

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5232 SCRA SJR 16 - HB 16

804

WHEREAS, IN SHARP CONTRAST TO THE LOWER FORTY-EIGHT AND THE REST OF THE UNITED STATES, THE CONSUMERS AND PUBLIC OF RURAL ALASKA, INCLUDING THE HUNDREDS OF ISOLATED COMMUNITIES LOCATED THROUGHOUT THE VASTNESS OF THE STATE, ARE ENTIRELY RELIANT UPON MOVEMENT BY AIR OF MAIL AND FREIGHT FOR ALL OF THEIR NECESSITIES AND THEIR VERY SURVIVAL, INVOLVING SUCH MAIL TRAFFIC AS FOODS, INCLUDING PERISHABLES, MEDICAL SUPPLIES, CONSTRUCTION MATERIALS AND ALL OTHER COMMODITIES NECESSARY TO THE HEALTH, WELFARE, AND CONTINUED SUSTENANCE REQUIRED TO MAINTAIN A WAY OF LIFE; AND

WHEREAS, IN 1979, FOLLOWING TWENTY-SEVEN FORMAL AND INFORMAL ON SITE MEETINGS HELD WITHIN ALASKA TO OBTAIN THE VIEWS OF THE CONSUMING PUBLIC AT SEVEN MAINLINE AND TWENTY BUSH LOCATIONS, THE CHAIRMAN OF THE THEN CIVIL AERONAUTICS BOARD, ACCOMPANIED BY STAFF REPRESENTATIVES OF THE CAB AND THE US DEPARTMENT OF TRANSPORTATION, NOTED THAT THE IMPORTANCE OF MAIL AND CARGO NEEDS WERE CITED ALMOST UNANIMOUSLY BY SPOKEPERSONS AT THOSE MEETINGS EMPHASIZING THE HEAVY DEPENDENCE OF ALASKAN COMMUNITIES ON AIR TRANSPORTATION TO PROVIDE MAIL AND CARGO TRANSPORTATION, AS THE SINGLE MOST IMPORTANT REQUIREMENT FOR THE LOGISTICS OF AIR TRANSPORTATION WITHIN ALASKA, AS SET FORTH IN CAB ORDER 80-1-167, ISSUED ON JANUARY 25, 1980; AND

WHEREAS, CONTRARY TO REPRESENTATIONS WHICH HAVE BEEN MADE BY PASSENGER AIR CARRIER INTERESTS, THE QUALITY OF PASSENGER SERVICE TO RURAL ALASKA, BOTH MAINLINE AND BUSH, IS AT AN ALL-TIME HIGH; AND

WHEREAS THE CONSUMING PUBLIC OF RURAL ALASKA HAVE OVERWHELMINGLY ATTESTED TO THE IMPROVEMENT IN THE QUALITY OF LIFE WHICH HAS ACCOMPANIED THE ADVENT OF RELIABLE

02/10-97 15:13

S 202 III 1599 SERMON.WA5K0802

84

HAVE
SCHEDULED MAIL AND CARGO SERVICE, AND ~~HAS~~ EVIDENCED
SUPPORT FOR THE PRESENT POLICIES OF THE POSTAL SERVICE FOR
THE EQUITABLE DISTRIBUTION OF MAIL AS THEY ARE NOW BEING
ADMINISTERED, AND HAVE PROVIDED HUNDREDS OF RESOLUTIONS,
PETITIONS AND LETTERS OF SUPPORT FOR THE PRESENT SYSTEM;
AND

WHEREAS THE PUBLIC VOICES OF RURAL ALASKA, MOST
IMMEDIATELY AND CRITICALLY CONCERNED WHOSE VERY LIVELIHOOD
IS INVOLVED AND HAVE THE MOST TO LOSE, HAVE EXPRESSED
THEMSELVES AS FIRMLY OPPOSED TO ANY CHANGE IN POSTAL
SERVICE POLICY AND PROCEDURES WHICH ARE NOW RESPONSIBLE
FOR VITAL, REGULAR, DEPENDABLE, AND TIMELY MAIL SERVICE;
AND THOSE VOICES SHOULD BE HEARD.

NOW THEREFORE BE IT RESOLVED THAT IT IS THE SENSE
OF THE ALASKA STATE LEGISLATURE THAT THE U.S. POSTAL
SERVICE SHOULD BE COMMENDED FOR THE MANNER IN WHICH IT HAS
ADDRESSED ITSELF TO THE PARTICULAR AND CRUCIAL
REQUIREMENTS OF RURAL ALASKA BY ITS CURRENT POLICIES AND
PROCEDURES PROVIDING FOR THE FAIR AND EQUITABLE
DISTRIBUTION OF MAIL TO CARRIERS.

BE IT FURTHER RESOLVED BY THE ALASKA STATE
LEGISLATURE THAT THE U.S. POSTAL SERVICE SHOULD BE
ENCOURAGED TO MAINTAIN ITS CURRENT POLICIES AND PROCEDURES
AS THEY HAVE BEEN DEVELOPED AND NOW IN EFFECT AND SHOULD
MAKE NO CHANGE IN THOSE POLICIES AND PROCEDURES.

COPIES OF THIS RESOLUTION SHALL BE SENT TO THE
POSTMASTER GENERAL, U.S. POSTAL SERVICE, TO THE GOVERNOR
OF THE STATE OF ALASKA, TO THE SECRETARY OF
TRANSPORTATION, AND TO ALL MEMBERS OF THE ALASKA
CONGRESSIONAL DELEGATION.

SJR

28

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/9/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: LABOR & COMMERCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/17/87 DATE TURNED INTO OFFICE _____
Mr. President:

C&RA _____ Committee considered _____ SJR 28

housing programs of the United States Department of Housing and
Urban Development.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Tim Kelly

Mike Symonides

Tim Kelly Arvin Sturgulevski
Chairman signature and recommendation
Dobson

Committee Backup Attached

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

April 14, 1987

FROM: Senate C&RA Staff

A handwritten signature in dark ink, appearing to be "MSE".

RE: SCR 21 - Relating to the need for a rural housing assessment.

and

SJR 28 - Relating to housing programs of the United States Department of Housing and Urban Development.

These two resolutions both concern rural housing. The first, SCR 21 - left side of packet, calls for an assessment of rural housing conditions and the demand for rural housing, to be done by the Department of Community and Regional Affairs.

There is a memo from the sponsor, Senator Hensley, and a 91 thousand dollar fiscal note attached to the bill. Also attached is the summary from a report on rural housing need and revenue bond financing by the rural research agency.

On the right side of the packet is the material for SJR 28. This resolution calls on HUD to maintain its housing programs at or above current levels in Alaska. A memo from Senator Hensley and a zero fiscal note is attached.

The sponsor and representatives of DC&RA will be at the meeting to testify. The two resolutions deal with the same subject but are independent of each other.

Alaska State Senate

P.O. Box V
Juneau, AK 99811
Phone: (907) 465-2444
465-3862/465-4923



Senat. Finance Committee
State Affairs Committee
Vice-Chair, Rules Committee
Chair, Administrative Regulation Review

William L. Hensley

M E M O R A N D U M

DATE: April 13, 1987

TO: Senator Arliss Sturgulewski, Chair
Senate Community and Regional Affairs Committee

FROM: Senator Willie Hensley *WJH*

SUBJ: SJR 28 - HUD Housing Programs

SJR 28 urges HUD not to cut its programs in Alaska. There are proposals in HUD to cut the total number of units that it funds in half during the next fiscal year. This would probably mean that the units allocated to Alaska would also be reduced by half.

A 1985 study by the BIA indicated that there was a statewide need for 4700 new housing units for Alaska Natives. The only programs that effectively address this need are HUD's rural programs. In 1986, HUD received applications for 642 units, but funded only 200 in Alaska. If the funded units were cut by half, there would be an even higher ratio of unfunded to funded units. This comes at a time when the sluggish economy is decreasing the incomes of residents, which will probably result in a growing need for housing assistance in both urban and rural areas.

An additional problem resulting from any future cuts by HUD is diseconomies of scale. If we continue to distribute HUD funding equitably among the regional housing authorities, each authority will have funding for only a few units. The low number of units in a particular village would make it difficult to find contractors who could provide design and construction services to rural villages within the cost ceilings of the current program. Constructing a larger number of units at one time in a village is much more cost effective. The current funding level represents the threshold necessary to maintain a cost-effective program.

WLH/mjs

HB

9

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

April 30, 1987

FROM: Senate C&RA Staff

A handwritten signature in dark ink, appearing to be "MEL".

RE: CSHB 9 (Finance) - "An Act relating to projected operating and maintenance costs of capital improvements."

This bill would require that any legislative appropriation for proposed capital improvements be accompanied by a fiscal note showing the projected yearly operating and maintenance costs of the life of the improvement. The fiscal note would also show the source of the funds.

In this packet is a memo from the sponsor, a zero fiscal note from DOT/PF, existing fiscal note statutes, graphs showing construction cost verses lifetime O&M costs, copies of the form that are currently used to calculate costs, an excerpt addressing fiscal notes from the final report of the Alaska Legislative Procedures Study by the National Conference of State Legislatures, and a report by House Research on the effect of capital projects on operating budgets.

The administration is neutral on this issue according to representatives of DOT/PF.



Alaska State Legislature

Representative Mike Davis

P.O. Box V
Juneau, Alaska 99811
(907) 465-4930/4941

Interim Office:
P.O. Box 81435
Fairbanks, Alaska 99708

MEMORANDUM

To: House Members

From: Rep. Mike Davis

Date: April 15, 1987

Re: CSHB 9 (Fin); Relating to projected operating and maintenance costs of capital improvements.

The passage of CSHB 9 would provide budgetary reform in the drafting of the state's capital budget. This bill would create greater fiscal responsibility in the state by providing legislators with an assessment of the projected operating and maintenance costs of a capital improvement under consideration. CSHB 9 applies only to capital improvements that have been submitted in legislation.

CSHB 9 requires that projected operating and maintenance costs, annualized over the life of the capital improvement, be included in a fiscal note attached to an appropriation bill before the bill is passed out of the first committee of referral. The fiscal note must also include the source of funding for the operating and maintenance costs. CSHB 9 also requires that this information be included in the governor's economic data and projections for use in evaluating the state's capital improvements program.

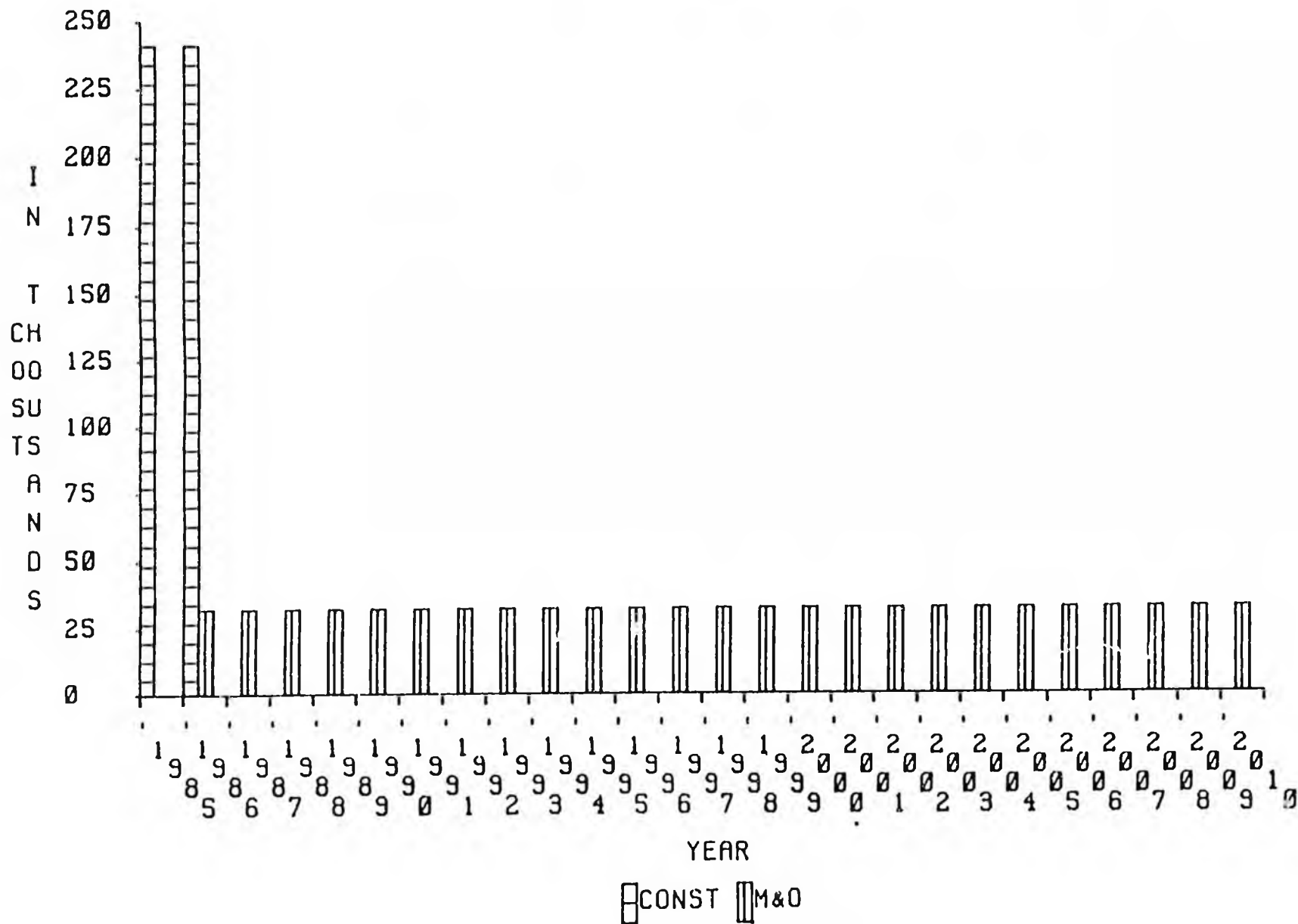
Under the provisions of CSHB 9, ultimate responsibility for providing the projected O&M costs in the fiscal note resides with the legislator requesting the capital improvement through legislation. Projected O&M costs would be received by asking that this information be provided by the party requesting the capital improvement.

This legislation is not expected to be costly or burdensome to requestors of state grants for capital improvements, and projected O&M costs could be determined at the same time that the cost is determined for the capital improvement itself. State agencies and some municipalities already provide projected O&M costs in their capital improvement requests.

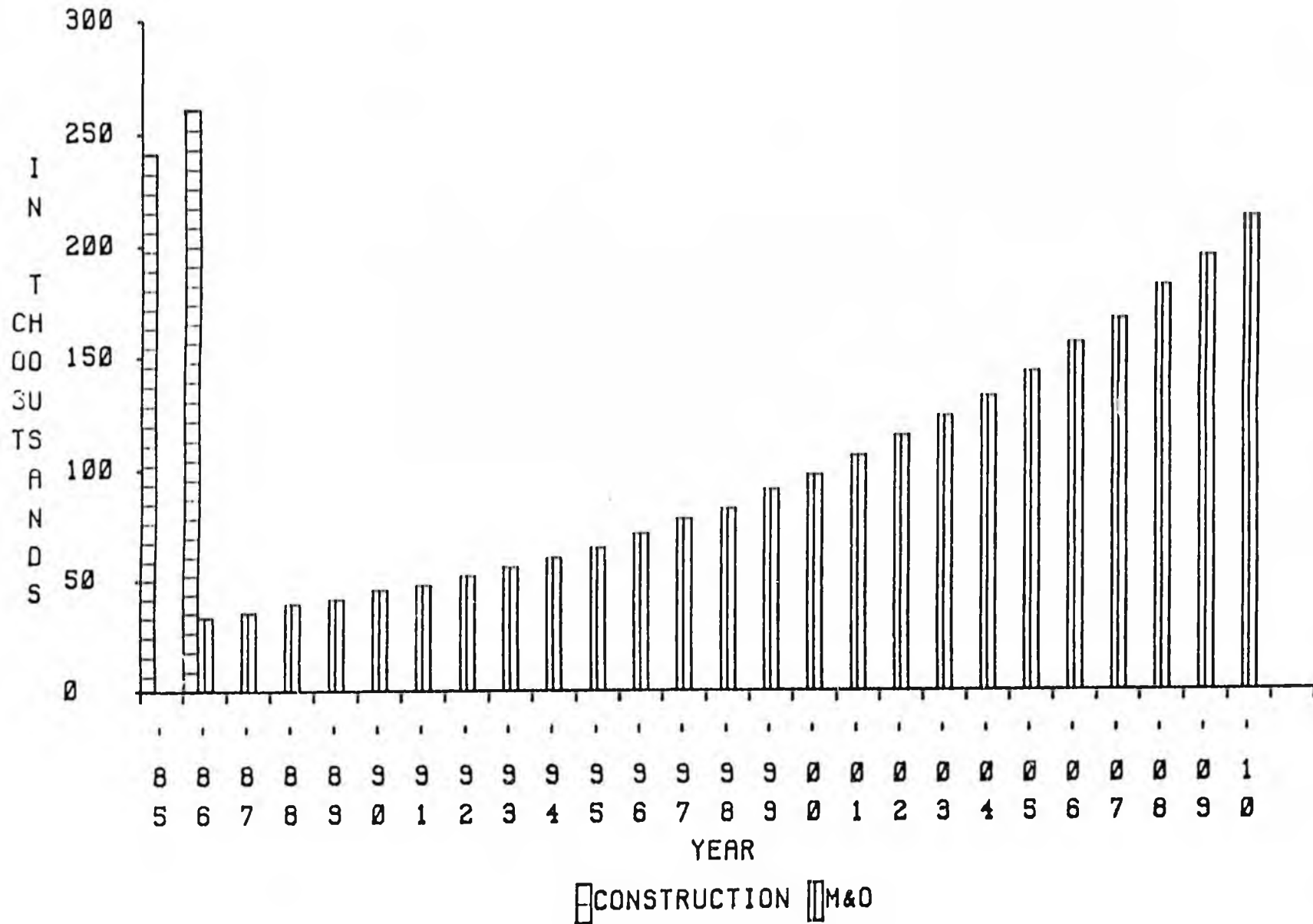
CONSTRUCTION VS M&O
WITH ZERO INFLATION

(13) HB4

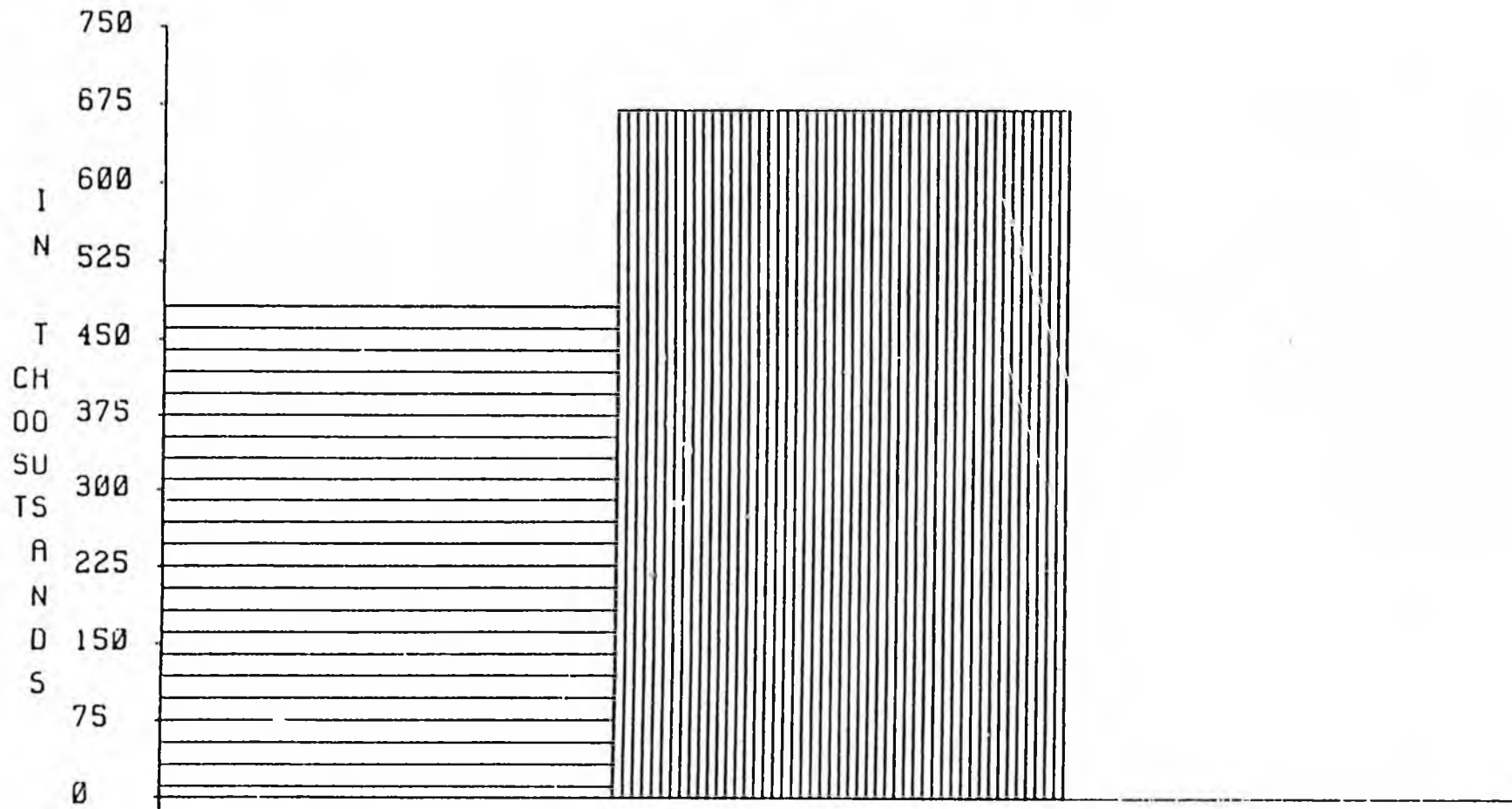
Handout to CRA Com.
by A.W. Longacre, DCRA
3/6/67



COMPARISON OF
CONSTRUCTION VS. M&O
WITH EIGHT PERCENT INFLATION

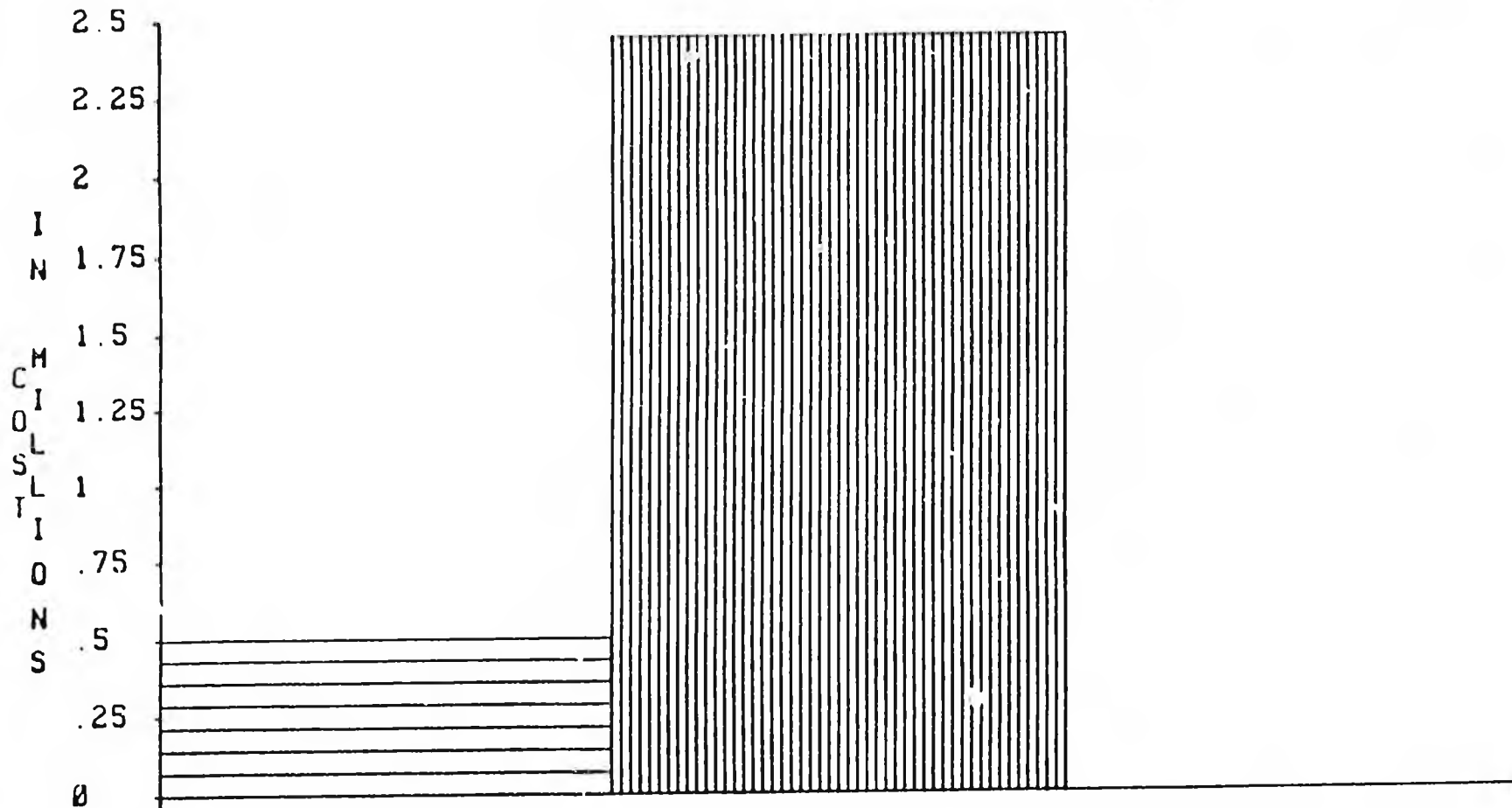


LIFETIME TOTALS
CONSTRUCTION VS M&O
WITH ZERO INFLATION



▬ CONST ▬▬▬ M&O

COMPARISON OF LIFE CYCLE COSTS
 CONSTRUCTION VS. M&O
 WITH EIGHT PERCENT INFLATION



TOTALS

TOTALS

CONSTRUCTION M&O

API-02

12/19/85

STATE OF ALASKA -- CAPITAL PROJECT DETAIL

15:45

14 - DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES RECORD KEY: 14454DOT03
 CLASSIFICATION: 00 000 00 00 LOCATION CODE/PRIORITY: / PROGRAM: HIGHWAYS

52410/29

111111

PROJECT TITLE	LOCATION	ELECTION DIST	AGENCY PRIORITY	--- PROJECT --- START DURATION	PFI POSITIONS	DCI
0 RICH HWY SHOULDER & WIDEN	FAIRBANKS	18	143	FY87 0 MOS.		
FUNDING		REQUESTED	REVISED	OPERATING COSTS		
100% GENERAL FUND		620.0		18.0		
***** TOTAL COSTS		620.0		18.0		

PROJECT DESCRIPTION:

APPROPRIATED TO STATE AGENCY

- 1 WIDEN AND PAVE SHOULDERS FROM APPROXIMATELY 12 MILE VILLAGE TO FLOOD CONTROL PROJECT. THE ROAD IS THE MAIN ROUTE FOR REFINERY TRUCKS AND INTERSECTS WITH THE ACCESS TO THE NEW NORTH POLE HIGH SCHOOL. THIS PROJECT IS SUPPORTED BY THE LOCAL GOVERNMENT.
- 2 THE CITY OF NORTH POLE HAS EXPERIENCED RAPID GROWTH AND DEVELOPMENT ON BOTH SIDES OF THE OLD RICHARDSON DURING THE PAST 2 YEARS (NORTH POLE REFINERY EXPANSION, NEW HIGH SCHOOL, RESIDENTIAL DEVELOPMENT, ETC). THE EXISTING 20' ROADWAY IS INADEQUATE TO HANDLE THE INCREASED COMMUNITY AND TRUCK TRAFFIC. COMMUNITY AND SAFETY CONCERNS MAKE THIS A HIGH LOCAL PRIORITY.
- 3 THE WIDENED ROADWAY AND FORECASTED TRAFFIC INCREASES ARE EXPECTED TO INCREASE MAINTENANCE REQUIREMENTS ON THIS SECTION

FINAL REPORT

Submitted to:

The Joint Special Committee on Legislative Reform



Prepared by the

NATIONAL CONFERENCE OF STATE LEGISLATURES

1125 Seventeenth Street, Suite 1500

Denver, Colorado 80202

May 15, 1983

2. The Alaska Legislature should develop a standard form for capital projects which describes the purpose of and need for each project. A completed form should accompany each proposed capital project and be available for public inspection.

Discussion: In order to make well-informed decisions about capital projects, legislators need detailed information on the purpose of and need for each proposed project. Several legislators expressed frustration over the often inadequate documentation for proposed capital projects--especially local projects.

The standard form should include, at minimum, the following elements:

- Project title
- Project purpose
- Project justification (e.g., needed to protect health or welfare of citizens, to respond to court order, to encourage economic development, etc.)
- Alternative ways of dealing with the problem at hand
- Alternative funding sources if project is not funded
- Estimated capital expenditure requirements over the next five years, by year
- Estimated operating expenses which will be generated by this project, over the next five years, by year

A compendium of the completed capital project forms should accompany the proposed state and local capital budgets when they are taken up for consideration by the finance committees.

3. Legislative Finance Division staff or consultants should be responsible for reviewing all capital project proposals to see if the fiscal notes included are reasonable.

Discussion: In recent years, millions of dollars have been expended by the Alaska Legislature for major capital funds administered by various boards. This suggests that capital expenditures are not necessarily justified.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

April 4, 1983

MEMORANDUM

TO: Representative Hugh Malone

FROM: Jack Kreinheden *JK*
Research Staff

RE: Effect of Capital Projects on Operating Budget
Research Request 83-59

Royce Weller of your staff requested that we provide the following information on the effect of capital projects on the State operating budget:

- a general discussion of the responsibility (local vs. State) and operating costs for different types of capital projects, such as schools, roads, and offices;
- an estimate of the increase in the operating budget over the last five years which was caused by new capital projects; and
- an index of operating costs for various types of capital projects on a unit basis, such as per square foot for buildings and per lane mile for roads.

It was not possible, within the research time available for this request, to determine the operating budget impact of all capital projects over the last five years. The section on this topic focuses on four of the State agencies most affected by the operating costs of capital projects, and on debt service for bonded projects. The budget information which was used for the analysis has several limitations which are discussed in that section. If you would like more comprehensive information on the operating costs of capital projects, we may be able to do additional research later this session or during the interim.

RESPONSIBILITY FOR OPERATING COSTS

A considerable portion of State capital spending over the last several years has been in the form of grants to municipalities. In nearly all cases, local governments are responsible for the operation and maintenance of capital projects built with State grants. Thus, from the

State's perspective, the impact of capital spending on the State's operating budget has been much smaller than would have been the case if most capital spending was for projects under State responsibility. Nearly all port and harbor facilities are also operated by municipalities, so that State spending on harbor improvements does not have a direct impact on the State operating budget.

For some types of capital projects, most notably school construction and projects in small communities, the responsibility for operating costs is not clear-cut. In the case of schools, operating and normal maintenance costs are paid, at least initially, by the local school districts and Rural Educational Attendance Areas (REAA's). State education funding under the foundation program is based primarily on attendance (number of students), not on school operating costs. Therefore, when the State builds a school or provides a grant to a municipality to build a school, the district's or REAA's funding is not directly increased to pay the cost of operating the school. In this sense, it is the school districts and REAA's that are directly responsible for operating costs.

However, as you know, the State provides most of the operating funds for the school districts and REAA's through the education foundation program. In FY 81, the State provided an average of 73 percent of total revenues for school districts and 87 percent of total revenues for REAA's.¹ These figures make it evident that over the long run, the State indirectly pays most of the operating costs of new school facilities. State funding for school districts and REAA's increased by 60 percent from \$319.2 million in FY 81 to \$509.1 million in FY 83. This increase in funding paid for growth in the number of students and teachers, new programs, and the effects of inflation, as well as the cost of operating new schools.

The situation with capital projects in small communities is similar. Although the communities may be responsible for operation and maintenance of facilities, roads, and other projects, most of their revenues are received from the State through revenue sharing, municipal assistance, and other programs. The impact of these local capital projects on the State's operating budget depends on one's perspective. Conceivably, if State revenues fell dramatically, the State could reduce assistance to municipalities and let them maintain their capital facilities as best they could. However, if these facilities are to be properly maintained, much of this money will have to come from the State.

¹ Source: Department of Education 1982 Annual Report.

TYPES OF CAPITAL PROJECTS

It is important to consider the effect of different types of capital projects on maintenance and operations (M&O) costs. A review of the capital budgets enacted by the legislature for the past several years indicated that a large percentage of capital appropriations were improvements or replacements for existing facilities, rather than new projects. Any type of repair or maintenance item of \$25,000 or more is usually budgeted as a capital project, rather than as an operating item. Capital improvement projects can increase operating costs if a building is enlarged or a road is widened from two lanes to four, but operating costs can also decline when inefficient, high maintenance buildings and deteriorated roads are replaced or improved.

Based on my review of the FY 83 capital budget, about 17 percent of the appropriations had a possible operating budget impact. This figure does not include municipal grants, except for school construction, which are included. For FY 82, about 38 percent of the appropriations had a potential operating budget impact, indicating a larger proportion of spending for "new" projects and State-owned projects in this year.

The variability of maintenance and operating appropriations also affects the relationship between capital and operating expenditures. The various maintenance units in the Department of Transportation and Public Facilities frequently stated in their budget requests that maintenance work had previously been budgeted at a very minimal level, with most major maintenance deferred indefinitely. This type of budget approach would reduce the operating impact of capital projects in the short run, but would also decrease the useful life of most facilities. In addition, if maintenance is deferred until it becomes a major renovation, the appropriation for this renovation would then show up in the capital budget rather than the operating budget.

OPERATING BUDGET INCREASES RESULTING FROM CAPITAL PROJECTS

Debt Service for Bonded Projects

Debt service on general obligation bonds issued by the State is not an operating cost in the normal sense of paying for the actual operation of a capital project. The basic difference between bonding for a capital project and appropriating cash is that bonding spreads the appropriation over a long period of time (which of course requires interest payments). However, debt service on the State's bonded indebtedness is appropriated in the operating budget; therefore, bonding capital projects increases the operating budget in subsequent years. In addition, the payment of debt service is similar to other M&O costs in that it is a long-term obligation which results from the construction of capital projects.

Historical and projected debt service payments from FY 74 to FY 84 are as follows (in millions of dollars):

FY 75	\$30.1	FY 80	\$75.1
FY 76	35.1	FY 81	97.6
FY 77	41.9	FY 82	102.4
FY 78	50.0	FY 83	141.7
FY 79	60.0	FY 84	178.7

Source: FY 84 Executive Capital Budget, p. 7

For the most recent five years from FY 79 to FY 83, debt service payments have increased by about \$82 million. During the same period, the general fund operating budget increased by \$1.04 billion, from \$888 million in FY 79 to \$1.93 billion in FY 83. The increase in debt service therefore accounts for about 8 percent of the growth in the operating budget for these fiscal years.

Debt service payments differ from other M&O costs because, in Alaska, the payments generally extend for only 10 to 15 years, rather than for the useful life of the capital project being bonded. In order to enhance and maintain the State's credit rating, the term of general obligation bonds has been tailored to the projected revenue decline beginning in the late 1980s. This shorter term means that the annual operating costs of bonded capital projects will decline in later years when the bonds are repaid and debt service payments end. However, this decline could be partially offset by increased maintenance costs for older facilities.

Agency Operating Costs for Capital Projects

The State agencies which have seen the largest increases in operating costs as a result of recent capital projects include:

- Department of Transportation and Public Facilities
- Division of Corrections (Department of Health and Social Services)
- Department of Fish and Game (hatchery program)
- University of Alaska

There are a number of other programs for which operating costs have increased as a result of capital projects, such as health clinics, pioneers' homes, recreational facilities, and water and sewer projects. However, compiling all the capital project operation costs for these and other programs would take considerably more research time than the eight staff days that were available for this request.

The primary method used to determine the additional operating costs for capital projects was a review of agency budget requests. When each State agency submits its budget request to the Governor's Office, it is required to justify any additions to its budget above the continuation level (which is basically the prior year's budget adjusted for inflation and other factors). In theory, any additional costs for operation, maintenance, or personnel from new capital projects should be found on these budget forms. The FY 84 budget forms now include a space for listing the specific capital project which required the additional costs; however, this information was rarely included in the budgets I reviewed.

It is important to note that this budget information includes only agency requests. Actual appropriations and expenditures may vary significantly. However, in terms of evaluating the full maintenance costs of capital projects, agency requests may be a better indicator, assuming that these requests are accurate. Lower appropriations would indicate a sub-standard level of maintenance, which for most facilities would result in either higher maintenance costs in later years or a shorter useful life.

Another consideration regarding the costs presented in this section is that they reflect only additional costs which could not be covered within the existing agency budgets. For some projects, funds in the existing operation and maintenance budget may have been "stretched" by reducing maintenance levels slightly on other facilities to cover the additional costs. Or, if M&O costs declined for any facilities, this savings may have been used to pay part of the M&O cost of new capital projects.

Department of Transportation and Public Facilities

DOT/PF requested a total of about \$8.5 million from FY 81 to FY 84 for the operation and maintenance of new capital projects. Table 1 on the following page lists these additional budget requests for each of the four fiscal years. To put this figure in perspective, DOT/PF's FY 83 budget for maintenance and operations is \$110.3 million.² This indicates that the DOT/PF M&O budget has increased by about 3 percent as a result of capital projects constructed during the last several years.

² This figure excludes M&O costs for the Anchorage and Fairbanks International Airports, which are not funded through the general fund.

Most of these requests for additional M&O funds were for either rural airport improvements or for new road mileage. For example, the FY 83 budget request for the Western region noted that lighting systems, runway extensions, or navigation and communications equipment had been installed at 33 community airports. The FY 82 Interior region budget request stated that 296 lane miles of roads and highways had been added to the regions system since 1979 with only small increases in maintenance funds. A smaller amount of additional funds was requested for building maintenance and operation and for expansion of the design and support staff for capital projects³

Division of Corrections

Table 2 contains the amounts requested by the Division of Corrections for new or expanded facilities. These figures include all direct costs of operating and maintaining the correctional facilities, including personnel, the purchase of food and other commodities, and contractual services. The largest budget requests were for the Cook Inlet pre-arrest facility (\$2.3 million), the Palmer medium security prison (\$1.6 million), and the Hiland Mountain expansion (\$1.6 million). The Division's FY 83 operating budget is \$58.7 million, up from \$27 million in FY 80.

TABLE 2

Division of Corrections Additional Budget Requests for Operation and Maintenance of New or Expanded Facilities

FY 84	\$3,662,000
FY 83	7,667,000
FY 82	489,000
FY 81	<u>2,360,000</u>

TOTAL \$14,178,000

Department of Fish and Game

The Fisheries Rehabilitation, Enhancement and Development (FRED) Division operates 20 fish hatcheries, as well as engaging in stream restoration, lake fertilization and other activities. The operation of the

³ During this period, several million dollars not included here was requested for capital project design, support and administration as part of the legislative mandate to convert from capital funding for these positions to funding under the operating budget.

hatcheries requires about \$6.7 million out of the Division's total \$13.5 million FY 83 operating budget.⁴ Of the 20 hatcheries, about 11 have been built since 1978 through general obligation bonds. An approximate estimate of the cost of operating these newer hatcheries would be \$3.7 million. The average size of the newer hatcheries is larger than the older facilities, so that the actual operating cost of the newer hatcheries would be somewhat larger than \$3.7 million.

The cost of operating the hatcheries at full capacity would be larger than the figures cited above. However, because of budget constraints, the Division is operating several of the hatcheries at reduced levels. The Division has also restricted its other functions because funding for the hatcheries has not kept pace with cost increases.

University of Alaska

Time did not permit a complete review of the budget requests for the University of Alaska. However, it was evident from the two fiscal years which were examined that only a very small percentage of the University's budget requests were for the operation of new facilities. Nearly all of the requests were for new teaching positions or other program-oriented purposes. In addition, several of the requests for the operation and maintenance of new buildings were rejected by the Governor.

For example, \$772,000 was requested in the FY 84 budget for operating new buildings at the Anchorage and Juneau campuses, all of which was rejected. It is unlikely that the University would allow the buildings to stand empty, so that the cost of operating these buildings will probably be reallocated from other funds. In FY 82, \$517,000 was requested (and approved by the Governor) for new facilities, including the Anchorage Community College aviation complex, a Fairbanks power plant addition, and additions to several community colleges throughout the state.

⁴ Source: Stan Moberly, FRED Division Director, personal communication, 3/31/83.

For example, \$772,000 was requested in the FY 84 budget for operating new buildings at the Anchorage and Juneau campuses, all of which was rejected. It is unlikely that the University would allow the buildings to stand empty, so that the cost of operating these buildings will probably be reallocated from other funds. In FY 82, \$517,000 was requested (and approved by the Governor) for new facilities, including the Anchorage Community College aviation complex, a Fairbanks power plant addition, and additions to several community colleges throughout the state.

MAINTENANCE AND OPERATIONS COST INDEXES

The attached tables include representative maintenance and operations costs for roads and highways, airports, and public buildings. It must be emphasized that the M&O figures, which were provided by DOT/PF, are approximate and are averages. M&O costs for specific facilities can vary considerably depending on location, design, age, level of use, and level of maintenance. It should also be noted that the costs for roads and airports are from a 1981 DOT/PF study; current costs would be about 15 percent higher as a result of inflation.

These M&O figures do not include the non-maintenance personnel costs of operating facilities, for example, teachers' salaries in schools. The staffing levels of schools and other facilities vary considerably in relation to building size, making it inaccurate to use any kind of "positions per square foot" average in determining personnel costs.

Roads

Attachment 1 shows maintenance costs per lane mile per year for eight different types of roads, ranging from 4-lane paved highways to gravel roads less than 20 feet wide. The maintenance costs are also classified by region: Interior, Southcentral, Southeastern, Western and Central (a map of these regions is included on the following page). These costs were compiled by DOT/PF in a 1981 study. The table demonstrates the wide range in maintenance costs both for different types of roads and in different regions. For example, the cost of maintaining 2-lane paved rural primary routes (Type IV) in the Southcentral region is shown as \$8,739 per lane mile, compared to only \$2,346 per lane mile for gravel secondary roads (Type 5) in the same region. Most of this cost difference is a result of the higher traffic volumes on the primary routes and a higher maintenance level, such as more frequent snowplowing.

The wide spread in maintenance costs in different regions is indicated by the fact that in the Interior region, maintained 2-lane paved

rural primary route costs \$4,432 per lane mile -- about half the cost for the same road type in the Southcentral region -- while in the Western region the cost for this road type is over \$15,000 per lane mile.

Although the large variance in road maintenance costs makes it difficult and somewhat misleading to use a single average figure, a cost of \$5,200 per lane mile is often used in DOT/PF budget requests as an indicator of operating costs.

Airports

DOT/PF has also compiled data on the maintenance and operating costs of State-owned airports throughout the state. These costs are summarized in Attachment 2, and are classified for four types of airports and three areas of the state. The airport types, in order of declining size, are: regional center, regional, transport and community. Areas II and III are the same Interior and Western regions used for the information on road costs, while Area I combines the Central, Southcentral, and Southeastern regions. These airport maintenance costs are also for FY 81 and should be inflated by about 15 percent to reflect current costs.

As might be expected, the larger regional airports are considerably more expensive to maintain than the smaller community airports. The average maintenance cost for the regional center airports at the time of the study was about \$371,000 per year. Community airports averaged only \$14,360 in average maintenance costs. One cost difference which appears unusual at first glance is the much lower cost shown for maintenance of community airports in Area III (the Western region) compared to the rest of the state. One might expect the cost of maintenance to be higher in the Western region because of its remoteness and rugged climate. The most likely reasons for the lower cost shown for the Western region are simply that the airports in many of these communities are very basic, frequently without lighting or communications, and receive very limited maintenance.

It should be noted that an extensive rural airport improvement program has been undertaken over the past several years, and as a result, current maintenance costs are probably somewhat higher (even after adjusting for inflation) than those shown in Attachment 2. Although some airport improvements, such as runway resurfacing, can reduce maintenance costs, other improvements like runway lighting, communications and navigational aids require extensive maintenance to remain operative.

Representative Malone
April 4, 1983
Page 10

Public Buildings

According to Greg Brown, Acting Statewide Planning Manager for DOT/PF, the annual maintenance and operating cost of a new office building or school in Anchorage or Juneau would probably fall in the range of \$6.50-\$7.75 per square foot of building space. This cost figure is for an optimum level of maintenance and includes all annual costs such as utilities, insurance, and janitorial service, in addition to periodic repairs to the roof, heating system, and other components.

This cost range was obtained from historical DOT/PF and local government information. Mr. Brown noted that it is difficult to arrive at an average maintenance cost, even for similar buildings, because different agencies include different items as M&O costs, and because different levels of maintenance are used. He emphasized that this cost figure should be used only as a general indicator of potential maintenance and operating impacts, and should not be used for specific projects or in preparing agency budgets.

As noted earlier, M&O costs can vary considerably, even for the same location, depending on type of facility, design, and less-than-optimum maintenance levels. For example, a corrections facility would be much more expensive to maintain than an office facility, because of its full-time occupancy and security requirements. On the other hand, a maintenance shop or storage facility would have lower M&O costs. An older facility will usually have a higher M&O cost per square foot than a new building. Also, it is important to recognize the effect of inflation on future M&O costs. With 10 percent inflation, the total M&O costs over the 30 year life of a building can be over 12 times the original construction cost of the structure.

* * * * *

I hope that this information is useful, and regret that we were not able to provide a more comprehensive response under the time constraints of our current workload. Should you have any questions or need additional research, please do not hesitate to contact us.

JK/sj

Attachments

ATTACHMENT 1

Source: DOT/PF

SUMMARY OF AVERAGE TOTAL MAINTENANCE COST/LANE MILE/YEAR
Including Overhead Costs

Type	Miles	INTERIOR			SOUTHCENTRAL			SOUTHEASTERN			WESTERN			CENTRAL		
		Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total
1	48	18,936	5,870	24,806	0	0	0	7,760	2,406	10,166	0	0	0	2,928	908	3,836
11	68	4,775	1,480	6,255	0	0	0	4,663	1,446	6,109	0	0	0	2,752	853	3,605
111	24	9,361	2,908	12,289	0	0	0	5,978	1,853	7,831	0	0	0	4,771	1,479	6,250
1	24	3,383	1,049	4,432	6,671	2,068	8,739	3,638	1,128	4,766	11,764	3,647	15,411	3,198	991	4,189
1	24	2,955	916	3,871	5,683	1,762	7,445	4,624	1,453	6,057	1,592	494	2,086	2,890	896	3,786
1	32	2,333	692	2,925	1,791	555	2,346	4,344	1,347	5,691	2,074	643	2,717	2,887	895	3,782
11	16	3,626	938	3,964	3,101	961	4,062	6,125	1,899	8,024	2,811	871	3,682	3,216	997	4,213
111	24	1,895	587	2,482	2,201	682	2,883	6,494	2,013	8,507	879	272	1,151	2,611	809	3,420

It has been noted that the \$24,806 cost/lane mile shown for Type 1 roadways located in the Interior Maintenance Region, also described as Area 11, can be attributed to the high maintenance costs associated with chain link fencing which existed as a traffic separator on portions of Route 170000 (Parks Highway), during the time period associated with costs shown in this report. The chain link fencing has been replaced with concrete traffic separators which should contribute to reduced future maintenance costs.

ATTACHMENT 2 -- AIRPORTS

TOTAL AVERAGE MAINTENANCE COSTS AND OVERHEAD COSTS

		AREA I ¹	AREA II ²	AREA III ³
Regional Center	Maintenance	\$301,608	\$276,795	\$313,092
	Overhead	<u>68,767</u>	<u>37,744</u>	<u>55,352</u>
	Total	\$370,375	\$364,539	\$378,444
Regional	Maintenance	203,384	110,546	153,312
	Overhead	<u>46,372</u>	<u>35,075</u>	<u>32,235</u>
	Total	\$249,756	\$145,721	\$185,547
Transport	Maintenance	60,364	--	22,293
	Overhead	<u>13,763</u>	<u>--</u>	<u>4,704</u>
	Total	\$ 74,127	--	\$ 26,997
Community	Maintenance	11,403	17,065	5,452
	Overhead	<u>2,600</u>	<u>5,410</u>	<u>1,150</u>
	Total	\$ 14,003	\$ 22,475	\$ 6,602

1. Overhead calculated at 22.3% of maintenance.
2. Overhead calculated at 31.7% of maintenance.
3. Overhead calculated at 21.1% of maintenance.

Source: DOT/PF

REPRESENTATIVE
SAM COTTEN
DISTRICT 15



P.O. BOX 296, EAGLE RIVER, AK 99577
P.O. BOX V, JUNEAU, AK 99811

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

Contact: Ned Farquhar (465-3711)

NRA, ALASKA OUTDOOR COUNCIL, REPS. COTTEN AND MENARD
ANNOUNCE WORK ON RECREATION RIVERS LEGISLATION

JUNEAU -- Rep. Sam Cotten (D-Eagle River) has announced his intention to hold on to proposed recreation rivers legislation (HB 93) for work over the interim. Cotten introduced the bill this year to retain six southcentral river corridors for public use, including hunting, fishing, and boating.

Cotten made the announcement with Rep. Curt Menard (R-Wasilla); Rep. Ron Larson (D-Palmer); Senator Arliss Sturgulewski (R-Anchorage); Ron Somerville, Executive Director of the Alaska Outdoor Council; and Rupe Andrews, Regional Representative for the National Rifle Association. Both groups remain strongly supportive of the proposed bill.

"I have supported the concept of this legislation for several years," stated Senator Sturgulewski, chair of the Senate Community and Regional Affairs Committee which is now considering the bill. "I don't want these rivers to end up congested like the Kenai River. I also think we can avoid the drastic management measures that were implemented on the Kenai recently in response to overuse. And I believe that

there will definitely be local economic benefits from the bill."

"Even though the bill has been continually improved, there has been a lot of controversy about it recently," said Cotten. "Some of the concerns are just basic misunderstandings of what the bill does. On the other hand, some of the access problems in the bill genuinely need to be taken care of."

"I think we would be able to write a bill this session that fixes the access problems raised by some boaters. But I want to work with the interest groups over the summer and make sure that everybody knows what the bill really does."

Rep. Menard, who has worked on the bill and supports it, concurred in the decision to work on the bill through the interim. "The long and short of it is that the day of having the fishing hole to ourselves, if not gone, is rapidly disappearing on these six streams. Reasonable management, with the participation of the various user groups, needs to be implemented."

Andrews, from the NRA (which has over 22,000 Alaska

members), pointed out that there has been misinformation going around about hunting use within the proposed recreation rivers. "These lands support a lot of hunting now, and the bill is intended to establish corridors wide enough to maintain hunting use by the public in the future," said Andrews. "The bill strongly protects hunting rights on the affected lands. In fact, the language in this bill is a model for other lands legislation."

For the Outdoor Council, Somerville stated that continued public access and use have been major issues. "The Outdoor Council supports this bill very strongly simply because it not only stresses the recreational values but also protects the rights of the general public to use these valuable lands. But we agree with Representative Cotten that it is a good idea to work with concerned Alaskans to make sure that they understand the bill and that their concerns are addressed," said Somerville.

"We also believe this legislation strikes a balance between economic development interests and long-term public interests. The Council believes that long-term economic benefits will be derived by enhancing the high-quality recreational values."

The Outdoor Council represents more than 10,000 Alaskans in almost 50 groups statewide.

The recreation rivers bill has a long history. Retention of the corridors for public use was recommended by the Department of Natural Resources in the Susitna Area Plan (1985) and Willow Subbasin Plan (1982); about 265,000 acres are affected out of 17 million in the planning area. The rivers affected are the Little Susitna, Talachulitna, Doshka, and Talkeetna, and Lake and Alexander Creeks.

The Departments of Natural Resources and Fish and Game have strongly supported the bill.

Last year a recreation rivers bill passed the House by a large margin and died in the Senate shortly before the end of session. Cotten reintroduced the same bill early this year and held numerous hearings on it in the House Resources Committee before the bill passed out of the House by a vote 30-9 in mid-April.

Cotten has not announced a schedule for working on bill through the interim, but has invited concerned persons to send their comments to his office in Juneau (465-3711). Notice of any discussions or meetings will be delivered to anyone who wishes to be notified.

30-30-30-30

HB

16

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

April 23, 1987

FROM: Senate C&RA Staff

A handwritten signature in dark ink, appearing to be "MEL".

RE: CSHB 16 (C&RA) - Relating to the levy and collection of fees for the use of state park system facilities; relating to contracts for services and facilities in the state park system; and providing for an effective date

Attached is a copy of the proposed CS for HB 16. Also attached is the mark up on the house bill so you may clearly see the changes. The CS was prepared in conjunction with the Division of Parks, legal services, the AG's office, and staff of other representatives and senators, including the original sponsor.

Staff will review the changes and the reason for them at the meeting. Please bring your previously distributed packet to the meeting.

5-0206N
Bannister
4/23/87

Original sponsors: Navarre, Koponen,
Swackhammer, et al.

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 16 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the levy and collection of fees
7 for the use of state park system facilities; relating
8 to contracts for services and facilities in the state
9 park system; and providing for an effective date."

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

11 * Section 1. AS 41.21 is amended by adding new sections to read:

12 Sec. 41.21.026. FEES FOR THE USE OF STATE PARK SYSTEM FACILI-
13 TIES. (a) The department may charge or collect a fee in a park unit
14 for

- 15 (1) rental of public use cabins or other overnight lodg-
- 16 ings;
- 17 (2) overnight use of a developed campsite;
- 18 (3) special park use permits;
- 19 (4) noncompetitive and nonexclusive commercial use permits;
- 20 (5) use of a sewage holding tank dump station;
- 21 (6) guided tours of historic sites; and
- 22 (7) use of an improved boat ramp in a park facility devel-
- 23 oped principally for boat launching.

24 (b) The department may not charge or collect a fee for an ordi-
25 nary use of a park unit or the use of a restroom in a park unit.

26 (c) The department shall establish the fees that may be charged
27 or collected under (a) of this section by regulation. Before setting
28 the fees, the department shall consider at public hearings

- 29 (1) the cost to the state of operating the facility or

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

The department arrived at the proposed fees by examining fees established by public and private organizations in Alaska and other states. Proposed fees are only for state-operated facilities, not those operated by concessionaires.

The public is encouraged to participate in the hearings which are scheduled as follows:

Palmer
Monday, August 17
7:00 p.m.
Palmer Junior High School

Fairbanks
Tuesday, August 18
7:00 p.m.
Noel Wien Library

Anchorage
Wednesday, August 19
7:00 p.m.
Museum of History & Art

Soldotna
Thursday, August 20
7:00 p.m.
Kenai Borough Assembly Chambers

Klukwan
Monday, August 24
2:00 p.m.
Tribal House

Haines
Monday, August 24
7:00 p.m.
City Council Chambers

Juneau
Tuesday, August 25
7:00 p.m.
Centennial Hall

Written comments will be accepted until Friday, September 11, 1987 at 4:30 p.m. Mail or deliver comments to:

Department of Natural Resources
Office of the Commissioner
Jim Powell
3601 C Street, Suite 1210
P.O. Box 107005
Anchorage, AK 99510-7005

For more information or copies of the proposed regulations, please call one of the following Division of Parks' offices:

Anchorage: Pete Panarese, 345-5014

Juneau: Linda Kruger, 465-4563

Fairbanks: Mike Lee, 479-4114

(END)

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

April 23, 1987

FROM: Senate C&RA Staff

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5-0206N
Bannister
4/23/87

Original sponsors: Navarre, Koponen,
Swackhammer, et al.

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 16 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

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- 20 (5) use of a sewage holding tank dump station;
- 21 (6) guided tours of historic sites; and
- 22 (7) use of an improved boat ramp in a park facility devel-
23 oped principally for boat launching.

24 (b) The department may not charge or collect a fee for an ordi-
25 nary use of a park unit or the use of a restroom in a park unit.

26 (c) The department shall establish the fees that may be charged
27 or collected under (a) of this section by regulation. Before setting
28 the fees, the department shall consider at public hearings

- 29 (1) the cost to the state of operating the facility or

1 managing the activity;

2 (2) the normal fees charged for similar facilities or
3 activities by governmental and nongovernmental entities;

4 (3) the cost of administering a fee collection program for
5 the facility or activity; and

6 (4) the public interest.

7 (d) In this section, "developed campsite" means a campsite
8 having access to the following public facilities:

9 (1) restrooms;

10 (2) a picnic table;

11 (3) an outdoor cooking facility; and

12 (4) an approved water source.

13 Sec. 41.21.027. CONCESSION CONTRACTS IN THE STATE PARK SYSTEM.

14 (a) Subject to the restrictions in this section, the state may enter
15 into concession contracts under AS 36 to provide services or construct
16 facilities in a park unit.

17 (b) The state may not enter into a concession contract under (a)
18 of this section if the proposed contract involves estimated annual
19 gross receipts of more than \$100,000, construction of facilities, a
20 term longer than four years, or the provision of services other than
21 those normally provided at similar facilities in the state, unless the
22 commissioner finds that the proposed concession contract

23 (1) will implement the purposes of the park unit and is
24 authorized by the park management plan, if any, that applies to the
25 park unit;

26 (2) will enhance public use and enjoyment of the park unit
27 while maintaining a high quality environment and the opportunity for
28 high quality recreational experiences;

29 (3) will provide services or facilities that are not

1 feasible or affordable for the state to provide directly;

2 (4) will not create unacceptable adverse environmental
3 effects;

4 (5) is based on a need and desire of the public;

5 (6) recognizes and accommodates, at no cost, ordinary uses
6 in a park unit;

7 (7) requires the contractor to hire residents of the state,
8 to the extent available and qualified, when hiring persons to work in
9 the park under the contract;

10 (8) provides the state with a fair and equitable portion,
11 in money or services, of the contractor's receipts from the provisor
12 of the service or the operation of the facility;

13 (9) provides that the department retains control over the
14 level of fees and the design and appearance of any facility to be con-
15 structed;

16 (10) encourages the contractor to accommodate visitors with
17 special circumstances, including handicapped persons, senior citizens,
18 and school children; and

19 (11) provides that the contract may be terminated if the
20 contractor fails to fulfill the requirements of this section ^{or} ~~and~~ the
21 contract.

22 (c) Before bids or proposals are sought or contract negotiations
23 begun for a concession contract under (b) of this section, the commis-
24 sioner shall

25 (1) make a preliminary inquiry at the local level to iden-
26 tify community concerns;

27 (2) if it is appropriate to proceed further, make a pre-
28 liminary decision that includes the findings required by (b) of this
29 section and

1 (A) an assessment of existing visitor uses that may be
2 affected by the activities of the contractor;

3 (B) an assessment of the potential conflicts or sig-
4 nificant effects on park wildlife, water, scenic values, or other
5 resources;

6 (C) an identification of the types of services or
7 goods that the contractor is to provide;

8 (D) the terms and conditions of the contract;

9 (E) a determination of whether the contract activity
10 would be more appropriately located on land outside of the park
11 or on private land within the park; and

12 (F) the views and comments of the park advisory board,
13 when one exists, for the park unit in which the activity is being
14 considered;

15 (3) after making a preliminary decision under (2) of this
16 subsection,

17 (A) seek public comment on the preliminary decision
18 through reasonable public notice and, if facilities may be built
19 under the concession contract, conduct public hearings;

20 (B) after considering the public comment obtained
21 under this paragraph, issue a final decision on whether or not
22 the state will proceed into a concession contract award process.

23 (d) The commissioner shall provide for public review and comment
24 before a concession contract under this section is renewed or ex-
25 tended.

26 (e) The commissioner may adopt regulations to implement this
27 section.

28 (f) A person who enters into a concession contract with the
29 state under this section may not charge or collect a fee for an

1 ordinary use of a park unit or for the use of a restroom in a park
2 unit.

3 Sec. 41.21.028. DEFINITIONS. (a) In AS 41.21.026 - 41.21.028

4 (1) "ordinary use" means a use that is not generally asso-
5 ciated with developed facilities, including fishing, hunting, walking,
6 swimming in a natural body of water, picnicking, or automobile parking
7 associated with another ordinary use;

8 (2) "park unit" means a unit of the state park system.

9 * Sec. 2. AS 41.21.030 is amended by adding new subsections to read:

10 (b) The commissioner of administration shall separately account
11 for fees and other money collected under AS 41.21.026 - 41.21.028 and
12 deposited under (a) of this section. The annual estimated balance in
13 the account may be used by the legislature to make appropriations to
14 the department to carry out the purposes of this chapter.

15 (c) In (a) of this section, "money from concessions" means, for
16 a concession contract under AS 41.21.027, the consideration received
17 by the state from the contract.

18 * Sec. 3. AS 28.10.411(e) and AS 41.35.045 are repealed.

19 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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4/23/87

Original sponsors: Navarre, Koponen,
Swackhammer, et al.

1 IN THE HOUSE

Senate

CS FOR HOUSE BILL NO. 16
IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE - FIRST SESSION

BY THE FINANCE COMMITTEE
CRRA COMMUNITY AND
REGIONAL AFFAIRS
COMMITTEE

A BILL

6 For an Act entitled: "An Act relating to the levy and collection of fees
7 for the use of state park system facilities; relating
8 to contracts for services and facilities in the state
9 park system; and providing for an effective date."

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

11 * Section 1. AS 41.21 is amended by adding new sections to read:

12 Sec. 41.21.026. FEES FOR THE USE OF STATE PARK SYSTEM FACILI-
13 TIES. (a) The department may ~~not, either directly or through another~~
14 ~~person, charge or collect a fee for an ordinary use of a park unit or~~
15 ~~the use of a restroom in a park unit.~~

16 ~~(b) In addition to the prohibition in (a) of this section, the~~
17 ~~department may not establish and collect fees for the use of a park~~
18 ~~unit, except for~~

- 19 (1) rental of public use cabins or other overnight lodg-
- 20 ings;
- 21 (2) overnight use of a developed campsite;
- 22 (3) special park use permits;
- 23 (4) noncompetitive and nonexclusive commercial use permits;
- 24 (5) use of a sewage holding tank dump station;
- 25 (6) guided tours of historic sites; and
- 26 (7) use of an improved boat ramp in a park facility
- 27 developed principally for boat launching.

28 *(b) Insert*
(c) The department shall establish the fees for uses under (b)
29 of this section by regulation. Before setting the fees, the

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-1-

CSHB 16(Fin) am

(b) The department may not charge or collect a fee for an ordi-
nary use of a park unit or the use of a restroom in a park unit.

1 department shall consider at public hearings

2 (1) the cost to the state of operating the facility or
3 managing the activity;

4 (2) the normal fees charged for similar facilities or
5 activities by governmental and nongovernmental entities;

6 (3) the cost of administering a fee collection program for
7 the facility or activity; and

8 (4) the public interest.

9 (d) In this section, "developed campsite" means a campsite
10 having access to the following public facilities:

11 (1) restrooms;

12 (2) a picnic table;

13 (3) an outdoor cooking facility; and

14 (4) an approved water source.

15 ~~Sec. 41.21.027. MAINTENANCE AND COLLECTION CONTRACTS IN THE~~
16 ~~STATE PARK SYSTEM. (a) The state may contract under AS 36.30 (State~~
17 ~~Procurement Code) for~~

18 ~~(1) the collection of fees charged for uses under AS 41.-~~
19 ~~21.026(b); and~~

20 ~~(2) park unit maintenance activities; "park unit mainte-~~
21 ~~nance activities" means~~

22 ~~(A) refuse collection;~~

23 ~~(B) janitorial maintenance of facilities;~~

24 ~~(C) litter pickup;~~

25 ~~(D) painting;~~

26 ~~(E) fireplace cleaning;~~

27 ~~(F) sewage pumping;~~

28 ~~(G) minor repair and replacement of facilities;~~

29 ~~(H) snowplowing and road maintenance;~~

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~~(I) brushing trails, picnic areas, and campsites;
(J) other normal park unit maintenance activities.
(b) The state may combine in a single contract the services listed in (a)(1) and (2) of this section.
(c) A contract under this section is not subject to AS 41.21.028.~~

~~Sec. 41.21.027. CONCESSION CONTRACTS IN THE STATE PARK SYSTEM~~

~~(a) ^(b) The state may not enter into a concession contract under AS 36 to provide services or to operate or construct facilities in a park unit unless the commissioner finds that the proposed concession contract~~

- ~~(1) will implement the purposes of the park unit and is authorized by the park management plan, if any, that applies to the park unit;~~
- ~~(2) will enhance public use and enjoyment of the park unit while maintaining a high quality environment and the opportunity for high quality recreational experiences;~~
- ~~(3) will provide services or facilities that are not feasible or affordable for the state to provide directly;~~
- ~~(4) will not create ^{unacceptable} ~~substantial~~ adverse environmental effects;~~
- ~~(5) is based on a need and desire of the public;~~
- ~~(6) recognizes and accommodates, at no cost, ordinary uses in a park unit;~~
- ~~(7) requires the contractor to hire residents of the state, to the extent available and qualified, when hiring persons to work in the park under the contract;~~
- ~~(8) provides the state with a fair and equitable portion, in money or services, of the contractor's receipts from the provision of the service or the operation of the facility;~~

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22

(a) Subject to the restrictions in this section, the state may enter into concession contracts under AS 36 to provide services or construct facilities in a park unit.

(b) The state may not enter into a concession contract under (a) of this section if the proposed contract involves estimated annual gross receipts of more than \$100,000, construction of facilities, a term longer than four years, or the provision of services other than those normally provided at similar facilities in the state, unless the commissioner finds that the proposed concession contract

1 (9) provides that the department retains control over the
2 level of fees and the design and appearance of any facility to be con-
3 structed;

4 (10) ^{ENCOURAGES} ~~requires~~ the contractor to accommodate visitors with
5 special circumstances, including handicapped persons, senior citizens,
6 and school children;

7 ~~(11) provides that during the term of the contract the~~
8 ~~commissioner shall regularly review and inspect the~~

9 ~~(A) operation of the facility; and~~

10 ~~(B) contractor's provision of service to the public;~~

11 and

12 (12) provides that the contract ^{may} ~~shall~~ be terminated if the
13 contractor fails to ^{fulfill the requirements of this section or} ~~protect park values and resources or fails to~~
14 ^{the contract.} ~~maintain a high quality environment and recreation experience.~~

15 ^c (13) Before bids or proposals are sought or contract negotiations
16 begun under AS 36.30 for a concession contract under ^b ~~a~~ of this
17 section, the commissioner shall

18 (1) make a preliminary inquiry at the local level to
19 identify community concerns;

20 (2) if it is appropriate to proceed further, make a pre-
21 liminary decision that includes the findings required by (a) of this
22 section and

23 (A) an assessment of existing visitor uses that may be
24 affected by the activities of the contractor;

25 (B) an assessment of the potential conflicts or sig-
26 nificant effects on park wildlife, water, scenic values, or other
27 resources;

28 (C) an identification of the types of services or
29 goods that the contractor is to provide;

1 (D) the terms and conditions of the contract;

2 (E) a determination of whether the contract activity
3 would be more appropriately located on land outside of the park
4 or on private land within the park; and

5 (F) the views and comments of the park advisory board,
6 when one exists, for the park unit in which the activity is being
7 considered;

8 (3) after making a preliminary decision under (2) of this
9 subsection,

10 (A) seek public comment on the preliminary decision
11 through reasonable public notice and, if facilities may be built
12 under the concession contract, conduct public hearings;

13 (B) after considering the public comment obtained
14 under this subsection, issue a final decision on whether or not
15 the state will proceed into a concession contract award process.

16 (c) The commissioner shall provide for public review and comment
17 before a concession contract under this section is renewed or ex-
18 tended.

19 ~~(d) By the 15th day of each first regular session of the legis-~~
20 ~~lature, the commissioner shall make available to the legislature a~~
21 ~~report on the provision of services or operation of facilities under~~
22 ~~concession contracts under this section during the previous two fiscal~~
23 ~~years, including~~

24 ~~(1) contract activities;~~

25 ~~(2) new or expanded contracts whose estimated or actual~~
26 ~~gross receipts exceed \$25,000; and~~

27 ~~(3) violations of contract standards.~~

28 (e) The commissioner may adopt regulations to implement this
29 section.

28 || (f) A person who enters into a concession contract with the
29 || state under this section may not charge or collect a fee for an
INSCT SC: ordinary use of a park unit or for the use of a restroom in a park
unit.

1 ~~(f) The commissioner may not enter into a concession contract~~
2 ~~for the Alaska Chilkat Bald Eagle Preserve.~~

3 ~~(g) In this section~~

4 ~~(1) "concession contract" does not include a contract under~~
5 ~~AS 41.21.027,~~

6 ~~(2) "facilities" includes campgrounds, boat launches,~~
7 ~~lodges, food service operations, and gift shops.~~

8 Sec. 41.21.029. DEFINITIONS. (a) In AS 41.21.026 - 41.21.029

9 (1) "ordinary use" means a use that is not generally asso-
10 ciated with developed facilities, including fishing, hunting, walking,
11 swimming in a natural body of water, picnicking, or automobile parking
12 associated with another ordinary use;

13 (2) "park unit" means a unit of the state park system.

14 * Sec. 2. AS 41.21.030 is amended by adding a new subsection to read:

15 (b) The commissioner of administration shall separately account
16 for fees and other money collected under AS 41.21.026 - 41.21.029 and
17 deposited under (a) of this section. The annual estimated balance in
18 the account may be used by the legislature to make appropriations to
19 the department to carry out the purposes of this chapter.

20 * Sec. 3. AS 28.10.411(e) and AS 41.35.045 are repealed.

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

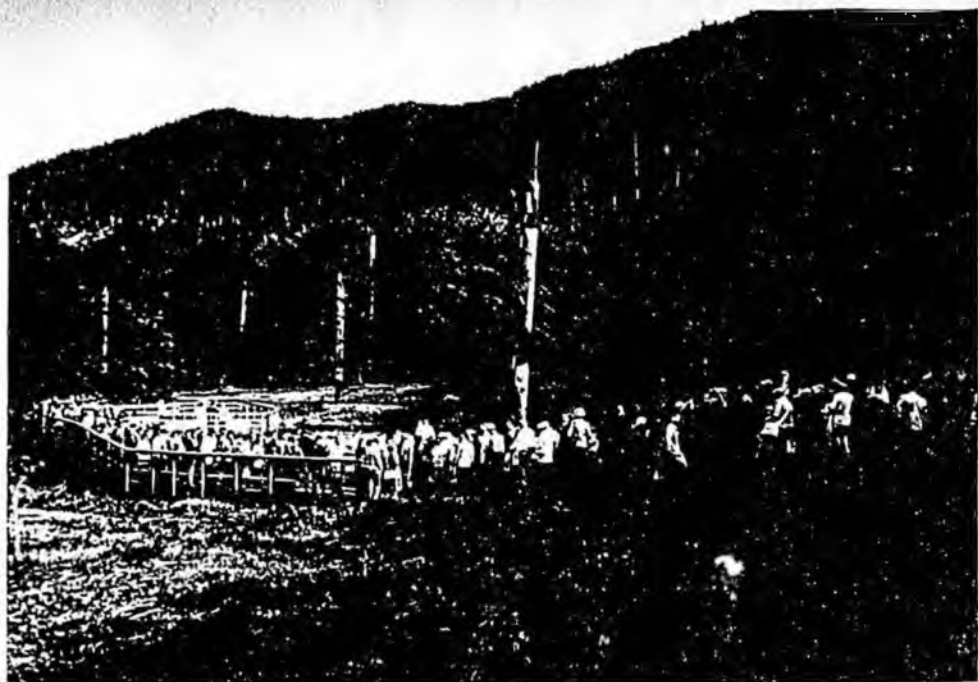
15 (c) In (a) of this section, "money from concessions" means, for
16 a concession contract under AS 41.21.027, the consideration received
17 by the state from the contract.



Deep Creek State Park on the Kenai Peninsula is the most popular campground in the state. Upwards of 400 motorhomes, campers and travel trailers jam this facility all summer.

The Montana Creek State Park facility near Willow has experienced heavy crowding since its construction in 1985.





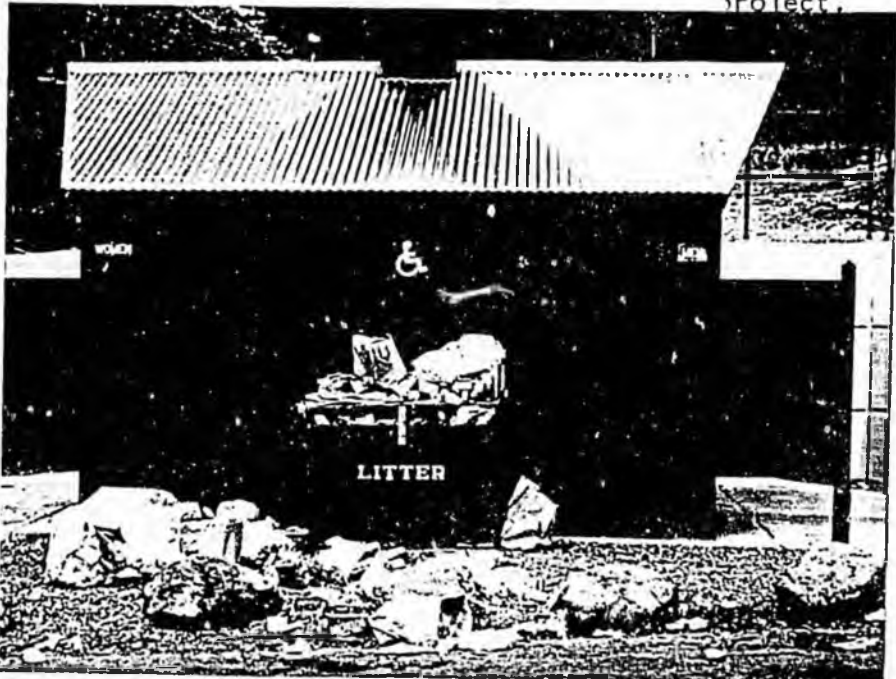
Totem Bight State Historic Park in Ketchikan receives heavy use from cruise ship passengers.

Mirror Lake State Park, near Chugiak, is always heavily used during summer months.

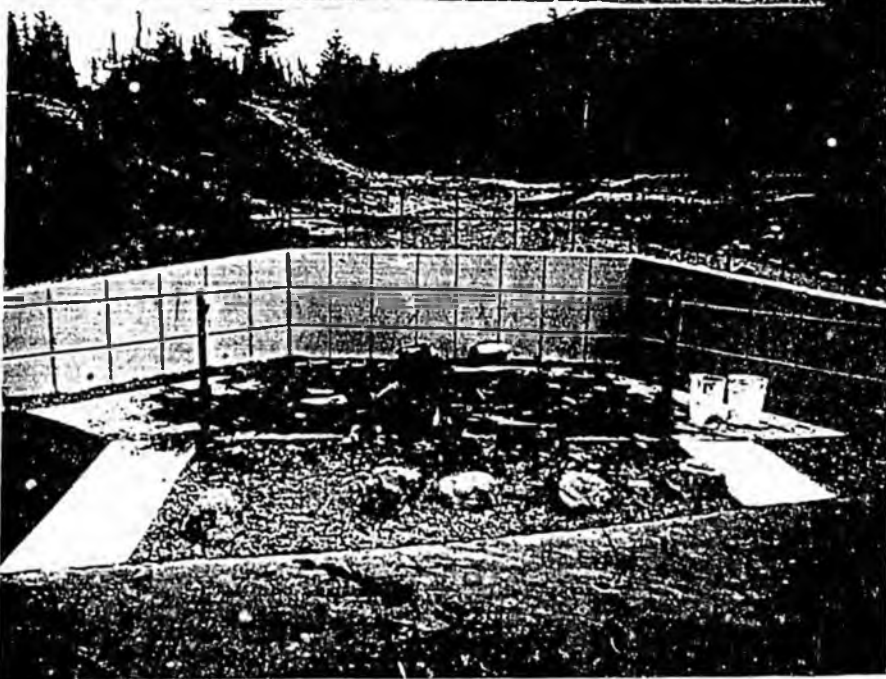




The newly restored turn-of-the century roadhouse within Big Delta State Historic Park, will be operated by a private company. Private sector tourism jobs will result from this preservation project.



Restroom at McHugh Chugach State Park
Typical conditions following summer weekend use.



Vandalism, theft and occasional arson, to the state park system. Remains of a \$20,000 restroom burned in Chugach State Park in Spring of 1986.

PUBLIC OPINION MESSAGE

DEAR: SENATOR STURGULEWSKI

NAME: LARRY KITTLESON

TITLE:

ADDRESS: BOX 2881

CITY: SOLDOTNA

ZIP: 99669

PHONE: 283-9182

BILL NO: SB 13

SUBJECT: STATE PARK CAMPSITE USE FEES

MESSAGE: I DON'T FEEL THAT PARKS NEEDS ANY EXTRA REVENUE. JOE HANSEN, IS STILL SPENDING MONEY THAT HE CLAIMS NOT TO HAVE. JOE HANSEN IS HOLDING THE PUBLIC HOSTAGE BY LOCKING PUBLIC OUT OF THE PARKS, TO GET EXTRA MONEY. PARKS NEEDS TO BE AUDITED THEN IF NEEDED, A PARK STICKER.

POMID: 13111558

DATE: 03/20/87

TIME: 11:15:58

LIONAME: SOLDOTNA LIO

COPIES: REPRESENTATIVE SENATOR

NAVARRÉ

SZYMANSKI

BASIS
BILL: HB 155
NAME:

Bill/Resolution History

08:37 AM 04/02/87

TITLE: "An Act relating to the change, relocation, or re-
moval of utility facilities incident to the construc-
tion of road or other projects by a municipality."

PRIME SPONSOR: CATO

CURRENT STATUS: (H) FIN

STATUS DATE: 03/25/87

PRESS <ENTER> TO VIEW ACTION

Selection=>

PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP ACTION EXIT MENU TEXT PRINT QUIT
HB 155 Bill/Resolution Action Page 1 of 1

Current Status: (H) FIN

Date		Page	Action
03/02/87	(H)	364	READ THE FIRST TIME - REFERRAL(S)
03/02/87	(H)	364	C&RA, TRANSPORTATION, FINANCE
03/11/87	(H)	464	CRA RPT 4DP 1NR
03/11/87	(H)	464	2 ZERO FISCAL NOTES PUBLISHED 3/11/87
03/25/87	(H)	619	TRA RPT 4DP
03/25/87	(H)	619	REFERRED TO FINANCE

Selection=>

PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 21, 1987

SUBJECT: Resident hire provision of proposed CSHB 16

TO: Senator Arliss Sturgulewski, Chair
Senate Community and Regional Affairs
Committee

FROM: Theresa L. Bannister *TLB*
Legislative Counsel

This memo accompanies the draft of the C & RA CS requested for HB 16 incorporating the requested language. The resident hire provision in sec. 42.21.028(a)(7) of the CS raises constitutional issues based on the commerce clause and on the privileges and immunities clause of the U.S. Constitution. Although the state may require resident hire preference when it is a market participant, as when it is doing the hiring, the constitutionality of a requirement becomes less certain the further the state's participation is removed from the actual hiring. Here, because it is the contractor and not the state who is required, in certain circumstances, to hire residents, it is unclear whether the provision would be found to be constitutional.

If I may be of further assistance, please advise.

TLB:mkr
m11/042

Enclosure

4/23/87

Original sponsors: Navarre, Koponen,
Swackhammer, et al.

1 IN THE HOUSE

BY THE ~~FINANCE COMMITTEE~~

2 *Senate* CS FOR HOUSE BILL NO. 16 (~~Finance~~) am

CRRA
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the levy and collection of fees
7 for the use of state park system facilities; relating
8 to contracts for services and facilities in the state
9 park system; and providing for an effective date."

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

11 * Section 1. AS 41.21 is amended by adding new sections to read:

12 Sec. 41.21.026. FEES FOR THE USE OF STATE PARK SYSTEM FACILI-
13 TIES. (a) The department may ~~not, either directly or through another~~
14 ~~person,~~ charge or collect a fee for an ~~ordinary use of a park unit or~~
15 ~~the use of a restroom in a park unit.~~

16 ~~(b) In addition to the prohibition in (a) of this section, the~~
17 ~~department may not establish and collect fees for the use of a park~~
18 ~~unit, except for~~

- 19 (1) rental of public use cabins or other overnight lodg-
- 20 ings;
- 21 (2) overnight use of a developed campsite;
- 22 (3) special park use permits;
- 23 (4) noncompetitive and nonexclusive commercial use permits;
- 24 (5) use of a sewage holding tank dump station;
- 25 (6) guided tours of historic sites; and
- 26 (7) use of an improved boat ramp in a park facility
- 27 developed principally for boat launching.

28 *(b) Insert*
(c) The department shall establish the fees for uses under (b)
29 of this section by regulation. Before setting the fees, the

(b) The department may not charge or collect a fee for an ordi-
nary use of a park unit or the use of a restroom in a park unit.

1 department shall consider at public hearings

2 (1) the cost to the state of operating the facility or
3 managing the activity;

4 (2) the normal fees charged for similar facilities or
5 activities by governmental and nongovernmental entities;

6 (3) the cost of administering a fee collection program for
7 the facility or activity; and

8 (4) the public interest.

9 (d) In this section, "developed campsite" means a campsite
10 having access to the following public facilities:

11 (1) restrooms;

12 (2) a picnic table;

13 (3) an outdoor cooking facility; and

14 (4) an approved water source.

15 ~~Sec. 41.21.027. MAINTENANCE AND COLLECTION CONTRACTS IN THE~~
16 ~~STATE PARK SYSTEM. (a) The state may contract under AS 36.30 (State~~
17 ~~Procurement Code) for~~

18 (1) the collection of fees charged for uses under AS 41.-
19 21.026(b); and

20 (2) park unit maintenance activities; "park unit mainte-
21 nance activities" means

22 (A) refuse collection;

23 (B) janitorial maintenance of facilities;

24 (C) litter pickup;

25 (D) painting;

26 (E) fireplace cleaning;

27 (F) sewage pumping;

28 (G) minor repair and replacement of facilities;

29 (H) snowplowing and road maintenance;

1 (D) the terms and conditions of the contract;
2 (E) a determination of whether the contract activity
3 would be more appropriately located on land outside of the park
4 or on private land within the park; and

5 (F) the views and comments of the park advisory board,
6 when one exists, for the park unit in which the activity is being
7 considered;

8 (3) after making a preliminary decision under (2) of this
9 subsection,

10 (A) seek public comment on the preliminary decision
11 through reasonable public notice and, if facilities may be built
12 under the concession contract, conduct public hearings;

13 (B) after considering the public comment obtained
14 under this subsection, issue a final decision on whether or not
15 the state will proceed into a concession contract award process.

16 (c) The commissioner shall provide for public review and comment
17 before a concession contract under this section is renewed or ex-
18 tended.

19 ~~(d) By the 15th day of each first regular session of the legis-~~
20 ~~lature, the commissioner shall make available to the legislature a~~
21 ~~report on the provision of services or operation of facilities under~~
22 ~~concession contracts under this section during the previous two fiscal~~
23 ~~years, including~~

- 24 ~~(1) contract activities;~~
- 25 ~~(2) new or expanded contracts whose estimated or actual~~
26 ~~gross receipts exceed \$25,000; and~~
- 27 ~~(3) violations of contract standards.~~

28 (e) The commissioner may adopt regulations to implement this
29 section.

(f) A person who enters into a concession contract with the
state under this section may not charge or collect a fee for an
ordinary use of a park unit or for the use of a restroom in a park
unit.

28
29
SCS

1 ~~(f) The commissioner may not enter into a concession contract~~
2 ~~for the Alaska Chilkat Bald Eagle Preserve.~~

3 ~~(g) In this section~~

4 ~~(1) "concession contract" does not include a contract under~~
5 ~~AS 41.21.027,~~

6 ~~(2) "facilities" includes campgrounds, boat launches,~~
7 ~~lodges, food service operations, and gift shops.~~

8 Sec. 41.21.029. DEFINITIONS. (a) In AS 41.21.026 - 41.21.029

9 (1) "ordinary use" means a use that is not generally asso-
10 ciated with developed facilities, including fishing, hunting, walking,
11 swimming in a natural body of water, picnicking, or automobile parking
12 associated with another ordinary use;

13 (2) "park unit" means a unit of the state park system.

14 * Sec. 2. AS 41.21.030 is amended by adding a new subsection to read:

15 (b) The commissioner of administration shall separately account
16 for fees and other money collected under AS 41.21.026 - 41.21.029 and
17 deposited under (a) of this section. The annual estimated balance in
18 the account may be used by the legislature to make appropriations to
19 the department to carry out the purposes of this chapter.

20 * Sec. 3. AS 28.10.411(e) and AS 41.35.045 are repealed.

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

15 (c) In (a) of this section, "money from concessions" means, for
16 a concession contract under AS 41.21.027, the consideration received
17 by the state from the contract.

- 1 (I) brushing trails, picnic areas, and campsites;
2 (J) other normal park unit maintenance activities.
3 (b) The state may combine in a single contract the services
4 listed in (a)(1) and (2) of this section.
5 (c) A contract under this section is not subject to AS 41.21.-
6 028.

7 Sec. 41.21.027. CONCESSION CONTRACTS IN THE STATE PARK SYSTEM

- 8 (a) ^(b) ~~The state may not enter into a concession contract under AS 36 to~~ *INSERT*
9 ~~provide services or to operate or construct facilities in a park unit~~
10 ~~unless the commissioner finds that the proposed concession contract~~
11 (1) will implement the purposes of the park unit and is
12 authorized by the park management plan, if any, that applies to the
13 park unit;
14 (2) will enhance public use and enjoyment of the park unit
15 while maintaining a high quality environment and the opportunity for
16 high quality recreational experiences;
17 (3) will provide services or facilities that are not feasi-
18 ble or affordable for the state to provide directly;
19 (4) will not create ^{unacceptable} ~~substantial~~ adverse environmental
20 effects;
21 (5) is based on a need and desire of the public;
22 (6) recognizes and accommodates, at no cost, ordinary uses
23 in a park unit;
24 (7) requires the contractor to hire residents of the state,
25 to the extent available and qualified, when hiring persons to work in
26 the park under the contract;
27 (8) provides the state with a fair and equitable portion,
28 in money or services, of the contractor's receipts from the provision
29 of the service or the operation of the facility;

HB0016D

-3-

CSHB 16(Fin) am

14 (a) Subject to the restrictions in this section, the state may enter
15 into concession contracts under AS 36 to provide services or construct
16 facilities in a park unit.

17 (b) The state may not enter into a concession contract under (a)
18 of this section if the proposed contract involves estimated annual
19 gross receipts of more than \$100,000, construction of facilities, a
20 term longer than four years, or the provision of services other than
21 those normally provided at similar facilities in the state, unless the
22 commissioner finds that the proposed concession contract

1 (9) provides that the department retains control over the
2 level of fees and the design and appearance of any facility to be con-
3 structed;

4 (10) ^{encourages} ~~requires~~ the contractor to accommodate visitors with
5 special circumstances, including handicapped persons, senior citizens,
6 and school children;

7 ~~(11) provides that during the term of the contract the~~
8 ~~commissioner shall regularly review and inspect the~~

9 ~~(A) operation of the facility, and~~

10 ~~(B) contractor's provision of service to the public,~~

11 and

12 (12) provides that the contract ^{may} ~~shall~~ be terminated if the
13 contractor fails to ^{fulfill the requirements of this section or} ~~protect park values and resources or fails to~~
14 ^{the contract} ~~maintain a high quality environment and recreation experience.~~

15 ^c (13) Before bids or proposals are sought or contract negotiations
16 begun under AS 36.30 for a concession contract under ^b (a) of this
17 section, the commissioner shall

18 (1) make a preliminary inquiry at the local level to
19 identify community concerns;

20 (2) if it is appropriate to proceed further, make a pre-
21 liminary decision that includes the findings required by (a) of this
22 section and

23 (A) an assessment of existing visitor uses that may be
24 affected by the activities of the contractor;

25 (B) an assessment of the potential conflicts or sig-
26 nificant effects on park wildlife, water, scenic values, or other
27 resources;

28 (C) an identification of the types of services or
29 goods that the contractor is to provide;

[I] Page 1, 1
(b) The depar
ordinary use
unit.

*Terry
Bannister*

t a fee for
troom in a park

[II] Page 3,
(a) Subject t
enter into co
services or o

, the state may
to provide
in a park unit.

(b) If the concession contract involves:

(1) estimated annual gross receipts greater than
\$100,000;

(2) construction of facilities;

(3) a term greater than four years; or

(4) provision of services other than those normally
provided at similar facilities managed by the state;
than the state may not enter into a concession contract under
AS 36 unless the commissioner finds the proposed concession
contract - . . .

*Terry - this
probably needs
some rewording*

[III] Page 5, line 16

(e) Concessioners may not charge or collect a fee for
ordinary use of a park unit or use of a restroom in a park
unit.

[IV] Page 5, line 24

(a) DISPOSITION OF FUNDS. All money received from the
operation of parks and recreational facilities, including
money the state recieves as a consideration from concession[S]
contracts, rentals, or donations, shall be deposited in the
general fund of the state.

Original sponsors: Navarre, Koponen,
Swackhammer, et al.

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 16 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the levy and collection of fees
7 for the use of state park system facilities; relating
8 to contracts for services and facilities in the state
9 park system; and providing for an effective date."

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

11 * Section 1. AS 41.21 is amended by adding new sections to read:

12 Sec. 41.21.026. FEES FOR THE USE OF STATE PARK SYSTEM FACILI-
13 TIES. (a) The department may ~~not, either directly or through another~~
14 ~~person, charge or collect a fee for an ordinary use of a park unit or~~
15 ~~the use of a restroom in a park unit.~~

16 (b) ~~In addition to the prohibition in (a) of this section, the~~
17 ~~department may not establish and collect fees for the use of a park~~
18 ~~unit, except for~~

19 (1) rental of public use cabins or other overnight lodg-
20 ings;

21 (2) overnight use of a developed campsite;

22 (3) special park use permits;

23 (4) noncompetitive and nonexclusive commercial use permits;

24 (5) use of a sewage holding tank dump station;

25 (6) guided tours of historic sites; and

26 (7) use of an improved boat ramp in a park facility devel-
27 oped principally for boat launching.

28 (b) - Insert [I]

29 (c) The department shall establish the fees for uses under (b)
of this section by regulation. Before setting the fees, the

1 department shall consider at public hearings

2 (1) the cost to the state of operating the facility or
3 managing the activity;

4 (2) the normal fees charged for similar facilities or
5 activities by governmental and nongovernmental entities;

6 (3) the cost of administering a fee collection program for
7 the facility or activity; and

8 (4) the public interest.

9 (d) In this section, "developed campsite" means a campsite
10 having access to the following public facilities:

11 (1) restrooms;

12 (2) a picnic table;

13 (3) an outdoor cooking facility; and

14 (4) an approved water source.

15 ~~Sec. 41.21.027. MAINTENANCE AND COLLECTION CONTRACTS IN THE~~
16 ~~STATE PARK SYSTEM. (a) The state may contract under AS 36.30 (State~~
17 ~~Procurement Code) for~~

18 (1) the collection of fees charged for uses under AS 41.-
19 21.026(b); and

20 (2) park unit maintenance activities, including

21 (A) refuse collection;

22 (B) janitorial maintenance of facilities;

23 (C) litter pickup;

24 (D) painting;

25 (E) fireplace cleaning;

26 (F) sewage pumping;

27 (G) minor repair and replacement of facilities;

28 (H) snowplowing and road maintenance;

29 (I) brushing trails, picnic areas, and campsites;

- 1 (J) other normal park unit maintenance activities.
- 2 (b) The state may combine in a single contract the services
- 3 listed in (a)(1) and (2) of this section.
- 4 (c) A contract under this section is not subject to AS 41.21.-
- 5 028.

6 ⁷
INSERT II Sec. 41.21.028. CONCESSION CONTRACTS IN THE STATE PARK SYSTEM.

7 (a) ~~The state may not enter into a concession contract under AS 36 to~~

8 ~~provide services or to operate or construct facilities in a park unit~~

9 ~~unless the commissioner finds that the proposed concession contract~~

10 (1) will implement the purposes of the park unit and is

11 authorized by the park management plan, if any, that applies to the

12 park unit;

13 (2) will enhance public use and enjoyment of the park unit

14 while maintaining a high quality environment and the opportunity for

15 high quality recreational experiences;

16 (3) will provide services or facilities that are not feasi-

17 ble or affordable for the state to provide directly;

18 (4) will not create unacceptable adverse environmental

19 effects;

20 (5) is based on a need and desire of the public;

21 (6) recognizes and accommodates, at no cost, ordinary uses

22 in a park unit;

23 (7) requires the contractor to hire residents of the state,

24 to the extent available and qualified, when hiring persons to work in

25 the park under the contract;

26 (8) provides the state with a fair and equitable portion,

27 in money or services, of the contractor's receipts from the provision

28 of the service or the operation of the facility;

29 (9) provides that the department retains control over the

1 level of fees and the design and appearance of any facility to be con-
2 structed;

3 (10) encourages the contractor to accommodate visitors with
4 special circumstances, including handicapped persons, senior citizens,
5 and school children; and

6 (11) provides that the contract may be terminated if the
7 contractor fails to fulfill the requirements of this section and the
8 contract.

9 ^C
(12) Before bids or proposals are sought or contract negotiations
10 begun under AS 36.30 for a concession contract under (b) of this
11 section, the commissioner shall

12 (1) make a preliminary inquiry at the local level to iden-
13 tify community concerns;

14 (2) if it is appropriate to proceed further, make a pre-
15 liminary decision that includes the findings required by (a) of this
16 section and

17 (A) an assessment of existing visitor uses that may be
18 affected by the activities of the contractor;

19 (B) an assessment of the potential conflicts or sig-
20 nificant effects on park wildlife, water, scenic values, or other
21 resources;

22 (C) an identification of the types of services or
23 goods that the contractor is to provide;

24 (D) the terms and conditions of the contract;

25 (E) a determination of whether the contract activity
26 would be more appropriately located on land outside of the park
27 or on private land within the park; and

28 (F) the views and comments of the park advisory board,
29 when one exists, for the park unit in which the activity is being

1 considered;

2 (3) after making a preliminary decision under (2) of this
3 subsection,

4 (A) seek public comment on the preliminary decision
5 through reasonable public notice and, if facilities may be built
6 under the concession contract, conduct public hearings;

7 (B) after considering the public comment obtained
8 under this subsection, issue a final decision on whether or not
9 the state will proceed into a concession contract award process.

10 (c) The commissioner shall provide for public review and comment
11 before a concession contract under this section is renewed or ex-
12 tended.

13 (d) The commissioner may adopt regulations to implement this
14 section.

15 (e) ~~In this section "concession contract" does not include a~~
16 ~~contract under AS 41.21.027.~~

17 Sec. 41.21.028. DEFINITIONS. (a) In AS 41.21.026 - 41.21.028

18 (1) "ordinary use" means a use that is not generally asso-
19 ciated with developed facilities, including fishing, hunting, walking,
20 swimming in a natural body of water, picnicking, or automobile parking
21 associated with another ordinary use;

22 (2) "park unit" means a unit of the state park system.

23 * Sec. 2. AS 41.21.030 is amended by ~~adding a new subsection~~ to read:

24 > INSERT [IV]
25 (b) The commissioner of administration shall separately account
26 for fees and other money collected under AS 41.21.026 - 41.21.028 and
27 deposited under (a) of this section. The annual estimated balance in
28 the account may be used by the legislature to make appropriations to
29 the department to carry out the purposes of this chapter.

* Sec. 3. AS 28.10.411(e) and AS 41.35.045 are repealed.

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

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[I] Page 1, line 28, insert

(b) The department may not charge or collect a fee for ordinary use of a park unit or use of a restroom in a park unit.

[II] Page 3, line 6,

(a) Subject to restrictions in this section, the state may enter into concession contracts under AS 36 to provide services or operate or construct facilities in a park unit.

(b) If the concession contract involves:

(1) estimated annual gross receipts greater than \$100,000;

(2) construction of facilities;

(3) a term greater than four years; or

(4) provision of services other than those normally provided at similar facilities managed by the state; than the state may not enter into a concession contract under AS 36 unless the commissioner finds the proposed concession contract - . . .

Terry - this probably results some Reamington

[III] Page 5, line 16

(e) Concessioners may not charge or collect a fee for ordinary use of a park unit or use of a restroom in a park unit.

[IV] Page 5, line 24

(a) DISPOSITION OF FUNDS. All money received from the operation of parks and recreational facilities, including money the state receives as a consideration from concession[S] contracts, rentals, or donations, shall be deposited in the general fund of the state.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

April 2, 1987

The Honorable Arliss Sturgulewski
Chair, Community and Regional
Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Sturgulewski:

The Department of Natural Resources strongly supports CSHB 16 (Fin) Am which authorizes the department to charge fees and enter into concession contracts for the management of the Alaska State Park System.

I would like to propose one technical amendment to HB 16 which would make the bill conform to Title 36 procurement statutes and regulations currently being drafted by the Department of Administration. After discussing the latest version of HB 16 with the Department of Administration, we jointly determined that clarification was needed to ensure conformity with Title 36.

The following amendments are needed to clarify the contractual arrangement for contracting fee collection and janitorial/maintenance services:

pg. 3 line 4 | 41.21.027(b) The state may combine in a single contract the services listed in (a)(1) and (2) of this section and allow for the contractor's payment for services rendered to be made from a percentage of the fees collected.

pg. 6 line 4 | 41.21.028(g)(1) "concession contract" may include the provisions of this section and contracts under AS 41.21.027.

I urge your support of HB16 and its timely passage.

Sincerely,

Jennie Boston
for Judith M. Brady
Commissioner

cc: Bill Sponsors
Committee Members
Rod Swope
George Sullivan

MEMORANDUM

State of Alaska

TO: House Finance Committee
Attn: Eric Meyers


DATE: February 23, 1987

FILE NO:

TELEPHONE NO: 276-3550

THRU: Grace Berg Schaible
Attorney General

SUBJECT: CSHB No. 16


FROM: Michael J. Frank
Assistant Attorney General

This memorandum responds to your request for an outline of the existing authority the Department of Natural Resources, through the Division of Parks and Outdoor Recreation, has to charge fees for use of park facilities and to contract for "concessions and rentals".

I. CONTRACTS FOR THE OPERATION OF "CONCESSIONS AND RENTALS".

Under AS 41.21.020 DNR "shall"

- (4) control, develop and maintain state parks and recreational areas;
- (5) provide for the care, control, supervision, development, . . . and maintenance of public recreational land, and make necessary arrangements, contracts or commitments for the improvement and development of land acquired under AS 41.21.010 - 41.21.040.
(Emphasis supplied.)

The foregoing statute was passed in 1959 (ch. 158 SLA 1959), as was AS 41.21.030. The latter statute reads in full:

All money received from the operation of parks and recreational facilities, including monev from concessions, rentals, or donations shall be deposited in the general fund of the state.
(Emphasis supplied.)

1/ AS 41.21.040, passed as part of ch. 158 SLA 1959, gave the DNR commissioner authority to create a separate division in DNR to "perform functions relative to parks and recreational facilities specified in AS 41.21.010 - 41.21.040. . . ."

AS 41.21.020 and 41.21.030 have provided the legal authority to DNR to adopt the existing concession contract regulations (see attached) at 11 AAC 14.200 et seq. While the two statutes are certainly are not as clear in granting contracting authority as they might be, it seems obvious from them that the 1959 Legislature anticipated^{2/} that there might be contractors operating concessions or rentals ^{2/} in State parks.

For your information I am also enclosing existing National Park Service "concession" contracting laws, 16 U.S.C. §§ 20 et seq., and regulations, 36 C.F.R. Part 51.

II. FEES.

Currently DNR only has express statutory authority to "establish and collect fees for guided tours through historical sites". AS 41.35.045 (1986 Michie Suppl.).

Prior to 1978, DNR did charge fees for entry into and use of a state park or campground. DNR did so via 11 AAC 12.310, a regulation which allowed the division of parks' director to set fees for use of a state park facility and which established an annual \$10.00 vehicle entrance fee to state parks.

In 1978, however, the Legislature nullified this regulation, in effect, by passing AS 28.10.411, governing motor vehicle registration (license tag) fees. Subsection (e) of AS 28.10.411 reads:

Notwithstanding any other provision of law, fees paid for registering a vehicle . . . shall include all fees required for entry and use of a state park or campground.

Since the "nullification" was in a motor vehicle registration statute, it's not exactly clear how broad the 1978 Legislature

2/ Neither the word "concessions" nor "rentals" is defined in AS 41.21. At common law "concession" was a term "ordinarily applied to the grant of specific privileges by a government". Black's Law Dictionary 361 (4th Ed. 1968). In the context of especially protected lands -- like parks -- the use of the word "concession" is very apt in that it implies that being allowed to operate a commercial venture on such lands is an extraordinary privilege to grant someone.

intended AS 28.10.411(e) to be. If, for example, a backpacker had no vehicle registered in Alaska and walked into and used a state park campground, could the backpacker legally be charged a campground user fee?

In any event, the 1986 Legislature resolved any ambiguities, perhaps unintentionally, with the passage of AS 37.10.050(a). That statute prohibits a state agency from charging "for the provision of state services unless the charge is authorized by statute". Although it's not exactly clear what "state services" includes, it seems apparent that entrance fees at campgrounds and other comparable direct levies on park visitors are prohibited. A concessioner's sale of natural history books might, however, not be.

III. CONCLUSION

From an attorney-to-client standpoint, the existing statutes are in a sufficient muddle to make it difficult for our office to give unambiguous legal advice to DNR when contracting and fee questions arise. Thus, if the Committee should desire further help with the drafting of CSHB 16, our office would be eager to assist it.

MJF:amh

cc: Ron Lorensen, Esq.
Art Peterson, Esq.

MEMORANDUM

State of Alaska

TO: William H. "Chip" Demmerlein DATE: January 22, 1982
Director
Alaska Division of Parks FILE NO: A66-231-82
619 Warehouse Ave.
Anchorage, AK 99501 TELEPHONE NO: 276-3550

FROM: WILSON L. CONDON SUBJECT: Long-Term Use of
ATTORNEY GENERAL State Park Lands
By:
Barbara J. Miracle *hjm*
Assistant Attorney General
AGO - Anchorage

By memorandum dated December 8, 1981, you have requested advice concerning the authority of the Division of Parks to grant long-term use of state park lands to a private group through a mechanism other than a lease. You have also requested that this office generally outline the division's authority to grant leases, permits and concessions in a state park.

The short answers to your questions are:

1. The Division of Parks may not grant a private group the right to use a state park or a portion of a park to the exclusion of the public.

2. The Division of Parks may grant a private group a concession to provide a service to the public which is consistent with the purposes of the state park.

In your opinion request, you indicated that a private non-profit organization wishes to build a permanent summer camp in the Nancy Lake State Recreation Area. The camp would provide incidental recreation to the public via public concerts and camp buildings which could be utilized by division personnel during the winter months.

It is basic to the concept of a public park that the park must be operated for the benefit and use of the public. Annot., 63 A.L.R. 484, 485; 59 Am. Jur. 2d at 272. This basic concept is recognized in Article VIII, section 7 of the Alaska Constitution which states as follows:

Memo To: William H. "Chip" Dennerlein,
Director, Alaska Division of Parks

January 22, 1982
Page 2 of 4

The legislature may provide for the acquisition of sites, objects, and areas of natural beauty or of historic, cultural, recreational, or scientific value. It may reserve them from the public domain and provide for their administration and preservation for the use, enjoyment, and welfare of the people. (emphasis added)

Therefore, the Division of Parks does not have the authority to grant a private group the privilege of exclusive use of a state park or a portion of that park. Alfred v. City of Gadsden, 349 S.2d 1132, 1134 (Ala. 1977). Although the summer camp which you have described may offer some incidental benefits to the public, it would withdraw a portion of the park from public use for the exclusive use of a private group. That is not permissible.

You have also requested that we generally outline the division's authority to grant leases, permits and concessions in a state park. Previous opinions from this office have stated that oil and gas leasing is prohibited in a state park or recreation area because Article VIII, section 8 of the Alaska Constitution limits such leasing to the state public domain, and state parks and recreation areas are reserved from the public domain by Article VIII, section 3 of the Constitution. Informal Opinion of the Attorney General of July 10, 1980; Informal Opinion of the Attorney General of February 5, 1981. Article VIII, section 3 of the Constitution makes no distinction between oil and gas leasing and other leases. Informal Opinion of the Attorney General of July 10, 1980 at 5. Therefore, all leasing in state parks and recreation areas is not authorized by the Constitution.

The Division of Parks is not prohibited from issuing permits or licenses (the terms may be used interchangeably) to use park land so long as the purpose of the permit is for the benefit of the public. Opinion of the Attorney General of July 10, 1980 at 5; 59 Am. Jur. 2d at 221. The basic test to determine whether a lease or a permit is involved in a transaction, is whether the contract gives exclusive