\$350,000	\$167,255	\$517,255	\$1,235,907	\$1,753,162		

(1) March 1985 Department of Revenue revenue estimate.

This example indicates the effect of issuing \$350,000,000 of additional bonds with a ten year life with the first principal payment made in 1986.

TITLE STATE OF ALASKA G.O.
 ISSUE DATE 11-01-85
 ISSUE SIZE \$350,000,000

AVERAGE LIFE 9.604828
 NET INTEREST COST 8.4141%

NOTE: All dollar amounts in the table are in thousands.

YEAR	RATE	PRINCIPAL PAYMENT	INTEREST	TOTAL THIS ISSUE	CURRENT O/S DEBT SERVICE	TOTAL DEBT SERVICE	UNREST. REVENUE (1)	DEBT SERV AS A % OF UNR. REV.
1983								
1984								
1985					169,524	169,524	3,263,000	5.20%
1986	5.750%	11,690	28,161	39,851	163,244	203,095	2,900,000	7.00%
1987	6.250%	12,770	27,489	40,259	154,892	195,151	2,741,000	7.12%
1988	6.750%	13,950	26,691	40,641	147,906	188,546	2,482,000	7.60%
1989	7.000%	15,240	25,749	40,989	135,512	176,501	2,398,000	7.36%
1990	7.200%	16,650	24,683	41,333	120,306	161,639	2,317,000	6.98%
1991	7.400%	18,190	23,484	41,674	95,483	137,157	2,164,000	6.34%
1992	7.600%	19,875	22,138	42,013	68,201	110,214	2,157,000	5.11%
1993	7.800%	21,710	20,627	42,337	59,688	102,025	2,111,000	4.83%
1994	8.000%	23,720	18,934	42,654	33,930	76,584	2,009,000	3.81%
1995	8.200%	25,915	17,036	42,951	23,084	66,035	1,915,000	3.45%
1996	8.400%	28,310	14,911	43,221	21,474	64,696	1,833,000	3.53%
1997	8.600%	30,930	12,533	43,463	16,665	60,129	1,840,000	3.27%
1998	8.750%	33,790	9,873	43,663	14,388	58,051	1,830,000	3.17%
1999	8.900%	36,915	6,916	43,831	9,009	52,840	1,790,000	2.95%
2000	9.000%	40,345	3,631	43,976	2,600	46,576	1,734,000	2.69%
2001			0	0	0	0		
2002			0	0	0	0		
2003			0	0	0	0		
2004			0	0	0	0		
2005			0	0	0	0		
TOTAL		\$350,000	\$282,856	\$632,856	\$1,235,907	\$1,868,763		

(1) March 1985 Department of Revenue revenue estimate.

This example indicates the effect of issuing \$350,000,000 of additional bonds with a fifteen year life with the first principal payment made in 1986.

TITLE STATE OF ALASKA G.O.

AVERAGE LIFE 11.22028
NET INTEREST COST 8.5235%

ISSUE DATE 11-01-85

NOTE: All dollar amounts in the
table are in thousands.

ISSUE SIZE \$350,000,000

YEAR	RATE	PRINCIPAL PAYMENT	INTEREST	TOTAL THIS ISSUE	CURRENT O/S DEBT SERVICE	TOTAL DEBT SERVICE	UNREST. REVENUE (1)	DEBT SERV AS A % OF UNR. REV.
1983								
1984								
1985					169,524	169,524	3,263,000	5.20%
1986			29,386	29,386	163,244	192,630	2,900,000	6.64%
1987			29,386	29,386	154,892	184,278	2,741,000	6.72%
1988			29,386	29,386	147,906	177,291	2,482,000	7.14%
1989			29,386	29,386	135,512	164,898	2,398,000	6.88%
1990			29,386	29,386	120,306	149,692	2,317,000	6.46%
1991	7.400%	22,765	29,386	52,151	95,483	147,634	2,164,000	6.82%
1992	7.600%	24,870	27,701	52,571	68,201	120,773	2,157,000	5.60%
1993	7.800%	27,170	25,811	52,981	59,688	112,669	2,111,000	5.34%
1994	8.000%	29,685	23,692	53,377	33,930	87,307	2,009,000	4.35%
1995	8.200%	32,430	21,317	53,747	23,084	76,831	1,915,000	4.01%
1996	8.400%	35,430	18,658	54,088	21,474	75,562	1,833,000	4.12%
1997	8.600%	38,705	15,682	54,387	16,665	71,052	1,840,000	3.86%
1998	8.750%	42,285	12,353	54,638	14,388	69,026	1,830,000	3.77%
1999	8.900%	46,200	8,653	54,853	9,009	63,862	1,790,000	3.57%
2000	9.000%	50,460	4,541	55,001	2,600	57,601	1,734,000	3.32%
2001			0	0	0	0		
2002			0	0	0	0		
2003			0	0	0	0		
2004			0	0	0	0		
2005			0	0	0	0		
TOTAL		=====	=====	=====	=====	=====		
		\$350,000	\$334,725	\$684,725	\$1,235,907	\$1,920,632		

(1) March 1985 Department of Revenue revenue estimate.

This example indicates the effect of issuing \$350,000,000 of additional bonds with a fifteen year life with the first principal payment deferred until 1991.

TITLE STATE OF ALASKA G.O.

AVERAGE LIFE 14.60482
NET INTEREST COST 0.00000

ISSUE DATE 11-01-85

NOTE: All dollar amounts in the table are in thousands.

ISSUE SIZE \$350,000,000

YEAR	RATE	PRINCIPAL PAYMENT	INTEREST	TOTAL THIS ISSUE	CURRENT O/S DEBT SERVICE	TOTAL LBFT SERVICE	UNREST. REVENUE (1)	DEBT SERV AS A % OF UNR. REV.
1983								
1984								
1985					169,524	169,524	3,263,000	5.20%
1986			30,915	30,915	163,244	194,159	2,900,000	6.70%
1987			30,915	30,915	154,892	185,807	2,741,000	6.78%
1988			30,915	30,915	147,906	178,821	2,482,000	7.20%
1989			30,915	30,915	135,512	166,427	2,398,000	6.94%
1990			30,915	30,915	120,306	151,221	2,317,000	6.53%
1991	7.400%	11,690	30,915	42,605	95,483	138,088	2,164,000	6.38%
1992	7.600%	12,770	30,050	42,820	68,201	111,021	2,157,000	5.15%
1993	7.800%	13,950	29,080	43,030	59,688	102,718	2,111,000	4.87%
1994	8.000%	15,240	27,991	43,231	33,930	77,161	2,009,000	3.84%
1995	8.200%	16,650	26,772	43,422	23,084	66,506	1,915,000	3.47%
1996	8.400%	18,190	25,407	43,597	21,474	65,071	1,833,000	3.55%
1997	8.600%	19,875	23,879	43,754	16,665	60,419	1,840,000	3.28%
1998	8.750%	21,710	22,170	43,880	14,388	58,268	1,830,000	3.18%
1999	8.900%	23,720	20,270	43,990	9,009	52,999	1,790,000	2.96%
2000	9.000%	25,915	18,159	44,074	2,600	46,674	1,734,000	2.69%
2001	9.100%	28,310	15,827	44,137	0	44,137		
2002	9.200%	30,930	13,250	44,180	0	44,180		
2003	9.300%	33,790	10,405	44,195	0	44,195		
2004	9.400%	36,915	7,262	44,177	0	44,177		
2005	9.400%	40,345	3,792	44,137	0	44,137		
		=====	=====	=====	=====	=====		
TOTAL		\$350,000	\$459,806	\$809,806	\$1,235,907	\$2,045,713		

(1) March 1985 Department of Revenue revenue estimate.

This example indicates the effect of issuing \$350,000,000 of additional bonds with a twenty year life with the first principal payment deferred until 1991.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: HB 413
 Title: \$350,000,000 Transportation
General Obligation Bonds
 Sponsor: Boucher
 Requestor: House Transportation
 Date of Request: May 3, 1985

FISCAL DETAIL

Agency Affected: State Bond Committee
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	17,500	56,960	56,960	56,960	56,960
<u>TOTAL OPERATING</u>	-	17,500	56,960	56,960	56,960	56,960
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	17,500	56,960	56,960	56,960	56,960
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	17,500	56,960	56,960	56,960	56,960

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Debt Service on \$350 million of bonds at 10% interest with 10 year maturity. FY 86 amount is interest only on one semi-annual payment.

Prepared By: Milt Barker *MB*
 Division: Treasury

Phone: 465-2350
 Date: May 3, 1985

Approved by Commissioner: *Walter J. Stender*
 Agency: Department of Revenue

Date: 5/7/85

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor

Office of Management and Budget
Impacted Agency(ies)

HB 413

HOUSE BILL NO. 413 by Boucher and Cotten, entitled:

"An Act providing for the issuance of general obligation bonds in the amount of \$350,000,000 for the purpose of paying the cost of transportation projects; calling for a special election on the question; and providing for an effective date."

was read the first time and referred to the Transportation and Finance Committees.

HB 414

HOUSE BILL NO. 414 by Marrou by request, entitled:

"An Act relating to subsistence fishing."

was read the first time and referred to the House Special Committee on Fisheries and the Resources Committee.

HB 415

HOUSE BILL NO. 415 by Marrou by request, entitled:

"An Act relating to the exemption of a telephone or electric utility from regulation by the Alaska Public Utilities Commission."

was read the first time and referred to the Community & Regional Affairs and Labor & Commerce Committees.

HB 416

HOUSE BILL NO. 416 by Marrou and Jenkins, entitled:

"An Act relating to state land disposals; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

HB 417

HOUSE BILL NO. 417 by Marrou, entitled:

"An Act annulling a regulation requiring a person proposing a subdivision to submit certain information to the Department of Environmental Conservation."

HB 417

was read the first time and referred to the Resources Committee.

HB 418

HOUSE BILL NO. 418 by Marrou, entitled:

"An Act relating to liability for providing emergency medical care."

was read the first time and referred to the Labor & Commerce, Health, Education & Social Services and Judiciary Committees.

CONSIDERATION OF THE DAILY CALENDARSECOND READING OF HOUSE RESOLUTIONSHJR 33

HOUSE JOINT RESOLUTION NO. 33 (relating to support for the first on-shore commercial production of surimi by the Alaska seafood industry) was read the second time with the House Special Committee on Fisheries report (1985-962).

Representative Clocksin moved and asked unanimous consent that HJR 33 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HJR 33 was read the third time.

The question being: "Shall HJR 33 pass the House?" The roll was taken with the following result:

HJR 33

Yeas:	37	Adams, Boucher, Cato, Clocksin, Collins, Cotten, Davis, Duncan, Frank, Fuller, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Herrmann, Hurley, Jenkins, Koponen, Larson, Martin, Miller, M.M., Miller, M.W., Navarre, Pearce, Phillips, Pignalberi, Pourchot, Rieger, Ringstad, Shultz, Sund, Szymanski, Taylor, Thompson, Uehling, Wallis
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HB 413

The Transportation Committee has considered HOUSE BILL NO. 413 (providing for the issuance of general obligation bonds in the amount of \$350,000,000 for the purpose of paying the cost of transportation projects; calling for a special election on the question; effective date) and reports it back as follows: Shultz and Pignalberi recommend do pass; Cato (Chairman), Davis and Marrou have no recommendation.

HB 413 was referred to the Finance Committee.

INTRODUCTION OF CITATIONS

The following citations were received:

Honoring - Donald Grant
by Representative Hanley

Honoring - West High Vocational Student
Leadership Participant Felicia Smith
by Representatives Uehling, Hanley, Pearce,
Clocksin and Jenkins

Honoring - West High Vocational Student
Leadership Participant Beth Casey
by Representatives Uehling, Hanley, Pearce,
Clocksin, Jenkins and Furnace

In Memoriam - Theresa McCubbins Goggia
by Representative Navarre

The citations were referred to the Rules Committee for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE RESOLUTIONSHCP 36

HOUSE CONCURRENT RESOLUTION NO. 36 by Herrmann, Wallis and Thompson:

Relating to intrastate airline travel.

was read the first time and referred to the Transportation and Finance Committees.

HJR 47

HOUSE JOINT RESOLUTION NO. 47 by Marrou:

Proposing an amendment to the
Constitution of the State of Alaska
relating to actions that increase the
compensation of legislators.

was read the first time and referred to the State Affairs, Judiciary and Finance Committees.

SB 187

replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 187 (Judiciary) (same title) and reports it back as follows: M.M. Miller (Chairman), Phillips, Gruenberg, Taylor and Clocksin recommend do pass.

SB 187 was referred to the Finance Committee.

CSSB 208(Rls)am

The Health, Education & Social Services Committee has considered COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 208 (Rules) amended (relating to formation of federal transfer regional educational attendance areas in certain villages; effective date), recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 208 (HESS) (same title) and reports it back as follows: Gruenberg (Co-Chairman) and Nurley recommend do pass; Thompson recommends do not pass; Taylor has no recommendation.

CSSB 208(Rls)am was referred to the Rules Committee for placement on the calendar.

SB 273

The Resources Committee has considered SENATE BILL NO. 273 (relating to classification of state land for retention; effective date), recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 273 (Resources) (same title) and reports it back as follows: Shultz (Co-Chair), Herrmann, Cato and M.W. Miller recommend do pass; Sund has no recommendation; Thompson signed "Do not pass without increasing land disposal bank number"; Pearce signed "No recommendation - not needed". A zero fiscal note was attached.

SB 273 was referred to the Rules Committee for placement on the calendar.

HB 331

The Judiciary Committee has considered HOUSE BILL NO. 331 (relating to the theft of commercial fishing gear), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 331 (Judiciary) (same title) and reports it back as follows: M.M. Miller (Chairman), Pettyjohn, Sund, Gruenberg and Phillips recommend do pass; Clocksin has no recommendation.

HB 331 was referred to the Finance Committee.

"This is being put on the table because Anchorage wants another \$150 million in capital projects," said Rep. Mike Navarre, D-Kenai.

He said every Alaska town would like more money to spend on construction projects, but state government must cut back its spending.

With the value of North Slope crude oil on the decline, lawmakers this year have been wrestling to reduce state spending. The legislature earmarked \$1.2 billion for public construction in the current fiscal year.

By all accounts, however, the fiscal 1986 capital budget now being built will total no more than \$500 million, with half of that destined for development of hydroelectric power.

Rep. Steve Rieger, R-Anchorage, said the bonding proposal is a bad idea because it commits the state to pay off bond debts when economists aren't yet sure how low the price of oil will sink in the future.

According to the Boucher-Cotten plan, Anchorage would get \$150 million for 19 specific road and highway projects — if the bond issue was approved by voters.

Each election district outside of Anchorage would get \$8.7 million for transportation projects, according to the plan.

"It would be the pork-barrel of all pork-barrels, when you're going to kill the pig now and be paying for it over the next 10 years with money you don't even know you're going to have," said Sen. Bill Ray, D-Juneau.

Sen. Jan Faiks, an Anchorage Republican who co-chairs the Senate Finance Committee, has said a bond issue would be irresponsible when falling revenues leave the state's future financial picture in doubt.

State bond issue may go before voters

By BRUCE SCANDLING

The Associated Press

JUNEAU — Legislation to put a \$350 million bond issue before Alaska voters was introduced in the House Wednesday, but opponents said the measure is a disguised attempt to give Anchorage more money to spend on roads.

The proposal — sponsored by Reps. H.A. "Red" Boucher of Anchorage and Sam Cotten of Eagle River — would set up a special election in November.

If the bond issue was approved, Anchorage would get \$150 million for road and highway projects.

The remaining \$200 million would be divvied up by election district for transportation projects in the rest of Alaska.

"This bill might be less than perfect, but it's the first step in realizing that Mother Alaska can't do everything for everyone," Boucher said.

He said the bond vote would let Alaska's citizens — not its lawmakers — decide whether more money should be spent on roads and highways as state revenues plummet.

The bond sale is backed strongly by Anchorage Mayor Tony Knowles and the Anchorage Assembly.

"Our accelerated road (construction) program is on track today, and we need to find a way to keep it on track," said Chip Dennerlein, a Knowles aide.

Boucher said Wednesday he and Cotten have support from about 25 members of the 40-member House.

Some lawmakers, however, have already come out against the idea.

Bond issue could put rating at risk

5/6

By KIRK McALLISTER
The Juneau Empire

A financial advisor to the state told a joint House-Senate finance committee meeting today that there was "significant risk" that the state's bond rating could be downgraded if the state issues \$300-\$350 million in general obligation bonds this year.

Catherine Eschbach, an assistant vice president with Government Finance Associates, Inc., Princeton, N.J., wouldn't go as far as to say the state's bond rating would go down, but she said that "... there is significant risk in issuing \$300 million in general obligation bonds under current conditions."

GFA provides financing advice on issuing bonds and managing debt for the state. Eschbach's testimony was in response to legislation introduced recently by Reps. Sam Cotten, D-Eagle River, and Red Boucher, D-Anchorage, that would put a \$350 million bond issue to pay for transportation projects before voters in November.

Eschbach said the state's financial position has weakened because of decreased revenue caused by falling oil

prices. Issuing \$350 million in bonds, which would increase the state's general obligation debt by one-third, would "increase the likelihood of a decreased rating."

If the state's bond rating is decreased, it will mean the state will have to pay higher interest payments on bonds, increasing the cost of financing projects.

Louisiana and West Virginia had their bond ratings downgraded recently and some state financial leaders had expressed concern that increasing bonded indebtedness at this time could cause Moody's and Standard and Poor's (the major bond rating agencies) to downgrade Alaska as well.

Under Cotten's and Boucher's bill, if the \$350-million bond issue were approved by voters, the Anchorage area would get \$150 million for road and highway projects. The rest would be parceled out for transportation projects in other parts of the state.

The bond sale is strongly backed by Anchorage Mayor Tony Knowles and the Anchorage assembly.

After the presentation, Boucher said that his bill only authorizes selling of

Continued on Page 12

Bond rating...

Continued from Page 1
\$350 million in bonds and doesn't call for issuing the entire amount in one year.

"There's projects all over the state that need doing," Boucher said. "HB 413 is a vehicle for debate, not necessarily the answer to everything. Right

now we have no capital budget plan other than wringing our hands and saying revenues are going down. This bill let's the public back into the process."

Lawmakers set aside \$62 million for city

By JOHN LINDBACK
Daily News reporter

5/2

JUNEAU. — An \$18 million addition to Chugiak High School and \$10 million to improve West Northern Lights Boulevard are among \$62 million in local construction projects that Anchorage legislators agreed to fund Wednesday.

During separate meetings, House and Senate members from Anchorage agreed to use their share of the state's proposed \$250 million state construction budget to build 19 area projects.

Because state revenues are declining, the list falls far short of funding the city's \$145 million wishlist for roads and the Eklutna water project. Money to keep the Eklutna project on schedule were not included.

Also missing are funds to widen C Street south of Tudor Road, or money to build a downtown parking garage in Anchorage. Knowles had requested \$10 million for Eklutna, \$6.1 million for C Street and \$5 million for the parking garage.

The list also falls short of Anchorage School District hopes. A request for \$11 million to remove asbestos from Anchorage schools was trimmed to \$2.69 million.

"We just don't have the money to fund everything that everybody wants," said Sen. Jan Faiks, R-Anchorage and co-chairman of the Senate Finance Committee.

The state capital budget will also include about \$5 million in state funds to match about \$74

See Back Page, HOUSE

House, Senate lawmakers agree on \$62 million for Anchorage projects

Continued from Page A-1

million in federal highway money that is earmarked for Anchorage projects, Faiks said.

The list approved Wednesday is "not a complete solution to our project needs," according to Chip Dennerlein, Knowles' director of governmental relations. "In combination with a statewide bond package this list can work."

Knowles is expected to meet with Anchorage legisla-

tors today to continue his push for a special election this year to request voter approval of a \$350 million package of general obligation bonds. The package would include \$150 million for Anchorage projects and \$200 million for projects in other areas of the state.

In addition, there's hope among Anchorage legislators that Gov. Bill Sheffield will support some Anchorage projects while appropriating

his share of the total state construction budget. Wanting to avoid vetoes by the governor, legislators have traditionally tried to appropriate funds for projects that he supports.

The list approved Wednesday by Anchorage legislators includes one project in Kenai for North End Road.

In addition to the money for Chugiak and West Northern Lights Boulevard, the list includes:

- \$5 million for an extension of C Street from Minnesota Boulevard to Klatt Road.
- \$4.5 million for widening and bridge construction on Lake Otis Parkway.
- \$4.5 million for an addition to Sand Lake School.
- \$4.3 million for renovation and expansion of Denali School.
- \$4.1 million for an addition to Huffman Elementary School.
- \$3 million to construct access ramps from 100th Avenue onto Minnesota Boulevard.
- \$2.9 million to remove asbestos from Anchorage schools.
- \$1.3 million for improvements to North End Road in Kenai.
- \$1 million to improve roads in An-

- chorage limited road service areas:
- \$900,000 to acquire sites for new schools in Anchorage.
- \$700,000 to match federal monies for improvements to Boniface Parkway between Tudor Road and DeBert Road.
- \$500,000 to match federal monies for construction of Hilland Road bridge across Eagle River.
- \$500,000 for design and engineering of an addition to Northwood Elementary School.
- \$281,000 for improvements to Mountain View Elementary School.
- \$272,000 for repairs to Willoway School.
- \$250,000 for design and engineering of improvements to East Sixth Avenue.
- \$200,000 for a Girdwood sewer project.

Lawmakers plan state \$350 million bond bill

by Larry Persily
Times Juneau Bureau

Juneau — Legislation to set a special election this fall for approval of a \$350 million statewide bond issue was to be introduced today on the House floor.

The bill, sponsored by Anchorage Democratic Reps. Red Boucher and Sam Cotten, would allocate \$150 million of the bond funds for Anchorage road projects, with the remaining \$200 million divided equally between other areas of the state.

Governor hints at low capital budget
— page B-7

The \$200 million would be divided with \$8.7 million going to each of the 13 single-member House districts outside Anchorage, and \$17.4 million for each of the five two-member districts.

Boucher said he's optimistic of the bill's chances in the final two weeks of the legislative session. As of Tuesday, he said, he had "25 people (out of 40 House members) who have given me their yes vote."

He said of the \$350 million total, "It's

Chamber throws support behind bond issue

Times Business Staff

The second business group in as many days today endorsed Mayor Tony Knowles' proposal for a \$350 million statewide bond issue ballot that would include about \$150 million for 19 Anchorage projects.

The Anchorage Chamber of Commerce board of directors this morning voted 11-2, with two abstentions, in support of the ballot bond issue. The Downtown Development Corp. on Tuesday endorsed the proposal.

"It was a significant move by the chamber and shows that they are concerned about continued real growth in Anchorage," Knowles said.

In a message to legislators, chamber president-elect Elaine Atwood said

the bond issue was endorsed "if that is the only way for the Municipality of Anchorage to obtain funding for its essential transportation projects."

"After extensive discussion," she said in a telegram to lawmakers, "the chamber board voted for the bonds as a last resort to meet our critical needs. The board strongly urges the legislature to appropriate the needed monies from available revenues — but if that is not possible, a bond issue is the alternative."

Without the bond money, Knowles said, Anchorage would be unable to keep its accelerated road program on schedule because this year's state capital projects' budget is expected to fall far short of meeting the community's

been allocated on a fair basis," and he hopes for statewide support for placing the bond issue on a special election ballot this fall.

The bill, as drafted by Boucher,

would limit the bond sale to only transportation projects.

Previous discussions had listed school and utility projects for possible inclusion in the bond issue, and Boucher

\$145 million priority list. Anchorage foresees only \$50 million in state grants.

Besides road improvements, money raised through the bond issue and designated for Anchorage would be go towards the Eklutna Water Project and the Fifth Avenue and C Street parking garage.

The bond sale proposal, first advanced by the mayor a couple of weeks ago, has been endorsed by the Anchorage Assembly, the Associated General Contractors of Alaska, Anchorage Parking Authority, Fairbanks mayor Bebe Allen, Kenai mayor Stan Thompson and Matanuska-Susitna Valley mayor Dorothy Jones and 23 community council presidents.

from becoming a dumping ground for frivolous projects.

Mayor Tony Knowles, who a couple of weeks ago started the push for a state bond sale to fund community priority projects, will arrive in Juneau tonight to renew his lobbying effort for the legislation.

He plans to meet with House and Senate leaders, the governor, Department of Revenue commissioner and the Anchorage caucus during his stay in the capital, calling this week's visit, "Probably the most important trip" of his bond issue campaign.

Bond market experts from Seattle, San Francisco and New York City will join the mayor in Juneau this week to offer their opinions as to how the state can sell the bonds without harming its financial rating or causing unreasonable strains on its already tight budget.

Gov. Bill Sheffield "would prefer not to see a special election this year," said Molly McCammon, deputy press secretary. "He still believes there is adequate funding for a capital budget."

This year's capital projects budget appears likely to fall within the range of
See Bonding, page B-3

Bonding

Continued from page B-1

\$200 million to \$250 million in state general fund money, in addition to \$250 million for the Susitna and Bradley Lake hydro power projects.

Referring to the drop from last year's \$1.25 billion capital projects budget, Boucher said, "We jumped out of the plane without a parachute."

He supports offering the bond issue to the voters as a means of funding essential road projects that otherwise would be delayed until state funds become available.

Weather

Local

Ketchikan and vicinity: Showers tonight and Friday, with south winds to 15 mph, low near 40 and high in the low 50s. The sun sets tonight at 8:26 and rises Friday at 5:00.

Airport observations: For the 24-hour period ending 10 a.m. the high was 50, the low 45, the 10 a.m. observation 46, with precipitation measuring 1.26 inches.

Wrangell, Petersburg and vicinity: Occasional showers tonight and Friday, with south winds to 10 mph, low in the low 40s and high in the low 50s.



Bennett calls bond issue plan 'ridiculous'

By BRUCE SCANDLING
Associated Press Writer

JUNEAU (AP) — Legislation to put a \$350 million bond issue before Alaska voters was introduced in the House Wednesday, but opponents said the measure is a disguised attempt to give Anchorage more money to spend on roads.

The proposal — sponsored by Reps. H.A. "Red" Boucher of Anchorage and Sam Cotten of Eagle River — would set up a special election in November.

If the bond issue was approved, Anchorage would get \$150 million for road and highway projects.

The remaining \$200 million would be divvied-up by election district for transportation projects in the rest of Alaska.

"This bill might be less than perfect, but it's the first step in realizing that Mother Alaska can't do everything for

everyone," Boucher said.

He said the bond vote would let Alaska's citizens — not its lawmakers — decide whether more money should be spent on roads and highways as state revenues plummet.

The bond sale is backed strongly by Anchorage Mayor Tony Knowles and the Anchorage Assembly.

Knowles and a cadre of bond experts were expected to arrive in Juneau Wednesday, trying to rally support by lawmakers.

Boucher said Wednesday he and Cotten have support from about 25 members of the 40-member House.

Some lawmakers, however, took little time to come out against the idea.

"This is being put on the table because Anchorage wants another \$150 million in capital projects," said Rep. Mike Navarre, D-Kenai.

He said every Alaska town would like

more money to spend on construction projects, but state government must cut back its spending.

With the value of North Slope crude oil on the decline, lawmakers this year have been wrestling to reduce state spending. The legislature earmarked \$1.2 billion for public construction in the current fiscal year.

By all accounts, however, the fiscal 1986 capital budget now being built will total no more than \$500 million, with half of that destined for development of hydroelectric power.

Knowles and the assembly have drafted a priority list of road and highway projects totaling \$160 million.

Rep. Steve Rieger, R-Anchorage, said the bonding proposal is a 'bad idea because it commits the state to pay off bond debts when economists aren't yet sure how low the price of oil will sink in the future.

In the wake of declining oil wealth, Rieger said, legislators this year have talked about statesmanship in tackling tough budget problems.

"And the statesmanship in the this case is not to cave in," he said.

According to the Boucher-Cotten plan, Anchorage would get \$150 million for 19 specific road and highway projects — if the bond issue was approved by voters.

Each election district outside of Anchorage would get \$8.7 million for transportation projects, according to the plan.

With 11 days to go in what's supposed to be a 120-day legislative session, the proposal will have to speed through the committee process in time to be approved by both house of the legislature.

One veteran senator said Wednesday there's probably not enough time for that to happen, especially since the

Boucher-Cotten bill has generated little enthusiasm in the Senate.

"There's no open support for it," said Sen. Bill Ray, D-Juneau.

"It would be the pork-barrel of all pork-barrels, when you're going to kill the pig now and be paying for it over the next 10 years with money you don't even know you're going to have," Ray said.

Sen. Jan Faiks, an Anchorage Republican who co-chairs the Senate Finance Committee, has said a bond issue would be irresponsible when falling revenues leave the state's future financial picture in doubt.

Meanwhile, Senate President Don Bennett, R-Fairbanks, has called the idea "ridiculous."

State officials said Wednesday it would cost between \$800,000 and \$1 million to hold a special statewide election.

Opinion

JUNEAU EMPIRE

WILLIAM S. MORRIS III
PUBLISHER

JEFFREY A. WILSON
GENERAL MANAGER

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Office Manager

Bond issue raises doubts

When in doubt — borrow.

That seems to be the logic behind a proposal to float upwards of \$350 million in bonds to pay for statewide transportation projects. Unfortunately, the main problem with borrowing money is paying it back, plus interest.

There is no doubt the projects — earmarked for much of the state — are needed. Many areas of the state are continuing to grow so quickly their highways and airports must be expanded.

The question is whether the state can afford to sell those bonds. A financial expert on Monday told the House and Senate finance committees that such a large issue could result in the state's bond rating being lowered. If that were to happen, the state could have to pay a higher interest rate on any bonds it sells in the future.

That puts Alaska legislators between a financial rock and a hard place. If they don't put bonds on the ballot to pay for these projects, they likely won't get state funding for them this year. If they do, it could mean the state will be forced to pay more to borrow money in the future.

According to proponents, one of the benefits of placing a bond issue on the ballot is it gives the voting public an opportunity to take part in deciding how the state's money will be spent. Unfortunately, most bond issues are put together so virtually every portion of the state stands to gain a project if it passes. As a result the bond issue passes, whether it is good for the overall economic health of Alaska or not.

It seems to us that now is the time for the state to keep its financial powder dry. Instead of proposing bonds — and in turn a heavier financial burden on the state treasury for years to come — the wise course seems to be to sit tight and try to keep the state's debt from increasing. That way, if a true emergency arises, the state will have the financial wherewithal to handle it.

Decreasing, not increasing, the financial burden on the state makes the most financial sense at this time.

Bond issue proposed in House

by Bruce Scandling *5/2 TIMES*
Associated Press

Juneau — Legislation to put a \$350 million bond issue before Alaska voters was introduced in the House Wednesday, but opponents said the measure is a disguised attempt to give Anchorage more money to spend on roads.

The proposal — sponsored by Reps. H.A. "Red" Boucher of Anchorage and Sam Cotten of Eagle River — would set up a special election in November.

If the bond issue was approved, Anchorage would get \$150 million for road and highway projects.

The remaining \$200 million would be portioned out by election district for transportation projects in the rest of Alaska.

"This bill might be less than perfect, but it's the first step in realizing that Mother Alaska can't do everything for everyone," Boucher said.

He said the bond vote would let Alaska's citizens — not its lawmakers — decide whether more money should be spent on roads and highways as state revenues plummet.

"At the moment, I'm not sure if I would vote yes or no in the ballot box on these projects," Boucher said.

The bond sale is backed strongly by Anchorage Mayor

Lawmakers, Knowles call for bond proposal testimony

by Larry Persily
Times Juneau Bureau

Juneau — It's become a battle of bond market and government debt experts as legislators consider a proposal to place a \$350 million statewide bond issue before the voters this fall.

Mayor Tony Knowles is in Juneau today with his national bond market experts, lobbying for support for his proposal to fund transportation and utility projects with a statewide bond issue.

The Senate Finance Committee countered with an announcement Wednesday that it has invited state and municipal debt consultants from Princeton, N.J., to come to Juneau next week to discuss the bond sale proposal with lawmakers.

Senate Finance Co-Chair Jan Faiks, R-Anchorage, said she and Co-Chair John Sackett, R-Ruby "have invited them (the consultants) to come and present firsthand their analysis of the finances of Alaska."

The Senate committee has invited representatives of Government Finance Associates, of Princeton, N.J., to address a joint
See \$350 million, page B-7

Tony Knowles and the Anchorage Assembly.

Knowles and a cadre of bond experts were expected to arrive in Juneau Wednesday, trying to rally support by lawmakers.

"Our accelerated road (construction) program is on track today, and we need to find a way to keep it on track,"

said Chip Dennerlein, a Knowles aide.

"We're suggesting a vote of the people to resolve the issue," he said. "We must have a solution to our basic transportation problems."

Boucher said Wednesday he and Cotten have support from about 25 members of the 40-member House.

Some lawmakers, however, took little time to come out against the idea.

"This is being put on the table because Anchorage wants another \$150 million in capital projects," said Rep. Mike Navarre, D-Kenai.

He said every Alaska town would like more money to spend on construction projects, but state government must cut back its spending.

Navarre said the bonding proposal promotes "fiscal irresponsibility."

With the value of North Slope crude oil on the decline, lawmakers this year have been wrestling to reduce state spending. The legislature earmarked \$1.2 billion for public construction in the current fiscal year.

By all accounts, however, the fiscal 1986 capital budget now being built will total no more than \$500 million, with half of that destined for development of hydroelectric power.

Knowles and the assembly have drafted a priority list of road and highway projects totaling \$160 million.

Rep. Steve Rieger, R-Anchorage, said the bonding proposal is a bad idea because it commits the state to pay off bond debts when economists

See Bond, page B-7

\$350 million bond

Continued from page B-1

session sometime next week of the House and Senate finance committees, Faiks said.

Until they meet with the consultants, Faiks said, Senate finance "will leave the option of the bond proposal open."

Legislators are divided on the bond proposal, with many supporting the issue but others opposing it as being fiscally irresponsible at a time of declining oil revenues.

Government Finance Associates specializes in advising state and local governments on bond issues, said Milt Barker, deputy commissioner for the Alaska Department of Revenue. The company has served as financial adviser to the state bond committee since last fall, Barker said.

Faiks reported the consultants will address lawmakers on:

-The possibility of selling \$350 million in state general obligation bonds, to be paid off by future general fund revenues.

-The effects the bond sale could have on state and municipal bond ratings, including any effects it might have on school district bond sales.

-The cost of "back-loading," a proposal to lower bond payments by paying only interest in the early years and then paying the principal in later years, stretching the debt over a longer period of time.

The advisers will be asked to explain how Alaska earned its high bond rating, what must be done to maintain that rating, and how much a drop in the rating could cost the state, Faiks said.

A bill authorizing a \$350 million bond issue special election this fall was introduced Wednesday in the House. The bill allocates \$150 million for priority road projects in Anchorage, with the remaining \$200 million divided between other areas of the state.

Knowles has been pushing for a statewide bond issue to fund Anchorage road projects left out of this session's state capital projects budget.

The mayor said his group of bond market experts, scheduled to come to Juneau today from Seattle, San Francisco and New York, will explain to lawmakers how the bonds can be sold without harming Alaska's financial rating and without putting unreasonable burdens on the state treasury.

Bond issue given

Continued from page B-1

aren't yet sure how low the price of oil will sink in the future.

In the wake of declining oil wealth, Rieger said, legislators this year have talked about statesmanship in tackling tough budget problems.

"And the statesmanship in this case is not to cave in," he said.

According to the Boucher-Cotten plan, Anchorage would get \$150 million for 19 specific road and highway projects — if the bond issue was approved by voters.

Each election district outside of Anchorage would get \$8.7 million for transportation projects, according to the plan.

With 11 days to go in what's supposed to be a 120-day legislative session, the proposal will have to speed through the committee process in time to be approved by both house of the legislature.

One veteran senator said Wednesday there's probably not enough time for that to happen, especially since the Boucher-Cotten bill has generated little enthusiasm in the Senate.

"There's no open support for it," said Sen. Bill Ray, D-Juneau.

"It would be the pork-barrel of all pork-barrels, when you're going to kill the pig now and be paying for it over the next 10 years with money you don't even know you're going to have," Ray said.

Sen. Jan Fai's, an Anchorage Republican who co-chairs the Senate Finance Committee, has said a bond issue would be irresponsible when falling revenues leave the state's future financial picture in doubt.

Meanwhile, Senate President Don Bennett, R-Fairbanks, has called the idea "ridiculous."

State officials said Wednesday it would cost between \$800,000 and \$1 million to hold a special statewide election.

10 legislators propose \$100-million bond issue

By BRUCE SCANDLING
The Associated Press

3/2
EMPIRE

put a \$350 million bond issue before Alaska introduced in the House Wednesday, but opposition measure is a disguised attempt to give more money to spend on roads.

—sponsored by Reps. H.A. "Red" Boucher and Sam Cotten of Eagle River — would set action in November.

If the issue was approved, Anchorage would get \$100 million for road and highway projects.

The remaining \$200 million would be divided up by election for transportation projects in the rest of the state.

The plan might be less than perfect, but it's the first step that Mother Alaska can't do everything for Boucher said.

The bond vote would let Alaska's citizens — not its legislature — decide whether more money should be spent on highways as state revenues plummet.

"I'm not sure if I would vote yes or no in these projects," Boucher said.

The measure is backed strongly by Anchorage Mayor and the Anchorage Assembly.

A cadre of bond experts were expected to meet in Anchorage Wednesday, trying to rally support by

highlighting the state's road (construction) program is on track and we need to find a way to keep it on track,"

John E. Klein, a Knowles aide.

By requesting a vote of the people to resolve the problem. "We must have a solution to our basic transportation problems."

On Wednesday he and Cotten have support from members of the 40-member House.

Legislators, however, took little time to come out in support.

It was put on the table because Anchorage wants \$100 million in capital projects," said Rep. Mike

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