

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 86/2

9040 SENATE STATE AFFAIRS

BILL: SB 255

SHORT TITLE: STATE POLICY ON HUMAN RESOURCE DEVELOPMT

BILL VERSION: CCS SB 255

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS BY REQUEST

CURRENT STATUS: VETOED BY GOVERNOR

STATUS DATE: 5/25/94

TITLE: "An Act establishing a comprehensive policy relating to human resource development in the state."

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP	SUBJ	EXIT	MENU	TEXT	PRINT	BWD	FWD	FISCAL	FIRST	LAST	QUIT
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	Jrn-Date	Jrn-Page	Action
1	01/18/94	2530	(S) READ THE FIRST TIME - REFERRAL(S)
2	01/18/94	2530	(S) CRA, L&C, HES, STA
3	02/11/94	2784	(S) CRA RPT CS 1DP JNR SAME TITLE
4	02/11/94	2784	(S) ZERO FISCAL NOTES PUBLISHED
5	02/11/94	2784	(S) (DCRA, LABOR, UA, DOE, ADM, DHSS,
6	02/11/94	2784	(S) DMVA, S.CRA/CORR, DCED, F&G)
7	03/02/94	3037	(S) L&C REFERRAL WAIVED
8	03/18/94	3264	(S) HES RPT CS 2DP 5NR SAME TITLE
9	03/18/94	3264	(S) PREVIOUS ZERO FNS APPLY TO CS
10	03/18/94	3264	(S) (DCRA, LABOR, UA, DOE, DHSS,
11	03/18/94	3264	(S) ADM, DMVA, S.CRA/CORR, F&G, DCED)
12	03/29/94	3389	(S) STA RPT CS 4NR SAME TITLE
13	03/29/94	3389	(S) PREVIOUS ZERO FNS APPLY TO CS
14	03/29/94	3389	(S) (DCRA, LABOR, UA, DOE, DHSS, ADM,
15	03/29/94	3389	(S) DMVA, S.CRA/CORR, F&G, DCED)
16	04/08/94	3525	(S) RULES TO CALENDAR 4/8/94
17	04/08/94	3526	(S) READ THE SECOND TIME
18	04/08/94	3526	(S) STA CS ADOPTED UNAN CONSENT

Selection=>

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1	04/08/94	3526	(S) ADVANCED TO THIRD READING UNAN CONSENT
2	04/08/94	3526	(S) READ THE THIRD TIME CSSB 255(STA)
3	04/08/94	3527	(S) PASSED Y18 H- E2
4	04/08/94	3531	(S) TRANSMITTED TO (H)
5	04/08/94	3212	(H) READ THE FIRST TIME - REFERRAL(S)
6	04/08/94	3212	(H) COMMUNITY & REGIONAL AFFAIRS
7	04/18/94	3555	(H) CRA RPT JDP 4NR
8	04/18/94	3555	(H) DP: SANDERS, WILLIS, TOONEY
9	04/18/94	3555	(H) NR: BUNDE, DAVIES, WILLIAMS, OLBERG

10	04/18/94	3555	(H)	-10 PREVIOUS SENATE ZERO FISCAL NOTES
11	04/18/94	3555	(H)	(DCRA, LABOR, UA, DOE, DHSS, ADM, DMVA,
12	04/18/94	3555	(H)	S.CRA/CORR, F&G, DCED) 2/11/94
13	04/20/94	3631	(H)	RULES TO CALENDAR 4/20/94
14	04/20/94	3631	(H)	READ THE SECOND TIME
15	04/20/94	3632	(H)	AMENDMENT NO 1 BY MACLEAN
16	04/20/94	3632	(H)	AMENDMENT NO 1 ADOPTED Y29 N9 E1 A1
17	04/20/94	3633	(H)	AMENDMENT NO 2 BY DAVIES
18	04/20/94	3633	(H)	AMENDMENT NO 2 FAILED Y19 N19 E1 A1

Selection=>

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1	04/20/94	3634	(H)	OBJECTION TO ADVANCEMENT MOTION
2	04/20/94	3634	(H)	ADVANCED TO THIRD READING 4/22 CALENDAR
3	04/22/94	3679	(H)	READ THE THIRD TIME CSSB 255(STA) AM H
4	04/22/94	3680	(H)	PASSED Y25 N12 E2 A1
5	04/22/94	3680	(H)	SITTON NOTICE OF RECONSIDERATION
6	04/25/94	3731	(H)	RECON TAKEN UP - IN THIRD READING
7	04/25/94	3732	(H)	PASSED ON RECONSIDERATION Y30 N8 E1 A1
8	04/25/94	3734	(H)	TRANSMITTED TO (S) AS AMENDED
9	04/27/94	4001	(S)	FAILED CONCUR (H) AM Y1 N19
10	04/28/94	3821	(H)	HELD UNDER UNFINISHED BUSINESS
11	04/29/94	3863	(H)	RECEDE FROM (H) AMENDMENT/WITHDRAWN
12	04/29/94	3887	(H)	FAILED RECEDE (H) AM Y4 N33 E2 A1
13	04/29/94	3889	(H)	CONFERENCE COMMITTEE APPOINTED
14	04/29/94	3889	(H)	*SANDERS, KOTT, MENARD
15	04/29/94	3889	(H)	RETURNED TO (S)
16	04/29/94	4182	(S)	CONFERENCE COMMITTEE APPOINTED
17	04/29/94	4182	(S)	*PHILLIPS, LEMAN, ZHAROFF
18	05/02/94	3910	(H)	CC REPORT READ AND SIGNED

Selection=>

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1	05/02/94	3911	(H)	SANDERS, KOTT, PHILLIPS, LEMAN, ZHAROFF
2	05/02/94	3911	(H)	-10 PREVIOUS SENATE ZERO FISCAL NOTES
3	05/02/94	3911	(H)	..(DCRA, LABOR, UA, DOE, DHSS, ADM, DMVA
4	05/02/94	3911	(H)	...S.CRA/CORR, F&G, DCED) 2/11/94
5	05/02/94	3911	(H)	HELD UNDER UNFINISHED BUSINESS
6	05/02/94	4228	(S)	CC REPORT READ
7	05/02/94	4229	(S)	PREVIOUS S ZERO FISCAL NOTES APPLY
8	05/02/94	4229	(S)	(DCRA, LABOR, UA, DOE, DHSS, ADM, DMVA,
9	05/02/94	4229	(S)	S.CRA/CORR, F&G, DCED)
10	05/02/94	4229	(S)	CC REPORT ADPT Y18 N- A2 CCS SB 255
11	05/03/94	3951	(H)	HELD UNDER UNFINISHED BUSINESS
12	05/03/94	3976	(H)	CC REPORT ADPT Y35 N4 E1 CCS SB 255
13	05/08/94	4543	(S)	6:37 PM 5/8/94 TRANSMITTED TO GOVERNOR
14	07/15/94	4794	(S)	VETOED BY GOVERNOR 5/25/94

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
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9-GS0027C  
Lauterbach  
4/18/95

*CHANGE ON PG. 5*

**CS FOR SENATE BILL NO. 142(STA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE STATE AFFAIRS COMMITTEE**

**Offered:  
Referred:**

**Sponsors: SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing the Alaska Human Resource Investment Council and  
2 transferring certain functions of other entities to the council; abolishing the  
3 Employment Security Advisory Council; establishing a planning mechanism for  
4 employment training and other human resource investment needs; and providing  
5 for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE (a) The legislature finds that

8 (1) Alaska's most important resource is its people and a well-trained work force  
9 is essential for economic opportunity and the future fiscal well-being of the state;

10 (2) if the state is to be competitive, it must continue to produce a literate,  
11 reliable, skilled, and professional work force in order to meet the current and future needs of  
12 the state's employers;

13 (3) to continue to produce a competitive work force, the work force

1 development and education programs in this state must be integrated to provide a  
2 comprehensive system of education and training opportunities necessary to maintain the  
3 readiness of the state's work force now and in the future;

4 (4) to maximize the effectiveness of education and job training opportunities  
5 in the state, an alliance of available resources in the public and private sectors in the state is  
6 essential;

7 (5) the creation of an alliance of education and job training opportunities in  
8 the state is consistent with national efforts to consolidate federally funded programs into an  
9 integrated system to provide a single entity to address issues in these programs;

10 (6) the creation of the Alaska Human Resource Investment Council will serve  
11 a vital role in forging such an alliance among all these programs to make training accessible  
12 to every Alaskan, to allow Alaskans, especially those persons in rural Alaska, to compete in  
13 the job marketplace.

14 (b) The purposes of this Act are

15 (1) to establish the Alaska Human Resource Investment Council to develop and  
16 oversee the implementation of a comprehensive state human resource investment system;

17 (2) to promote an efficient, effective, and integrated system of employment  
18 education and training programs and services so that all Alaskans have the skills and  
19 opportunities necessary to earn a living wage and to meet the future business needs of the  
20 state.

21 \* Sec. 2. AS 14.35.020(b) is amended to read:

22 (b) When required by any of the Acts described in AS 14.35.010 the board  
23 shall

24 (1) prepare, submit, and supervise the administration of the plans for  
25 vocational education and vocational rehabilitation;

26 (2) select a state director of vocational education;

27 (3) establish the minimum qualifications for teachers, supervisors, or  
28 directors;

29 (4) determine the prorated basis on which money shall be available for  
30 the salary and necessary travel expenses of the state director of vocational education;

31 (5) consider the advice of the Alaska Human Resource Investment

1 Council established by AS 44.19.620 regarding employment training needs and  
2 advise that council in the development of vocational education programs.

3 \* Sec. 3. AS 14.42.015(a) is amended to read:

4 (a) There is in the Department of Education the Alaska Commission on  
5 Postsecondary Education consisting of

6 (1) two members of the Board of Regents of the University of Alaska  
7 designated by the members of that body;

8 (2) one person representing private higher education in the state  
9 selected jointly by the Boards of Trustees of Alaska Pacific University and Sheldon  
10 Jackson College from among their membership;

11 (3) one person representing the Department of Education selected by  
12 the state Board of Education;

13 (4) four persons broadly and equitably representative of the general  
14 public appointed by the governor;

15 (5) one member of the Alaska Human Resource Investment Council  
16 established by AS 44.19.620 [STATE ADVISORY COUNCIL ON VOCATIONAL  
17 EDUCATION] designated by the members of that body;

18 (6) one person from the members of the local community college  
19 advisory councils appointed by the governor;

20 (7) two members from the legislature, one of whom shall be appointed  
21 by the president of the senate and one by the speaker of the house of representatives;

22 (8) one person appointed in accordance with (e) of this section who is  
23 a full-time student as defined in AS 14.43.160;

24 (9) one administrator appointed by the governor from a proprietary  
25 institution of postsecondary education that has an authorization to operate in the state  
26 issued under AS 14.48.

27 \* Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

28 (55) Alaska Human Resource Investment Council (AS 44.19.620).

29 \* Sec. 5. AS 44.19 is amended by adding new sections to read:

30 **ARTICLE 12. ALASKA HUMAN RESOURCE INVESTMENT COUNCIL.**

31 **Sec. 44.19.620. ALASKA HUMAN RESOURCE INVESTMENT COUNCIL.**

1 (a) The Alaska Human Resource Investment Council is established in the Office of  
2 the Governor. The council consists of the following voting members, not to exceed  
3 26:

4 (1) the lieutenant governor or the lieutenant governor's designee;

5 (2) the commissioners of commerce and economic development,  
6 community and regional affairs, education, health and social services, and labor, or  
7 each respective commissioner's designee;

8 (3) one representative from the University of Alaska;

9 (4) four additional representatives of education, with one from local  
10 public education, one from secondary vocational education, one from a postsecondary  
11 vocational education institution, and one from adult basic education;

12 (5) four representatives of business and industry, with at least one  
13 representative from the private industry councils appointed under 29 U.S.C. 1512 and  
14 subject to reconstitution under 29 U.S.C. 1515;

15 (6) four representatives of organized labor that the governor shall  
16 appoint from lists of nominees submitted by recognized state labor organizations; the  
17 governor may reject a list submitted under this paragraph and request that another list  
18 be submitted;

19 (7) at least one representative from an organization representing  
20 employment and training needs of Alaska Natives;

21 (8) at least one representative of a community-based service  
22 organization;

23 (9) at least one representative who has personal or professional  
24 experience with developmental disabilities; and

25 (10) at least one and up to four additional members of the private  
26 sector to ensure a private sector majority and regional and local representation on the  
27 council.

28 (b) Additional nonvoting members may be appointed to the council from  
29 government or nongovernment entities.


30 Sec. 44.19.621. APPOINTMENT AND TERM OF MEMBERS. (a) Members  
31 of the Alaska Human Resource Investment Council other than those listed in

1 AS 44.19.620(a)(1) and (2) are appointed by the governor and serve at the pleasure  
2 of the governor.

3 (b) The voting members of the council other than those listed in  
4 AS 44.19.620(a)(1) and (2) serve for staggered four-year terms and may serve until a  
5 successor is appointed. An appointment to fill a vacancy shall be made in the same  
6 manner as the original appointment and for the balance of the unexpired term.

7 (c) The governor shall ensure that individuals appointed to the council have  
8 sufficient expertise to effectively carry out the duties of the council. Expertise of the  
9 council includes, where appropriate, knowledge of the long-term needs of individuals  
10 preparing to enter the work force; the needs of local, state, and regional labor markets;  
11 and the methods for evaluating the effectiveness of vocational training programs in  
12 serving varying populations.

13 Sec. 44.19.622. **COMPENSATION.** Members of the Alaska Human Resource  
14 Investment Council listed in or appointed under AS 44.19.620(a) serve without  
15 compensation but are entitled to per diem and travel expenses authorized by law for  
16 boards and commissions under AS 39.20.180. Nonvoting members of the council  
17 appointed under AS 44.19.620(b) serve without compensation and are not entitled to  
18 per diem and travel expenses.

19  Sec. 44.19.623. **OFFICERS.** The Alaska Human Resource Investment Council  
20 shall elect a chair from among the members listed in or appointed under  
21 AS 44.19.620(a) who are from the private sector. They shall also elect a vice-chair.  
22 The chair and vice-chair serve in their positions at the pleasure of the council.

23 Sec. 44.19.624. **MEETINGS, QUORUM, AND COMMITTEES.** (a) The  
24 Alaska Human Resource Investment Council shall meet at the call of the chair to  
25 conduct its business. A majority of the members listed in or appointed to the council  
26 under AS 44.19.620(a) constitutes a quorum.

27 (b) The council may establish standing and special committees or  
28 subcommittees, not necessarily consisting of council members, to advise and assist the  
29 council in carrying out its functions assigned by federal or state statute.

30 Sec. 44.19.625. **COUNCIL AS STATE PLANNING ENTITY.** The Alaska  
31 Human Resource Investment Council shall act as the lead state planning and

1 coordinating entity for state human resource programs administered under  
2 (1) 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);  
3 (2) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and Applied  
4 Technology Education Act);  
5 (3) 20 U.S.C. 1201 - 1213d (Adult Education Act);  
6 (4) 29 U.S.C. 49 - 49I-1 (Wagner - Peyser Act);  
7 (5) 42 U.S.C. 681 - 687 (Job Opportunities and Basic Skills Training  
8 Program) for needy families with children under the Social Security Act;  
9 (6) the employment program established under 7 U.S.C. 2015(d)(4)  
10 (Food Stamp Act of 1977);  
11 (7) all federal programs designated as successors to the programs listed  
12 in (1) - (6) of this section; and  
13 (8) all state laws involving employment training, vocational education,  
14 workforce development, and community service.

15 Sec. 44.19.626. FUNCTIONS OF THE COUNCIL. (a) As the lead state  
16 planning and coordinating entity, the Alaska Human Resource Investment Council has  
17 responsibility, to the extent authorized by federal and state law, for planning and  
18 coordinating federal, state, and local efforts in human resource programs in this state  
19 related to employment training.

20 (b) The council shall

21 (1) facilitate the development of statewide policy for a coordinated and  
22 effective employment training and education system in this state;  
23 (2) identify the human resource investment needs in the state and  
24 develop a plan to meet those needs;  
25 (3) review the provision of services and the use of money and resources  
26 by the human resource programs listed in AS 44.19.625;  
27 (4) assume the duties and functions of the state councils described  
28 under the laws relating to the federal human resource programs listed in AS 44.19.625;  
29 (5) advise the governor and state and local agencies on the development  
30 of state and local standards and measures relating to applicable human resource  
31 programs;

1 (6) submit, to the governor and the legislature, a biennial strategic plan  
2 to accomplish the goals developed to meet human resource investment needs;

3 (7) monitor for the implementation and evaluate the effectiveness of the  
4 strategic plan developed by the council; and

5 (8) adopt regulations under AS 44.62 (Administrative Procedure Act)  
6 to carry out the purposes of AS 44.19.620 - 44.19.627.

7 (c) The council may receive money designated for human resource programs  
8 and may disburse money, including grants, to human resource projects in accordance  
9 with AS 37.07 (Executive Budget Act). The council may enter into partnership  
10 agreements through appropriate administrative agencies with private industry training  
11 entities within the state in order to facilitate the coordination of training opportunities.

12 Sec. 44.19.627. ADMINISTRATION. (a) The Office of the Governor shall  
13 provide professional, technical, and administrative staff for the Alaska Human  
14 Resource Investment Council.

15 (b) Subject to legislative appropriations, and in accordance with AS 37.07  
16 (Executive Budget Act), the council's budget is funded from programs for which the  
17 council is the lead state planning and coordinating entity under AS 44.19.625.

18 • Sec. 6. AS 44.47.752 is amended to read:

19 Sec. 44.47.752 ADMINISTRATION. (a) The Alaska Human Resource  
20 Investment [STATE JOB TRAINING COORDINATING] Council established in  
21 AS 44.19.620 [UNDER 29 U.S.C. 1532] shall oversee the incentive program. The  
22 service delivery areas established under 29 U.S.C. 1511 and subject to redesignation  
23 under 29 U.S.C. 1515 shall be used in the administration of the incentive program. The  
24 private industry councils appointed under 29 U.S.C. 1512 and subject to reconstitution  
25 under 29 U.S.C. 1515 shall serve as the private industry councils for the incentive  
26 program.

27 (b) The [COORDINATING] council shall divide appropriations for the  
28 incentive program equally among the private industry councils. If a private industry  
29 council lacks sufficient money to fund a proposal, the private industry council may  
30 apply to the [COORDINATING] council for additional funding. The  
31 [COORDINATING] council may approve reallocation of money from one service

1 delivery area to another to fund a particular proposal if it finds that the reallocation  
2 will best serve the purposes of the program.

3 (c) The [COORDINATING] council shall adopt regulations under AS 44.62  
4 (Administrative Procedure Act) to implement AS 44.47.750 - 44.47.772.

5 \* Sec. 7. AS 44.47.762(b) is amended to read:

6 (b) The [COORDINATING] council shall adopt regulations concerning  
7 retention of records.

8 \* Sec. 8. AS 44.47.762(c) is amended to read:

9 (c) The [COORDINATING] council shall report annually to the legislature  
10 concerning the incentive program no later than February 1.

11 \* Sec. 9. AS 44.47.772(1) is amended to read:

12 (1) "[COORDINATING] council" means the Alaska Human Resource  
13 Investment [STATE JOB TRAINING COORDINATING] Council established in  
14 AS 44.19.620 [UNDER 29 U.S.C. 1532].

15 \* Sec. 10. AS 47.25.310(b) is amended to read:

16 (b) When determining whether a person has sufficient work history for  
17 purposes of qualifying for benefits as the unemployed principal wage earner in a  
18 family that includes a dependent child, the department shall consider as quarters of  
19 qualifying work up to four calendar quarters in the proper time period in which the  
20 person (1) attended on a full-time basis an elementary school, a secondary school, or  
21 a federally approved vocational or technical training course that is designed to prepare  
22 the person for gainful employment, or (2) participated in an education or training  
23 program established under 29 U.S.C. 1501 - 1792b [THE] Job Training Partnership  
24 Act [(P.L. 97-300)] or a training and employment program operated or funded by the  
25 Alaska Human Resource Investment Council established by AS 44.19.620 [STATE  
26 JOB TRAINING COORDINATING COUNCIL IN THE DEPARTMENT OF  
27 COMMUNITY AND REGIONAL AFFAIRS] through a grant from the Department  
28 of Labor. A person may substitute quarters of education or training for quarters of  
29 work only once in the person's lifetime to establish eligibility under AS 47.25.310 -  
30 47.25.420.

31 \* Sec. 11. AS 47.25.421(c) is amended to read:

1 (c) The department may carry out the program directly or through  
2 arrangements or under contracts with administrative entities involved with 29 U.S.C.  
3 1501 - 1792b ( [THE] Job Training Partnership Act [(P.L. 97-300)]), as amended, with  
4 state and local education agencies, and with other public agencies or private  
5 organizations, including community-based organizations acceptable under federal  
6 regulations. The department shall contract for services under the program when  
7 feasible and in the state's interest. The department may adopt regulations to govern  
8 the operation of the program components that are operated under contract by other  
9 entities. Whether the department operates the program directly or through contract,  
10 the department shall coordinate the program with programs operated in the state under  
11 the Job Training Partnership Act and with other relevant employment, training, and  
12 education programs available in the state, including programs operated by Indian or  
13 Native organizations that receive grants from the federal government to operate their  
14 programs under 42 U.S.C. 682(i) and programs operated or funded by the Alaska  
15 Human Resource Investment Council established by AS 44.19.620 [STATE JOB  
16 TRAINING COORDINATING COUNCIL IN THE DEPARTMENT OF  
17 COMMUNITY AND REGIONAL AFFAIRS] through a grant from the Department  
18 of Labor. The department shall consult with the Department of Education, the  
19 Department of Labor, and the Department of Community and Regional Affairs to  
20 promote coordination of the planning and delivery of services under the program with  
21 programs operated by those departments.

22 \* Sec. 12. Section 7(a), ch. 95, SLA 1989, is amended to read:

23 (a) The department may award a grant to the council [STATE JOB  
24 TRAINING COORDINATING COUNCIL] to

- 25 (1) administer a state training and employment program, and  
26 (2) award pilot project grants to qualified entities.

27 \* Sec. 13. Section 7(b), ch. 95, SLA 1989, is amended to read:

28 (b) If a grant is awarded to the council [STATE JOB TRAINING  
29 COORDINATING COUNCIL], the department shall annually provide to the council  
30 a priority list of targeted projects or services, based on unemployment statistics,  
31 unemployment insurance claims, occupational and industrial projections, availability

1 of other training and employment programs, and other relevant data. The department  
2 shall also provide annually to the council a priority list of criteria for eligibility to  
3 maximize services to those people most in need of training under this Act. In  
4 developing the priority list for targeted projects and services, the department shall  
5 solicit comments from the Department of Community and Regional Affairs,  
6 Department of Education, Department of Commerce and Economic Development,  
7 University of Alaska, organized labor, the council, and the administrative entities of  
8 the substate service delivery areas established for the council.

9 \* Sec. 14. Section 8(c), ch. 95, SLA 1989, is amended to read:

10 (c) [THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS  
11 SHALL PROVIDE ADMINISTRATIVE SUPPORT TO THE COUNCIL TO  
12 ADMINISTER THE PROGRAM.] To provide administration of the program, the  
13 council may use the administrative entities of the substate service delivery areas  
14 established for the council.

15 \* Sec. 15. Section 9(1), ch. 95, SLA 1989, is amended to read:

16 (1) "council" means the Alaska Human Resource Investment [STATE  
17 JOB TRAINING COORDINATING] Council established in AS 44.19.620 [THE  
18 DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS UNDER 29 U.S.C.  
19 1532 AND ADMINISTRATIVE ORDER NUMBER 74 OF THE GOVERNOR].

20 \* Sec. 16. AS 23.20.025, 23.20.520(9), AS 39.05.060(a)(3), and AS 39.50.200(b)(9) are  
21 repealed.

22 \* Sec. 17. TRANSITION. On a quarterly basis during a transition period beginning on the  
23 effective date of this section and ending January 1, 1996, the boards and councils that oversee  
24 the federal and state programs to be assumed by the Alaska Human Resource Investment  
25 Council established by this Act shall hold joint meetings, to be attended by one or more  
26 representatives from each of those boards and councils. The purpose of these meetings is to  
27 facilitate the transfer of functions to the Alaska Human Resource Investment Council and to  
28 conclude the business of each of the other boards and councils. Staff support during the  
29 transition period established in this section shall be provided by at least one member of the  
30 staff of the Office of the Governor and by assignment of staff from each of the executive  
31 branch departments that currently provide staff support for the respective other boards and

1 councils.

2 \* **Sec. 18. INITIAL APPOINTMENTS TO COUNCIL.** (a) The terms of persons initially  
3 appointed to the Alaska Human Resource Investment Council under AS 44.19.620(a)(3) - (10),  
4 enacted by sec. 5 of this Act, shall be set as follows so as to establish the staggering of terms  
5 required by AS 44.19.621(b), enacted by sec. 5 of this Act:

- 6 (1) at least five members shall be appointed for a term of four years;  
7 (2) at least four members shall be appointed for a term of three years;  
8 (3) at least four members shall be appointed for a term of two years; and  
9 (4) at least four members shall be appointed for a term of one year.

10 (b) The terms of members initially appointed under AS 44.19.620(a)(4), (5), and (6),  
11 enacted by sec. 5 of this Act, shall be set so that the terms of no two members expire in the  
12 same year.

13 (c) If more than one member is appointed under AS 44.19.620(a)(7), (8), (9), or (10),  
14 enacted by sec. 5 of this Act, the terms of the members appointed under each of those  
15 provisions shall be set so that the terms of no two members expire in the same year.

16 \* **Sec. 19. REPORT TO GOVERNOR ON CONSOLIDATION OF PROGRAMS.** (a) The  
17 Alaska Human Resource Investment Council shall research and prepare a report for  
18 presentation to the governor by July 1, 1996, concerning investment in and development of  
19 human resources in the state.

20 (b) The report must include recommendations on any additional state government  
21 entities whose authority and duties may be transferred to the council by Executive Order,  
22 Administrative Order, or legislation.

23 (c) The report must include recommendations concerning the consolidation of all  
24 applicable federal, state, and local human resource programs for employment training, so that  
25 those programs may be administered by one entity. The report must include recommendations  
26 on which programs should be included in a consolidation, and what role each state agency  
27 should have in the administration of human resource programs after consolidation. In making  
28 its recommendations, the council shall consider administrative efficiency, from the point of  
29 view of both state government and the recipient, and the quality of services.

30 \* **Sec. 20. REPORT TO GOVERNOR ON PRIVATE INDUSTRY COUNCILS.** The  
31 Alaska Human Resource Investment Council shall prepare and submit to the governor by

- 1 July 1, 1996, a report making recommendations to the governor on how best to take advantage  
2 of the private industry council structure established in accordance with 29 U.S.C. 1501 -  
3 1792b (Job Training Partnership Act). The report must include the strengths, weaknesses, and  
4 potential of the private industry councils appointed under 29 U.S.C. 1512 as they pertain to  
5 the local oversight and administration of the applicable human resource investment programs.  
6 Additional duties and programs that shall be considered in the report include the potential  
7 relationship of private industry councils to certain federal grants, job corps recruitment,  
8 veterans' vocational training, and guaranteed student loans for Title IV of the Higher  
9 Education Act of 1965, as amended.
- 10 \* Sec. 21. Section 17 of this Act takes effect immediately under AS 01.10.070(c).  
11 \* Sec. 22. Sections 1 - 15 and 18 - 20 of this Act take effect July 1, 1995.  
12 \* Sec. 23. Section 16 of this Act takes effect January 1, 1996.



# ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS  
SENATE DISTRICT L

SESSION  
State Capitol  
Juneau, AK 99801  
(907) 465-4040  
800-478-4950  
Fax 465-4979

INTERIM  
P.O. Box 142  
Eagle River AK 99577  
(907) 694-4049  
Fax 694-4948

March 29, 1995

## MEMORANDUM

TO: Senator Bert Sharp  
Chairman, Senate State Affairs Committee

FROM: Senator Randy Phillips

RE: Senate Bill 142, "An Act establishing the Alaska Human  
Resource Investment Council"

The above-referenced bill was introduced yesterday by the Senate Rules Committee at the request of the Governor and has been referred to the Senate State Affairs Committee. I support this legislation and would like to request that you schedule it for hearing at your earliest convenience.

Thank you for your consideration.

cc: Governor Tom Knowles  
Lt. Governor Fran Ulmer



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 24, 1995

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will establish the Alaska Human Resource Investment Council as the lead state entity to plan and coordinate federal, state, and local employment training and human resource programs. This bill consolidates the functions of three existing councils and commissions into a single council located in the Governor's office to provide coordinated oversight of job training programs throughout the state to ensure effective training that leads to employment of Alaskans.

This bill designs the Alaska Human Resource Investment Council (AHRIC) to meet the federal statutory requirements for a consolidated human resource investment council and is in response to anticipated changes that include the lump sum block grant funding scenario presently being proposed in Congress. Twenty-one states have currently taken advantage of this option created under Title VII of the 1992 Job Training Partnership Act. It maximizes federal funds and avoids duplication of effort.

The consolidation will increase efficiency and effectiveness of job training and vocational education efforts within the state by combining the existing staff and board members of the State Job Training Coordinating Council, the Employment Security Advisory Council, and the Governor's Council on Vocational Education. It reduces the current roster of 35 board and commission members to a maximum of 26. This bill also envisions a key staff position to oversee the development of a collaborative strategic plan, facilitate the transitional phase of the consolidation of the boards, and effect the merging of staff responsibilities in anticipation of major revisions in the Federal funding mechanisms for job training and vocational education.

The Honorable Drue Pearce

March 24, 1995

Page 2

This legislation will provide an economy of scale for the many advisory and oversight groups presently involved in job training, adult, and vocational education, eliminate state agency overlap in planning and data collection, increase the efficiency and effectiveness of existing training programs to meet the changing needs of Alaskan employers through private sector involvement, better prepare Alaskan workers for Alaskan jobs with targeted training programs and recommend policy incentives for employers to seek out and hire Alaskan workers. In addition, the AHRIC will use its resources to open more opportunities for self-sufficiency to those Alaskan families presently receiving Aid to Families with Dependent Children in order to achieve our goal of putting our citizens presently receiving benefits back into the workforce with good jobs in the shortest time possible.

The council will be made up of at least 15 percent representation from education, 15 percent representation from industry, and 15 percent representation from labor, as well as other representation that will bring valuable input to the human resources strategic planning process. The bill also dictates that a private sector majority will sit on this board to insure that employers and labor have dynamic involvement in designing effective programs.

A full year of transition is proposed to insure the orderly transfer of functions from existing councils and commissions to AHRIC. The councils and their volunteer members will plan an orderly consolidation and contribute to the development of a long range strategic plan. The Governor's Office staff member will compile and facilitate this development. Thirteen additional state and federal programs may be considered during this period for inclusion under the advisory provisions of AHRIC.

Enactment of this bill would enable the state to promote an efficient, effective, and integrated system of employment, education and training programs and services. I urge your support of the bill.

Sincerely,

  
Jay Byrnes  
Governor

# MEMORANDUM

STATE OF ALASKA  
Office of the Lieutenant Governor

DATE: March 20, 1995

TO: The Honorable Drue Pearce, President of the Senate

FROM:

Fran Ulmer  
Lieutenant Governor

TELEPHONE:

465-3520

FAX:

465-5400

SUBJECT: Alaska Human Resource Investment Council (AHRIC)

In his State of the State and State of the Budget speeches the Governor spoke of the benefits of a single Human Resource Investment Council to plan, advise and oversee the many programs dealing with job training and vocational education within our state. Over 46 million dollars in federal and state funds are directed towards job training and retraining efforts in Alaska. The three bodies proposed for an initial consolidation are the Governor's Council on Vocational Education, the Job Training Council, and the Employment Security Advisory Council. The new entity will become a planning body for a statewide strategy to deal with the funding requirements of many federal programs and insure that our resources are directed in a cost effective manner. This legislation and consolidation was a recommendation by Legislative Audit during 1993.

Major provisions of the legislation

- Primary staffing in the Governor's office
- Coordinated long term planning among all agencies dealing with job training and education
- Private sector majority for planning and implementation of programs
- Ability to accept and disburse block grant federal funds
- Representation includes Adult Basic Education, Vocational Rehabilitation and Private Industry Councils

This legislation is similar to SB 233 that passed the House (29 yeas, 12 nays, 2 ex. abs) and Senate (unanimous) last year. A conference committee passed it to the Governor on 4/29/94 (yeas 15, nays 4) and was vetoed by Governor Hickie on 5/25/94. The Governor stated that he supported the intent of the bill and established the Human Resource Advisory Council by Administrative Order. A policy paper was developed and the group sunset in October 1994.

MEMORANDUM FOR THE LIEUTENANT GOVERNOR

MEMO FROM FR 20 95

## ALASKA HUMAN RESOURCE INVESTMENT COUNCIL

### SECTIONAL ANALYSIS

Section 1 of this bill sets out the legislative findings and the purpose for formulating the AHRIC. The findings specifically address the importance of developing an integrated strategic planning process to look at the state's myriad training and educational programs in order to promote a most effective Alaskan work force that is prepared for Alaskan jobs.

Section 2 directs the state Board of Education to consider the advice of the AHRIC regarding employment training needs and to advise the AHRIC in the development of vocational education programs. Section 3 makes a member of AHRIC a member of the Alaska Commission on Postsecondary Education, replacing a member of the Council on Vocational Education. The latter council, which is not created in state law, will be dissolved by governor's administrative order. Section 4 includes the AHRIC as a state board or commission whose membership is subject to the conflict of interest reporting requirements of AS 39 50.

Section 5 establishes the AHRIC in the Office of the Governor and sets out the membership of the council. Membership will be reduced from 33 today to at least 23, and up to 26, representatives from state agencies, education, labor, industry, community organizations, and at least one representative with a knowledge of developmental disabilities. One to four additional, undesignated positions are provided to assure a private sector majority on the council and to assure regional and local representation. The lieutenant governor and specified commissioners are members of the council. The governor would appoint the other members of the council, who would serve for staggered four-year terms. Additional nonvoting members could be appointed to the council. The governor is to ensure that the individuals appointed to the council have the expertise needed to perform the functions of the council.

Section 5 also establishes the AHRIC as the state planning and coordinating entity for certain state programs that are administered under a number of federal provisions. The functions of the AHRIC would include the facilitation of statewide human resources planning and the coordination of employment training and education programs. The AHRIC would assume the duties and functions of the state councils that currently direct or advise the agencies that operate the federal programs. The AHRIC also would submit a biennial strategic plan to the governor and the legislature and monitor the implementation of the strategic plan. Subject to legislative appropriation, the budget for the council is to be drawn from money available to the programs that are coordinated by the council.

Sections 6 through 15 provide statutory and session law changes for consistency with the shift of responsibilities to the AHRIC, including deletion of references to the State Job Training Coordinating Council. Section 15 would repeal statutory provisions that establish or refer to the Employment Security Advisory Council. Under sec. 22, the repeal would take effect January 1, 1996, after a transition period under sec. 16 during which functions will be transferred to the AHRIC. Other councils whose duties or functions are to be assumed by the AHRIC, including the State Job Training Coordinating Council, would be dissolved by administrative order as of January 1, 1996, since they are not established in state statute.

As set out in sec. 16, during the transition period the boards and councils that oversee the federal and state program functions that would be assumed by the AHRIC would hold joint meetings to facilitate the transfer of duties. As specified in sec. 20, the transition provisions have an immediate effective date. Under sec. 21, the statutory provisions creating and transferring functions to the AHRIC take effect July 1, 1995. During this year of transition existing councils and commissions will continue to provide for the requirements of existing Federal accounting and reporting requirements in order to maximize our program revenues. In addition they will plan an orderly sunset of their responsibilities and empower the AHRIC to assume their duties with an effective date no later than July 1, 1996.

Sections 18 and 19 set out two reporting requirements that would constitute the immediate tasks of the AHRIC. One report is to address the consolidation of state human resources programs and the other is to make recommendations on the role that the private industry councils, created under the federal Job Training Partnership Act, may play in the alliance of human resource programs. Both reports are to be prepared and submitted no later than July 1, 1996.

**SB**

**143**

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HE

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue/AHFC  
 Title: An Act to provide for the orderly transfer of BRU: \_\_\_\_\_  
certain assets of AHFC and issuance of bonds Component: \_\_\_\_\_  
 Sponsor: \_\_\_\_\_  
 Requester: \_\_\_\_\_ COMPONENT SERIAL NO. \_\_\_\_\_

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS - Bond Servicing	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>

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

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

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
AHFC/Program Receipts	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>	<b>3,974.2</b>

Estimate of any current year (FY95) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

NOTE: Assumes \$30 million in bonds issued at 5 7/8% with total payments over 10 years of \$39,741,775. Ten percent is to be held in reserve, 2% is to be used to cover bond issuance costs and the remaining \$26.4 million is to be paid to U of A for their use. Funding source will be from program receipts of AHFC.

As regards Section 2 of this bill, AHFC will not recognize investment income on funds transferred to the General Fund. The amount of these lost earnings cannot be quantified until actual amounts transferred are determined.

Prepared by: Benny Martin, Comptroller/Scotty Martin  
 Division: Treasury  
 Approved by Commissioner: [Signature]  
 Agency: \_\_\_\_\_

Phone: 465-2350  
 Date: 3/20/95  
 Date: 3/20/95

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No. 2

Bill Version: SB 143

(S) Publish Date: 3-27-95

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HE

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: An Act to provide for the orderly transfer of BRU: Revenue Operations  
certain assets of AHFC Component: Treasury Management  
 Sponsor: \_\_\_\_\_  
 Requester: \_\_\_\_\_ COMPONENT SERIAL NO. 121

## Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANECUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES

CHANGE IN REVENUES ( )

## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MHT:A						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY95) cost: \$ \_\_\_\_\_

## POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

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

NOTE: The transfer of funds from AHFC to the General Fund will result in an increase in annual safekeeping fees in the amount of 1 basis point (or .01%) of the amount transferred.

Prepared by Betty Martin, Commissioner Phone 465-2350  
 Division Treasury Date 3/20/95  
 Approved by Commissioner [Signature] Date 3/19/95  
 Agency \_\_\_\_\_

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FISCAL NOTE

No. 1

Bill Version: SB143

(S) Publish Date: 3-27-95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date:  
Financing U of A Maintenance projects through AHFC

Department Affected: University of Alaska  
BRU: All  
Component: All

Sponsor:  
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY96	FY97	FY98	FY99	FY00	FY01
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GEMHTIA						
OTHER						
TOTAL FUNDING	00	00	00	00	00	00

POSITIONS:	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary)

Prepared by: Wendy Matheny, Budget Analyst Phone: 463-3086  
 Division: Statewide Budget Office Date: 3/14/95  
 Approved by: Marslou Burton, Director  
 Agency: Statewide Budget Office Date: 3/14/95

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agencies

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/28/95

FURTHER: Finance

DATE of 5-Day Notice: 4/13/95  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

State Affairs      Committee considered      SB 143

Qualifying an agreement between the Alaska Housing Finance Corporation and the commissioner of revenue; issuance of bonds to pay for the costs of repair and rehabilitation of student housing facilities of the University of Alaska; etd.

and recommends:

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ ( )

adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR# \_\_\_\_\_

OPINION DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Duncan</i>	<input checked="" type="checkbox"/>	<i>John E. Crapo A</i>	<input checked="" type="checkbox"/>		
		<i>Forrest A. Herndon</i>	<input checked="" type="checkbox"/>		
		<i>Bill A. King</i>	<input checked="" type="checkbox"/>		

HAIR:

**NEW FISCAL NOTE(S):**

*5/96*

Department	Date	Zero	Fiscal
<i>REV / ANFC</i>	<i>3/20</i>		<i>3,977.2</i>
<i>REV / OPR</i>	<i>3/20</i>	<input checked="" type="checkbox"/>	
<i>U. of A</i>	<i>3/14</i>	<input checked="" type="checkbox"/>	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

AGREEMENT BETWEEN  
COMMISSIONER OF REVENUE OF THE STATE OF ALASKA  
AND THE ALASKA HOUSING FINANCE CORPORATION

THIS AGREEMENT, made this 1st day of May, 1995, between the Commissioner of Revenue of the State of Alaska and the Alaska Housing Finance Corporation, a public corporation organized and existing under AS 18.56.

RECITALS

1. Legislation has been enacted by the 19th Legislature, First Session, with respect to amounts to be paid by the Alaska Housing Finance Corporation to the State of Alaska in accordance with the terms of an agreement between the Commissioner of Revenue and the Corporation. This is the Agreement to which said legislation refers.

2. The Corporation and the Commissioner of Revenue have determined that payments by the Corporation to the general fund of the State of Alaska are fixed at a prudent level in accordance with the terms of this agreement.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. On or before January 1 of each of the next succeeding five fiscal years of the State of Alaska, the Corporation shall transfer to the State the following amounts:

- (i) \$70,000,000 - FY 1996;
- (ii) \$50,000,000 - FY 1997;
- (iii) \$50,000,000 - FY 1998;
- (iv) \$50,000,000 - FY 1999; and
- (v) \$50,000,000 - FY 2000.

Section 2. It is anticipated that such amounts will be available for transfer from the net liquid assets of the general account of the revolving fund of the Corporation and that such amounts will be reduced as the board of directors determine necessary to maintain compliance with existing financing agreements and to meet the following payment conditions. The payment conditions are positive determinations made by the corporation board of directors, prior to each transfer, that:

- (i) The Corporation is not in default as to payments of any required amounts;
- (ii) The transfer to the state of the payment (a) is not expected to impair the Corporation's ability to meet financial requirements including debt service and program costs associated with debt; (b) will not cause the Corporation to be in default under the terms of financial agreements or disable the Corporation from meeting any financial covenant;
- (iii) The amount of the transfer does not exceed the Corporation's net income as reflected in its audited financial statements for the immediately preceding calendar year; and
- (iv) The Corporation's fund equity subsequent to the transfer will remain at a level which the board of directors reasonably believes adequate to prevent existing debt ratings from being reduced, withdrawn or suspended.

Section 3. The Corporation does not anticipate that any of the payments provided in Section 1 will not be made because of any failure to meet the provisions of Section 2, provided however, that it is understood and agreed that such conditions must be met by the Corporation before payments are made in any year above.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed this \_\_\_\_ day of \_\_\_\_\_, 1995.

STATE OF ALASKA  
COMMISSIONER OF REVENUE

\_\_\_\_\_  
ALASKA HOUSING FINANCE CORPORATION

ID: P24

TIK:

## HEADLINE: Alaska Housing Finance Rtgs on S&amp;PWatch Developing

NY -- S&P CreditWire 4/19/95 -- The G.O. and Eurocommercial paper ratings of Alaska Housing Finance Corp. (AHFC) remain on CreditWatch, where they were placed Feb. 23, 1995 (see table below). However, the CreditWatch implications are revised to "developing" from negative. Developing means the ratings could be raised or lowered, depending upon future occurrences.

The revised implications reflect legislation proposed by Gov. Tony Knowles that includes a State Transfer Plan, which fixes AHFC payments of \$270 million to the state over a five-year period. The revision also reflects an effort by the state to establish a Long-Term Financial Plan in order to ensure the future financial stability of the state through the creation of a Long-Range Financial Planning Commission.

AHFC was placed on CreditWatch with negative implications because of uncertainty over the scope and magnitude of future corporate asset transfers to the state's general fund. The Alaska Division of Legislative Audit released a report on Feb. 9, 1995 identifying \$445 million of AHFC assets that could be withdrawn over the next two fiscal years for state use. This report was the second by the auditors, the first report resulted in a \$200 million incremental transfer of AHFC assets under a board of directors-approved State Payment Plan and, S&P's revision on May 2, 1994 of AHFC's rating outlook to negative from stable.

The governor's proposed legislation holds promise for AHFC's future financial stability and if passed by the Alaska State Legislature in form presented to S&P, AHFC's G.O. and eurocommercial paper ratings will be removed from CreditWatch and the outlook will be revised to stable. If the legislation does not pass, AHFC's ratings will remain on CreditWatch, pending further review.

Specifically, the legislation authorizes enactment of a State Transfer Plan and \$30 million of AHFC G.O. bonds to pay for deferred housing maintenance at University of Alaska campuses. The State Transfer Plan is similar to the State Dividend Plan, which currently is being phased out. This plan resulted in a total earnings distribution of \$114 million to the state. The State Dividend Plan permitted a distribution of the lesser of 50% of AHFC's unrestricted net income, or 50% of AHFC's total net income. Payments to the state under the new State Transfer Plan are capped at \$270 million, payable in four \$50 million installments following the initial transfer of \$70 million in fiscal 1996. Payments in any given fiscal year cannot exceed AHFC's net income as reflected in its audited financial statements for the immediately preceding fiscal year. Therefore, maximum payments for each year under the new plan can only be funded from AHFC's earnings, projected to be in excess of \$100 million for fiscal year 1995. In down years, such as during the 1986-1989 recession in Alaska when AHFC posted losses of close to \$124 million, payments to the state may not occur -- AHFC's \$1.4 billion asset base will be substantially protected for bondholder security.

Another promising development is the legislature's creation on Feb. 10, 1995 of a bipartisan Long-Range Financial Planning Commission. The commission will propose new capital planning procedures and look for ways to promote economic stability by diversifying the state's economy and lessening

dependence on the oil industry. The proposals could ultimately lead to future G.O. debt issuance by the state as declining and volatile oil revenues make it increasingly difficult for the state to continue its practice of funding capital projects on a pay-as-you-go basis.

S&P continues to have some concerns about outright AHFC asset transfers to the state beyond the five-year State Transfer Plan, since AHFC payments represented 10% of the state's unrestricted revenue, the second-largest item overall in fiscal 1995. Moreover, since G.O. debt issuances require voter approval, AHFC's asset base could be a politically more attractive alternative to remedy budget shortfalls resulting from lower-than-forecasted oil revenues.

Despite these concerns, S&P expects that the commission will propose alternatives for the legislature to develop more stable revenue and expenditure budgeting procedures. It is also expected that AHFC's management will successfully collaborate with Gov. Knowles' administration and the legislature over the next five years to devise longer-term and more predictable solutions to resource allocations involving AHFC. A ratings downgrade could occur if agreements that ensure bondholder protection at AHFC's current rating level cannot be reached over the next several years. S&P will continue to monitor the legislation and the commission's findings, due July 15, 1995, for potential effects on AHFC's credit quality, S&P said.  
 -- CreditWire

**AHFC Ratings Still on CreditWatch; Implications Revised to Developing Rating**

\$389.95 mil. ins. mtg. prog. bnds. ser. 1977-1, 1977-2, 1977-3, 1978-1, 1990-1, 1993-1	A-
\$46.085 mil. hsq. dev. bnds. ser. 1991A, 1992A, 1993A-E	A-
\$219.3 mil. gen. hsq purpose bnds. ser. 1992A, 1994A	A-
\$300 mil. gen. mtg. rev. bnds. ser. 1991A, 1991C	A-/A-1+
\$32.635 mil. gen. mtg. rev. bnds. ser. 1991B	A+
\$150 mil. eurocommercial paper prog.	A-1

Contact: Peter L. Block (212) 208-1869,  
 Michael Forrester (212) 208-1763.

Alaska Housing Finance Corporation  
 Financial Operating Plan as of September 30, 1994  
 Summary of Changes in Net Unrestricted Assets  
 September 30, 1994 THROUGH FY 2004

01/11/94

	Fiscal Year Ended June 30,										Total Ten Fiscal Years Activity
	1993	1994	1995	1996	1997	2000	2001	2002	2003	2004	
Current Unrestricted Assets	615,546	508,344	578,546	575,859	512,076	448,058	388,019	342,541	297,453	242,290	
Due from other funds	131,271	100,916	94,792	70,989	77,253	67,885	64,217	63,025	58,551	58,412	
Non-Current Unrestricted Assets	107,249	97,524	88,465	80,689	74,732	69,010	65,680	62,194	59,086	56,321	
Beginning Net Unrestricted Assets	854,066	772,814	761,803	736,537	664,961	585,553	517,952	468,360	415,090	356,993	854,066
Activity Affecting Net Unrestricted Assets, Adjustment to Beginning Balance	50,000										50,000
Transfer to State of Alaska	(220,043)	(70,000)	(50,000)	(50,000)	(50,000)	(50,000)	0	0	0	0	(490,043)
Operating Budgets	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(13,620)
Family Housing Programs	(52,943)	(52,750)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(505,693)
Collateral Transfers											
For Bonds Issued	(37,976)	(14,259)	(19,398)	(21,032)	(21,373)	(23,360)	(23,841)	(27,649)	(26,026)	(29,448)	(245,622)
From Paid Off Bonds Issues	132,681	26,692	55,973	13,715	9,459	27,577	0	3,871	0	0	269,968
Return of HEBL Escrow	0	54,000	0	0	0	0	0	0	0	0	54,000
Debt Service on UA Student Housing	0	(3,974)	(3,974)	(3,974)	(3,974)	(3,974)	(3,974)	(3,974)	(3,974)	(3,974)	(35,766)
Interest earnings on loans & investments	50,129	63,166	43,646	41,827	37,997	33,608	29,736	25,994	23,474	18,943	368,595
Interest paid on short-term borrowing	(19,588)	(12,334)	0	0	0	0	0	0	0	0	(31,922)
HEO Unreimbursed Expenses	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(1,500)
Adjustments	18,000	0	0	0	0	0	0	0	0	0	18,000
Housing	(0)	0	(1)	0	(0)	(0)	(1)	0	1	(0)	(1)
Net Change	(81,252)	(11,011)	(25,266)	(21,576)	(29,408)	(67,601)	(42,522)	(53,270)	(58,027)	(65,991)	(463,668)
Ending Net Unrestricted Assets	772,814	761,803	736,537	664,961	585,553	517,952	468,360	415,090	356,993	291,002	291,002
Beginning Net Restricted Assets	897,869	857,036	842,705	855,972	915,247	982,076	1,036,784	1,122,832	1,213,979	1,312,908	897,869
Return on investment @ 6.00%	53,872	51,422	50,522	51,358	54,915	59,925	62,207	67,370	72,877	78,774	(40,271)
Net Collateral Transfers	(94,705)	(66,433)	(36,575)	7,917	11,914	(1,217)	23,841	23,778	26,086	29,448	(78,565)
Ending Net Restricted Assets	857,036	842,025	855,972	915,247	982,076	1,036,784	1,122,832	1,213,979	1,312,908	1,421,126	1,021,126
Total Corporate Net Assets	1,629,850	1,603,828	1,592,509	1,580,208	1,567,629	1,554,736	1,591,192	1,629,069	1,669,897	1,712,128	1,712,128

# Rural Alaska Community Action Program, Inc.

April 17, 1995

FAX: 465 - 2070

The Honorable Bert Sharp, Senator  
Chairman of the State Affairs Committee  
State of Alaska Legislature  
Capitol Building - Room 514  
Juneau, AK 999801 - 1162

RE: SB 143

Dear Senator Sharp,

The Alaska Housing Finance Corporation is one state-owned corporation which has been successful and is self-supporting. The Alaska Housing Finance Corporation has been successful in developing and implementing innovative housing programs throughout the state of Alaska, even in rural Alaska. The AHFC has enabled low-income rural Alaskans to buy homes at reasonable rates, has provided innovative financing to meet the special needs in housing senior citizens, students, and the AHFC has developed other partnerships with the regional housing authorities statewide.

The future of the Alaska Housing Finance Corporation is of special interest to the Rural Alaska Community Action Program, Inc., because the housing stock in rural communities is so poor that the health and lives of people are often at risk. If it were not for the funds that the Alaska Housing Finance Corporation has provided in the past few years to meet the needs of low income people in rural communities, people in rural communities would be in even worse straits. With funds provided by the Alaska Housing Finance Corporation over 3,000 homes which were so drafty and costly to heat have been sufficiently renovated so that people are safe and warm. In the village of Kvethluk for example, the fuel bills were cut in half after renovation was completed on 33 homes in that community. That is a considerable savings to people who have little cash income. This would not have been possible if it were not for funding from the AHFC.

The Rural Alaska Community Action Program, Inc., (RURAL CAP) understands that because of the success of the Alaska Housing Finance Corporation (AHFC), the legislature will

continue to look to the AMFC for funds to subsidize government.

Because the AMFC is a successful state-owned corporation, it seems that the legislature might consider making sure that this profit making corporation continues to exist.

Senate Bill 143 is a sound management approach which will meet the needs of the legislature, of the AMFC to protect its ability to borrow, and of the many Aleakans the programs support. The Rural Alaska Community Action Program, Inc., urges the Chairman and Members of the State Affairs Committee to move this bill to the Finance Committee for consideration. SB 143 will provide for the orderly and prudent transfer of AMFC reserves to the state's general fund.

The AMFC is vital to people in rural communities, and has transferred to the legislature over \$114 million to the State since 1991. No other state owned corporation has this capability. It would seem very unwise to adopt a policy of demanding funds from the AMFC to such an extent that the agency's bond rating would be jeopardized. The Governor's plan will enable the legislature to have a portion of the AMFC's reserves and yet assure the AMFC access to money at reasonable rates in order to meet the housing needs of Aleakans.

Thank you for your leadership in this matter. Please keep us informed about your moves to ensure the continuing of the AMFC as a viable organization which provides innovative financing programs to meet statewide housing needs.

Sincerely,



Jeanine Kennedy, Executive Director  
Rural Alaska Community Action Program, Inc.

xc:

Members of the House State Affairs Committee



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 24, 1995

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill regarding the orderly transfer of certain assets of the Alaska Housing Finance Corporation (AHFC) to the general fund. This process will make available to the state a substantial portion of AHFC's reserves while at the same time providing capital markets with the degree of certainty necessary to assure AHFC continued access to money at reasonable rates in order to meet the housing needs of Alaska's families. Additionally, the bill would authorize AHFC to issue bonds to finance student housing maintenance projects at various University of Alaska (university) campuses.

AHFC is a self-supporting public corporation with a mission to develop and implement innovative programs that meet statewide housing needs. It provides home mortgages to Alaskans at reasonable rates, finances special needs and multi-family housing in partnerships with housing agencies and profit and non-profit organizations, and operates the state's rural housing programs. AHFC also operates the state's public housing programs, which include operating public housing units in 15 communities and providing rental assistance for more than 2,400 families statewide.

AHFC leverages its financial resources by borrowing from a variety of lenders to finance various housing programs. Since its inception, AHFC has issued in excess of \$10 billion in long-term debt to meet the residential financing needs of Alaskans. As of December 31, 1994, AHFC had \$2.3 billion in outstanding long-term debt representing a general obligation of AHFC secured by its full faith and credit above and beyond the pledge of any specific assets.

~~CONFIDENTIAL~~  
TRANSMITTAL LETTER

The Honorable Drue Pearce

March 24, 1995

Page 2

AHFC has been able to attract billions in outside capital to meet Alaska's housing needs because the capital markets have relied on its strong financial condition. The importation of outside money to meet Alaska's housing needs is too important to put at risk. Any transfers of corporate assets to the state must take place as part of a comprehensive long-term plan that reassures capital markets of AHFC's continued financial strength. This bill will demonstrate that we are taking a prudent long-term approach to the management of AHFC's resources and will protect AHFC's ability to borrow for essential programs and projects and to address the future housing needs of Alaskans, including the elderly, disadvantaged, and rural residents.

Under the provisions of the bill, AHFC and the commissioner of revenue would enter into an agreement providing for the transfer of a sizeable portion of AHFC's unrestricted reserves to the general fund over the next five fiscal years. This agreement would continue the corporation's policy of providing the people of Alaska with a return on their equity investment in AHFC. Under that policy, adopted in 1991, AHFC will have transferred \$314,324,000 in cash payments to the state by the end of this fiscal year.

The agreement would be signed no later than May 1, 1995 and immediately will be made available to the legislature. It would establish a detailed schedule providing for the transfer of specific amounts to the general fund during each of the next five fiscal years. My state operating budget, which I recently submitted to you, includes an expected first installment under that agreement of \$70 million.

Passage of this bill would ratify the transfer agreement soon to be reached, and would pledge that the state will not transfer assets from AHFC in amounts that exceed those set out in the transfer agreement. This would assure lenders that payments to the state over the next five fiscal years would take place in a prudent and predictable manner.

Maintaining the credit of the AHFC will increase Alaskans' access to the nation's capital markets to help meet certain special and crucial housing needs. As stated above, the purpose of this bill is to provide the kind of long-range financial stability and predictability necessary to protect the credit of the AHFC. There may be other avenues available to establish a suitable long-range plan for managing the assets of the AHFC. I know that the legislature will be particularly sensitive to any provisions which appear to invade the appropriation powers and responsibilities of the legislature. If the approach taken in this bill does not meet with your approval, I am open to any constructive alternatives that will preserve the programs of the AHFC.

The Honorable Drue Pearce

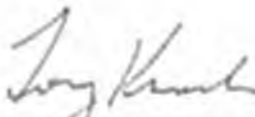
March 24, 1995

Page 3

Finally, the bill is part of my plan to begin addressing the long-deferred maintenance needs of the university. It will provide financing for overdue and much needed repair and rehabilitation of student housing facilities at the university's three main campuses. The bill authorizes AHFC to issue \$30,000,000 in bonds to finance this project. Under AS 18 56, these bonds are general obligations of the corporation.

I urge your early and favorable consideration of this legislation or a suitable alternative.

Sincerely,



Tony Knowles  
Governor

**SB**

**144**

FISCAL NOTE

No. 4

Bill Version: SB 144

(S) Publish Date: 3-27-95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date:  
Title: UNIVERSITY OF ALASKA BOND AUTHORIZATION

Department Affected: University of Alaska  
BRU: ALL  
Component: ALL

Sponsor:  
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF MHTIA						
OTHER						
TOTAL FUNDING	00	00	00	00	00	00

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary)

Prepared by: Wendy Matheny, Budget Analyst  
Division: Statewide Budget Office

Phone: 463-3086  
Date: 3/14/95

Approved by: MJB Marylou Burton, Director  
Agency: Statewide Budget Office

Date: 3/14/95

Distribution (by request): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agencies

# FISCAL NOTE

140. 3

Bill Version: SB 144

(S) Publish Date: 3-27-95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: An Act relating to authorizing University of Alaska to issue bonds for purpose of funding maintenance projects.  
 Sponsor: Rules  
 Requestor: \_\_\_\_\_

Department Affected: Administration  
 BRU: Finance  
 Component: Finance  
 COMPONENT SERIAL NO. 59

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
<b>CHANGE IN REVENUES ( )</b>	0	0	0	0	0	0

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$ -0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

There is no fiscal impact to the Division of Finance.

Prepared by: Don Wane, Director  
 Division: Finance

Phone: 465-2240  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Bover  
 Agency: Department of Administration

Date: 3/14/95

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# FISCAL NOTE

No. 2

Bill Version: SB 144

(S) Publish Date: 3-27-95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to authorizing University of Alaska to issue bonds for purpose of funding maintenance projects..."  
 Sponsor: Rules  
 Requestor: \_\_\_\_\_

Department Affected: Administration  
 BRU: General Services  
 Component: Purchasing  
 COMPONENT SERIAL NO. 60

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	00	00	00	00	00	00
<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
<b>CHANGE IN REVENUES ( )</b>	0	0	0	0	0	0

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	00	00	00	00	00	00

Estimate of any current year (FY 95) cost: \$ -0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

There is no fiscal impact to the Division of General Services.

Prepared by: Dupan Petty, Director  
 Division: General Services

Phone: 465-2250  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 3/14/95

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# FISCAL NOTE

No. 1  
 Bill Version: SB 144  
 (S) Publish Date: 3-27-95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

BILL

Revision Date: \_\_\_\_\_ Dept. Affected: \_\_\_\_\_ Revenue \_\_\_\_\_  
 Title: University Maintenance BRU: Revenue Ops  
 Component: Treasury  
 Sponsor: GOV  
 Requester: \_\_\_\_\_ COMPONENT SERIAL NO. 121

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

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

There would be no identifiable revenue or cost impacts resulting from the passage of this legislation over the period covered by this fiscal note.

Prepared by: Bob Barako Phone: 465-2312  
 Division: \_\_\_\_\_ Date: 3/14/95  
 Approved by: \_\_\_\_\_  
 Commissioner: Deborah Vogt Date: 3/14/95  
 Agency: Revenue

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**SENATE COMMITTEE RE**  
**First Committee of Referral**

DATE: 3/28/95

FURTHER: Finance

Date of 5-Day Notice: 4/13/95  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

State Affairs Committee considered SB 144

Issuance of revenue bonds by the University of Alaska to pay for the costs of repair and rehabilitation of buildings and other structures; efd.

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical title
- new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>Forw D. Swan</i>	<input checked="" type="checkbox"/>		
		<i>Reel E (1900)</i>	<input checked="" type="checkbox"/>		

CHAIR: *[Signature]*

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
U. of A.	3/14	<input checked="" type="checkbox"/>	
ADMIN / GEN	3/14	<input checked="" type="checkbox"/>	
ADMN / GEN SV	3/14	<input checked="" type="checkbox"/>	
ACI.	3/14	<input checked="" type="checkbox"/>	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

TONY KNOWLES  
GOVERNOR



144  
P O Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 24, 1995

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the University of Alaska (university) to issue \$45,000,000 in revenue bonds for building maintenance projects at various campuses of the university.

Meeting the long-deferred repair and rehabilitation needs of the university is a priority of my Administration. It is my intent to work closely with the legislature during the remainder of this session and next session to identify other funding sources to meet those needs. If, however, we are not able to provide \$20,000,000 in capital appropriations or other forms of bond authorizations for these purposes through a bill enacted into law by July 1, 1996, this bill will authorize the university to issue revenue bonds to begin addressing the problem. The bill's amendment of AS 37.15.011 is intended to allow for repayment of the debt service to be made from annual legislative appropriations from the Alaska debt retirement fund if necessary.

I urge your early and favorable consideration of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles".

Tony Knowles  
Governor

---

TRANSMITTAL LETTER

**SB**

**146**

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 146

Revision Date: \_\_\_\_\_  
Title: An Act relating to the Alaska Election Code...

Department Affected: Administration  
BRU: Alaska Public Offices Commission  
Component: Alaska Public Offices Commission

Sponsor: Sen. Kelly  
Requestor: (S) STA

COMPONENT SERIAL NO. 70

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
<b>CHANGE IN REVENUES ( )</b>	0	0	0	0	0	0

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1005 GF/MHTIA						
OTHER						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$ -0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

There is no fiscal impact to the Alaska Public Offices Commission.

Prepared by: Karen Boorman, Director  
Division: Alaska Public Offices Commission

Phone: 276-4176  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Boser  
Agency: Department of Administration

Date: 4/10/95

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DATE: 3/30/95

FURTHER: Finance

Date of 5-Day Notice: 4/6/95  
in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: \_\_\_\_\_

State Affairs Committee considered SB 146

Alaska Election Code and to state election administration.

and recommends:

- be replaced with CS SR 146 (STA)
- adopt previous CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_

Senate Bill  
 same title  
 new title  
 House Bill  
 same title  
 technical  
 new SCR

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNR	AM
<i>Tom A. Linn</i>					
<i>Bill E. Cook</i>					
<i>Joe...</i>					
<i>Chair: Ben King</i>					

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>ADMIN</i>	<i>4/10</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):\*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*Include fiscal notes accompanying Governor's bill

AMENDMENT # 3

OFFERED IN THE SENATE

To: SB 146 (9-LS0997A)

Page 1, line 5:

delete the words "the back of"

MEMBER

TENTH ALASKA LEGISLATURE  
ELEVENTH ALASKA LEGISLATURE  
TWELFTH ALASKA LEGISLATURE  
THIRTEENTH ALASKA LEGISLATURE  
FOURTEENTH ALASKA LEGISLATURE  
FIFTEENTH ALASKA LEGISLATURE  
SIXTEENTH ALASKA LEGISLATURE  
EIGHTEENTH ALASKA LEGISLATURE

ALASKA STATE SENATE



SENATOR TIM KELLY

STATE CAPITOL  
JURFEAU, ALASKA 99801-1187  
(907) 465-3877  
FAX (907) 465-3758

718 WEST 4TH, SUITE 400  
ANCHORAGE, ALASKA 99501  
(907) 258-8180  
FAX (907) 258-4524

Sponsor Statement

**SB 146**

**"Relating to the Alaska Election Code and to state election administration"**

SB 146 was introduced to bring issues before the Senate that will be coming over from the House in an amended version of SB 5. SB 5, as it passed the Senate, is contained in §§ 8,9, and 10 of SB 146. These sections require that primary ballots be printed on white paper to prevent the potential invasions of voter secrecy associated with having different colored ballots. Further, §§ 8,9 and 10 require one-half of voting booths in each polling place to be curtained. Senator Kelly received numerous complaints about the "new" suitcase voting booths which do not have curtains.

The remainder of SB 146 contains provisions which are not familiar to the Senate but have been added to SB 5 in the House. SB 146 is intended to begin the debate on these important election reform measures in the Senate. It is Senator Kelly's firm belief that if we are to improve our voting laws in efforts to remedy some of the problems experienced in the last election cycle, it must be done this year. Election laws cannot be changed in an election year.

SB 146 encapsulates some important "clean-up" and "good government" provisions to modify Alaska's Election Code. The following Sectional Analysis outlines the important and necessary changes proposed by SB 146.

Sectional Analysis

**SB 146**

**Section 1:** Provides that the information provided when voting a questioned ballot constitutes a "change of address" request and/or registration for future elections. (Rather than having to fill out the same information on another form.)

**Section 2 & 3:** Provide that the director of the division must purge deceased voters and felons promptly after receiving such information, and at least once a month.

**Section 4:** Provides that the division director is directly responsible for the hiring, performance evaluation, promotion, termination, and all other employee matters in the division. (This is part of the effort to de-politicize the division).

**Sections 5 & 23:** Provide that all division employees, with the exception of the division director and four regional directors, are classified employees. (This is part of the effort to de-politicize the division).  
*Sponsor has a proposed amendment on these sections.*

**Section 6:** "Beefs-up" training requirements of division staff by requiring the director to prepare and file with the lieutenant governor a plan describing the comprehensive training provided to division employees during that calendar year.

**Section 7:** Provides that instead of rotating names in each election district, that the order be randomly selected within each district.

**Section 8 & 9:** Provides that one-half of the voting booths in each precinct be the standard 6-foot tall curtained booths rather than the "shoulder-height" suitcase booths.

**Section 10:** Requires that all primary ballots are white.

**Sections 11-22:** Provide that all candidates **must** appear on the primary ballot.

AMENDMENT

OFFERED IN THE SENATE STATE AFFAIRS COMMITTEE  
TO: SB 146

- 1 Page 10, following line 23:
- 2       Insert a new bill section to read:
- 3       "\* Sec. 25. AS 15.07.110 is repealed."

AMENDMENT

OFFERED IN THE SENATE STATE AFFAIRS COMMITTEE  
TO: SB 140

1 Page 2, line 24, through page 3, line 14:

2 Delete all material and insert:

3 \*\* Sec. 5. AS 15.10.105 (b) is amended to read:

4 (b) It is essential that the nonpartisan nature, integrity, credibility and  
5 impartiality of the administration of elections be maintained. To that end,

6 (1) the [THE] director of elections, the election supervisors  
7 appointed under AS 15.10.110, and the full-time members of the director's staff

8 (A) may not join, support or otherwise participate in a partisan  
9 political organization, faction, or activity, including but not limited to the  
10 making of political contributions; and

11 (B) [ THE DIRECTOR OF ELECTIONS AND THE FULL-  
12 TIME MEMBERS OF THE DIRECTOR'S STAFF] may not hold or campaign  
13 for elective office, be an officer of a political party or member or officer of  
14 a political committee, permit their name to be used, or make any contributions,  
15 in support of or in opposition to a candidate or a ballot proposition or  
16 question, participate in any way in a national, state, or local election campaign  
17 or lobby or employ or assist a lobbyist;

18 (2) the full-time employees of the division of elections, except for  
19 the director of elections and the elections supervisors appointed under  
20 AS 15.10.110, are subject to the personnel rules adopted under the authority of  
21 AS 39.25.150(7), (15), and (16); and

22 (3) [ HOWEVER, THIS SUBSECTION DOES NOT RESTRICT] the  
23 director of elections, the election supervisors appointed under AS 15.10.110, and  
24 [OR] the full-time members of the director's staff may, notwithstanding (1) of this  
25 subsection, express [FROM EXPRESSING] private opinion, register

- 1 [REGISTERING] as to political party, and vote [OR VOTING]."
- 2 Page 9, line 26 through page 10, line 2:
- 3 Delete all material.
- 4 Renumber the following bill section accordingly.

**SB**

**150**

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 150

Revision Date: \_\_\_\_\_

Title: "An Act Establishing Dutch Harbor Remembrance Day"

Sponsor: Senators Kelly, Taylor, Hoffman, Zharoff, Phillips, Leman

Requestor: \_\_\_\_\_

Department Affected: Office of the Governor

BRU: Executive Operations

Component: Executive Office

COMPONENT SERIAL NO. 0008

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN						
-----------	--	--	--	--	--	--

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact

Prepared by: Michael A. Nitch, Director

Division: Division of Administrative Services

Approved by Commissioner: Jim Ayers, Chief of Staff

Agency: Office of the Governor

Phone: 465-3876

Date: 4/13/95

Date: \_\_\_\_\_

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**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 4/5/95

FURTHER:

Date of 5-Day Notice: 4/13/95  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

State Affairs Committee considered SB 150

Act establishing Dutch Harbor Remembrance Day.

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ ( )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill  
 same title  
 new title  
 House Bill  
 same title  
 technical  
 new: SCR

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<b>CHAIR:</b> <i>[Signature]</i>	✓				

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

Department	Date	Zero	Fiscal
GOV	4/13	✓	

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal

Department	Date	Zero	Fiscal

APPROPRIATION — no fiscal note

\*Include fiscal notes accompanying Governor's bill

MEMBER

TENTH ALASKA LEGISLATURE  
ELEVENTH ALASKA LEGISLATURE  
TWELFTH ALASKA LEGISLATURE  
THIRTEENTH ALASKA LEGISLATURE  
FOURTEENTH ALASKA LEGISLATURE  
FIFTEENTH ALASKA LEGISLATURE  
SIXTEENTH ALASKA LEGISLATURE  
SEVENTEENTH ALASKA LEGISLATURE

ALASKA STATE SENATE

SENATOR TIM KELLY

STATE CAPITOL  
JUNEAU, ALASKA 99901-1182  
(907) 465-3822  
FAX (907) 465-3756

216 WEST 4TH SUITE 400  
ANCHORAGE ALASKA 99501  
(907) 258-8180  
FAX (907) 258-4524

Sponsor Statement

SB 150

"An Act establishing Dutch Harbor Remembrance Day"

Two waves of Japanese Zeros attacked Dutch Harbor on June 3, 1942. Forty-three U.S. Servicemen were killed in the attack and many others were wounded. Three days later on June 6, 1942, Japanese troops landed on Kiska and Attu Islands. One American, Charles Foster Jones, was killed during the invasion of the Western Aleutians. Forty-five native Aleuts and a school teacher fell into enemy hands and were held captive in Japan until the end of the war.

As a safety precaution, the U.S. Army expedited the evacuation of the Aleut from villages on Atka, Akutan, Unalaska, Umnak, St. George, and St. Paul Islands. These Aleut were interned for 3 years in cannery buildings in southeast Alaska. The cultural repercussions of the evacuation devastated the Aleut.

On May 11, 1943, Allied Forces invaded Attu at a great cost to both sides. Allied reports had grossly underestimated Japanese troop numbers and for three weeks both sides struggled in infantry combat--the only land battle on North American soil in World War II.

The Allied recapture of Attu forced the Japanese to flee Kiska. On August 15, 1943, the U.S. Army and Canadian forces landed on Kiska not realizing that over 5000 Japanese soldiers had fled. In the process of recapturing the deserted island, 313 Americans and Canadians died--some from "friendly fire" and others from booby traps and mines.

SB 150 commemorates those persons who gave their lives at Dutch Harbor and in the efforts to recapture Attu and Kiska from the Japanese. Further, SB 150 honors those native Aleuts who were interned and those captured during the battle of the Western Aleutians. SB 150 would proclaim June 3 of each year as Dutch Harbor Remembrance Day to honor these patriots.

**SB**

**163**

**FISCAL NOTE**

**STATE OF ALASKA  
1995 LEGISLATIVE SESSION**

**BILL NO. SB163**

Revision Date:  
Title: U OF A - BORROW MONEY FROM AHFC FOR ACQUISITION  
OF STUDENT HOUSING FACILITIES  
Sponsor: SENATORS KELLY, TAYLOR, DUNCAN, ELLIS, RIEGER  
Requestor:

Department Affected: University of Alaska  
BRU: ANCHORAGE, JUNEAU AND  
Component: KETCHIKAN CAMPUSES

COMPONENT SERIAL NO. 753,762,765

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	970.2	1,689.1	8,483.6	8,728.7	8,981.5	9,239.7
<b>TOTAL OPERATING</b>	<b>970.2</b>	<b>1,689.1</b>	<b>8,483.6</b>	<b>8,728.7</b>	<b>8,981.5</b>	<b>9,239.7</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY96	FY97	FY98	FY99	FY00	FY01
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER	970.2	1,689.1	8,483.6	8,728.7	8,981.5	9,239.7
<b>TOTAL FUNDING</b>	<b>970.2</b>	<b>1,689.1</b>	<b>8,483.6</b>	<b>8,728.7</b>	<b>8,981.5</b>	<b>9,239.7</b>

POSITIONS:	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact. None

ANALYSIS (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Wendy Matheny, Budget Analyst

Phone: 463-3086

Division: Statewide Budget Office

Date: 5/2/95

Approved by: *MB* Marylou Burton, Director

Agency: Statewide Budget Office

Date: 4/21/95

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 163

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: An Act authorizing the University of Alaska's plan to enter into long-term obligations to borrow money from AHFC BRU: Alaska Housing Finance Corp  
 Sponsor: Kelly, Ellis Component: AHFC Operations  
 Requester: \_\_\_\_\_ COMPONENT SERIAL NO. 110

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

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-----------------------------	------------	------------	------------	------------	------------	------------

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY95) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Alaska Housing Finance Corporation does not anticipate any increased operations costs with the proposed bill. There are expected to be expenses, costs and reserves funds associated with the issuance of the bonds and servicing of debt. Reserve funds, while not a cost or expense, will reduce the loan amount available to the University of Alaska. The expenses associated with the financing will be taken into consideration in determining the expected interest cost to AHFC. The expected annual interest rate subsidy would approximate \$1,277,500 assuming a borrowing amount of \$36,500,000 at 6.5% financed over 25 years, although slight reduction would occur subsequent to FY96 as the principal amount is gradually reduced.

Prepared by: \_\_\_\_\_  
 Division: Alaska Housing Finance Corporation  
 Approved by: \_\_\_\_\_  
 Commissioner: Deborah Voigt  
 Agency: Revenue

Phone: \_\_\_\_\_  
 Date: 5/1/95  
 Date: 5/1/95

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**SENATE COMMITTEE REI**  
**First Committee of Referral**

DATE: 4/21/95

FURTHER: CRA  
 HES  
 Finance

Date of 5-Day Notice: 4/28/95  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 INTO OFFICE: \_\_\_\_\_

State Affairs      Committee considered      SB 163

Approving the University of Alaska's plans to enter into long-term obligations to borrow money from the Alaska Housing Finance Corporation.

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ ( )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill:

same title  
 new title

House Bill:

same title  
 technical title  
 new: SCR# \_\_\_\_\_

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>From A Jensen</i>	✓		
		<i>PLU &amp; Gilly</i>	✓		
CHAIR:		<i>Bea Thompson</i>			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>REV</i>	<i>5/1</i>	✓	
<i>U of A</i>	<i>5/2</i>		<i>970.2</i>

*FY96*

**PREVIOUS FISCAL NOTE(S):\***

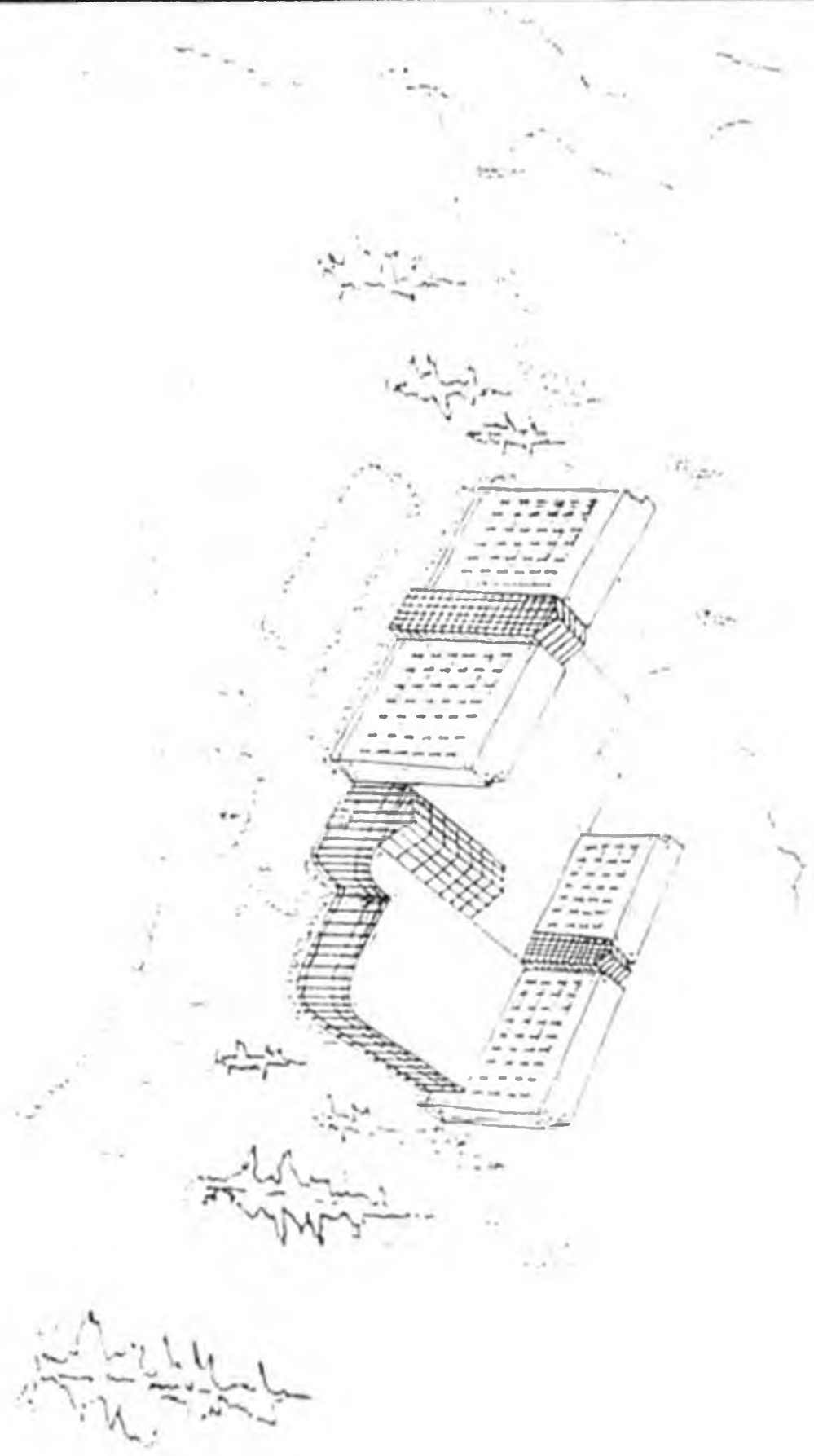
Department	Date	Zero	Fiscal

UAA Student Housing Alternatives

Alternative: 2  
 Total Project: \$30,000,000  
 Legislative funding: 30  
 Private gifts: \$1,200,000  
 AHFC loan amount: \$28,800,000  
 AHFC loan interest: 3.00%  
 APU housing HQ included?: No

Fiscal year	Total housing revenues	Total housing expenses	Available for AHFC payment	AHFC interest payment	AHFC principal payment	AHFC loan balance	Templewood bonds outstanding	Total UAA housing debt outstanding
1996				\$0		\$8,000,000	\$1,362,558	\$7,362,559
1997				\$180,000		\$28,980,000	\$1,270,587	\$20,250,587
1998	\$6,899,472	\$5,359,783	\$1,539,689	\$869,400	\$670,289	\$28,309,711	\$1,173,281	\$29,482,992
1999	\$7,109,428	\$5,846,750	\$1,462,677	\$849,291	\$813,385	\$27,696,326	\$1,070,331	\$28,766,657
2000	\$7,326,155	\$5,942,273	\$1,383,882	\$830,890	\$552,992	\$27,143,334	\$961,410	\$28,104,744
2001	\$7,547,368	\$6,246,579	\$1,300,787	\$814,300	\$488,487	\$26,656,846	\$848,172	\$27,503,019
2002	\$7,775,211	\$6,559,898	\$1,215,313	\$799,705	\$415,608	\$26,241,238	\$724,260	\$26,965,489
2003	\$8,009,889	\$6,784,932	\$1,244,957	\$787,237	\$457,720	\$25,783,518	\$596,257	\$26,378,775
2004	\$8,251,805	\$6,975,928	\$1,275,879	\$773,506	\$502,174	\$25,281,345	\$458,782	\$25,740,126
2005	\$8,500,569	\$7,193,033	\$1,307,536	\$758,440	\$549,096	\$24,732,249	\$314,391	\$25,046,640
2006	\$8,756,998	\$7,416,426	\$1,340,572	\$741,967	\$598,605	\$24,133,644	\$181,626	\$24,295,269
2007	\$9,021,116	\$7,646,285	\$1,374,832	\$724,009	\$650,822	\$23,482,821	\$0	\$23,482,821
2008	\$9,293,153	\$7,882,792	\$1,410,361	\$704,485	\$705,878	\$22,778,945		\$22,778,945
2009	\$9,573,346	\$7,958,139	\$1,616,207	\$683,308	\$934,899	\$21,842,046		\$21,842,046
2010	\$9,861,940	\$8,205,519	\$1,656,421	\$655,261	\$1,001,160	\$20,840,886		\$20,840,886
2011	\$10,159,185	\$8,463,133	\$1,596,053	\$625,227	\$1,070,826	\$19,770,060		\$19,770,060
2012	\$10,465,342	\$8,728,186	\$1,737,156	\$593,102	\$1,144,054	\$18,625,006		\$18,625,006
2013	\$10,780,876	\$9,000,891	\$1,779,785	\$558,780	\$1,221,005	\$17,405,002		\$17,405,002
2014	\$11,105,462	\$9,281,466	\$1,823,997	\$522,150	\$1,301,347	\$16,103,155		\$16,103,155
2015	\$11,439,985	\$9,570,134	\$1,869,851	\$483,095	\$1,388,756	\$14,716,399		\$14,716,399
2016	\$11,784,534	\$9,867,128	\$1,917,407	\$441,492	\$1,475,915	\$13,240,484		\$13,240,484
2017	\$12,139,411	\$10,172,683	\$1,966,728	\$397,215	\$1,569,514	\$11,670,970		\$11,670,970
2018	\$12,504,925	\$10,487,045	\$2,017,880	\$360,129	\$1,667,751	\$10,003,220		\$10,003,220
2019	\$12,881,393	\$10,810,404	\$2,070,929	\$300,097	\$1,770,833	\$8,232,387		\$8,232,387
2020	\$13,269,145	\$11,143,200	\$2,125,946	\$246,972	\$1,878,974	\$6,353,413		\$6,353,413
2021	\$13,668,518	\$11,485,517	\$2,183,001	\$190,602	\$1,992,399	\$4,361,014		\$4,361,014
2022	\$14,079,860	\$11,837,680	\$2,242,171	\$130,830	\$2,111,340	\$2,249,673		\$2,249,673
2023	\$14,503,530	\$12,200,000	\$2,303,531	\$87,490	\$2,238,040	\$13,633		\$13,633
2024	\$14,939,898	\$12,572,736	\$2,367,161	\$409	\$13,633	\$0		\$0

3/27/95



U.A.A.

# CORRECTION

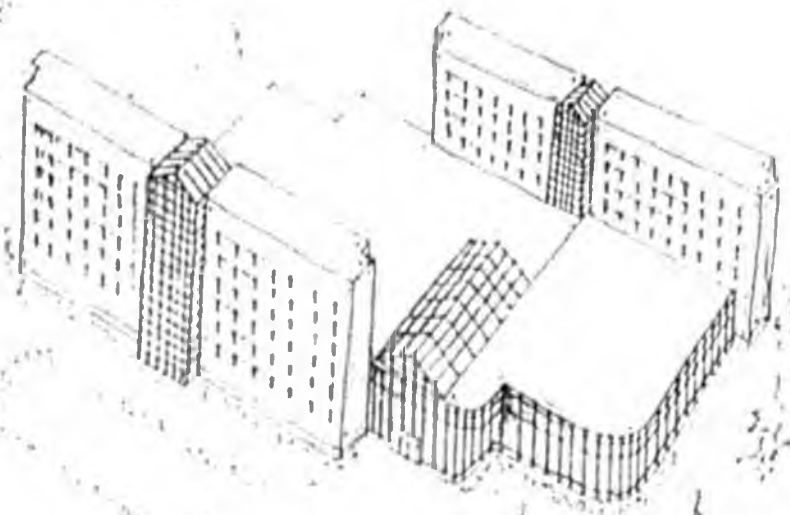
THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Re 698

Central Microfilm Services  
Department of Education  
State of Alaska

U.A.A.



## Smart thinking

### *UAA seeks housing loan*

The University of Alaska Anchorage is offering state lawmakers a heck of a deal. Instead of coming begging for millions of dollars in cash handouts to build a big new dormitory, UAA would like to pursue an innovative, low-cost way to triple its miniscule supply of student housing.

UAA wants Alaska Housing Finance Corp. to underwrite a new dorm with a loan of roughly \$30 million at 3 percent. Through fees, UAA would cover all the costs of running the place, except for the interest break on the loan. Student rents would generate enough money for the loan payments, operations and maintenance, resident assistants to keep an eye on the building and a sinking fund for repairs and replacement.

The loan subsidy would cost the housing agency perhaps \$1 million a year, according to a rough guess by UAA Chancellor Lee Gorsuch.

That's not much when compared to AHFC's \$1.7 billion of assets and spendable income of around \$100 million a year. But AHFC's big bank accounts have drawn the greedy eye of legislators, who already have raided them to pay for nonhousing items in the regular budget. Even though UAA's request falls squarely within the housing agency's main mission, it faces tough competition.

Right now, UAA has room for only 388 residential students. More than 700 students who want on-campus housing get turned away every year. They're left with less time for studies as they hassle with driving back and forth and try to catch meals on the fly. The lack of student housing makes their transition to college life more difficult.

UAA is trying to grow from being a community college and commuter school into a mature urban university. If the financing for the new dorm can be worked out, UAA would move closer to becoming a solid, full-service educational institution.



# UNIVERSITY OF ALASKA ANCHORAGE

OFFICE OF THE CHANCELLOR

April 24, 1995

3211 Providence Drive  
Anchorage, Alaska 99503-5060  
(907) 786-1437 - FAX (907) 786-0123  
AYCHANC

Senator Tim D. Kelly  
Alaska State Legislature  
State Capitol Room 101 (MS 3101)  
Juneau, AK 99801-1182

Dear Senator Kelly:

I am writing on behalf of 15,000 students who attend the University of Alaska Anchorage to urge your full support of a low interest AHFC loan for UAA student housing as contained in SB 163. Each year over 600 students pay a fee to be placed on UAA's housing list, only to be wait listed. An additional 2000 students have expressed a strong desire to have campus housing available to them.

While UAA will always be a predominantly urban commuter campus, approximately 20 percent of our student body needs campus housing. Without it, non-Anchorage students who wish to enter professional studies such as nursing and dental hygiene offered only on the Anchorage campus are denied the opportunity. Anchorage parents of college age students are finding the cost of sending their children to an out-of-state college increasingly prohibitive and would like to send their students to UAA if UAA provided campus housing and an active student life. Similarly, many students would like to participate in student exchanges, yet until UAA can reciprocate with campus housing as part of the agreement, exchanges will be limited to those students who do not need housing.

Most importantly, the majority of UAA's full-time students do not have much money and need financial help, including access to affordable housing. Because AHFC is in the business of providing low income housing, helping to finance student housing is consistent with its mission. All prior university student housing has been constructed with direct capital grants. UAA is proposing to build a residence hall, not with capital dollars, but with a low interest mortgage. Our financing package includes a guarantee for full funding of all operations, maintenance, and replacement costs, plus the cost of the student life program. This is an exemplary proposal which warrants state support.

Admittedly, student housing would follow an expanded library and additional faculty on my priority list, but these are all operating dollars which I understand will not be forthcoming. UAA also desperately needs more parking. The proposed residence hall will provide over 700 additional parking spaces and alleviate demand for the spaces located next to the classroom buildings. Also this summer, we will be adding additional parking spaces financed by parking fees, and I will be exploring with the Anchorage Parking Authority the possibility of building a parking garage, perhaps on a joint venture

Senator Tim D. Kelly  
April 24, 1995  
Page 2

basis. Thus, I and the student, faculty, staff, and friends of UAA are asking for loan assistance in order to offer our students the same access to campus housing afforded students on the other main campuses. UAA's \$35 million capital request has been pared back to a modest \$5 million to provide for wiring to connect our buildings and offices to the university computer, to open the Mat-Su building, to fix a roof in Valdez, to match a potential contribution from Bob Atwood, and to meet other essential code compliances.

While UAA educates over half of all students pursuing higher education in Alaska, UAA has the fewest number of books per student, the fewest number of full-time faculty per student, the least amount of state dollars per student, the least amount of campus housing per student, and the least amount of office and classroom space per student or faculty. As our representative, we implore you to support our urgent needs and request. We are willing to finance most of our housing requirements, but we need your help and AHFC's for this to happen. We are in full support of proposals to meet the urgent deferred maintenance needs of the university, three fourths of which are on the UAF campus, and urge your support of this as an Anchorage priority project as well.

Please feel free to call me with any questions or concerns you may have.

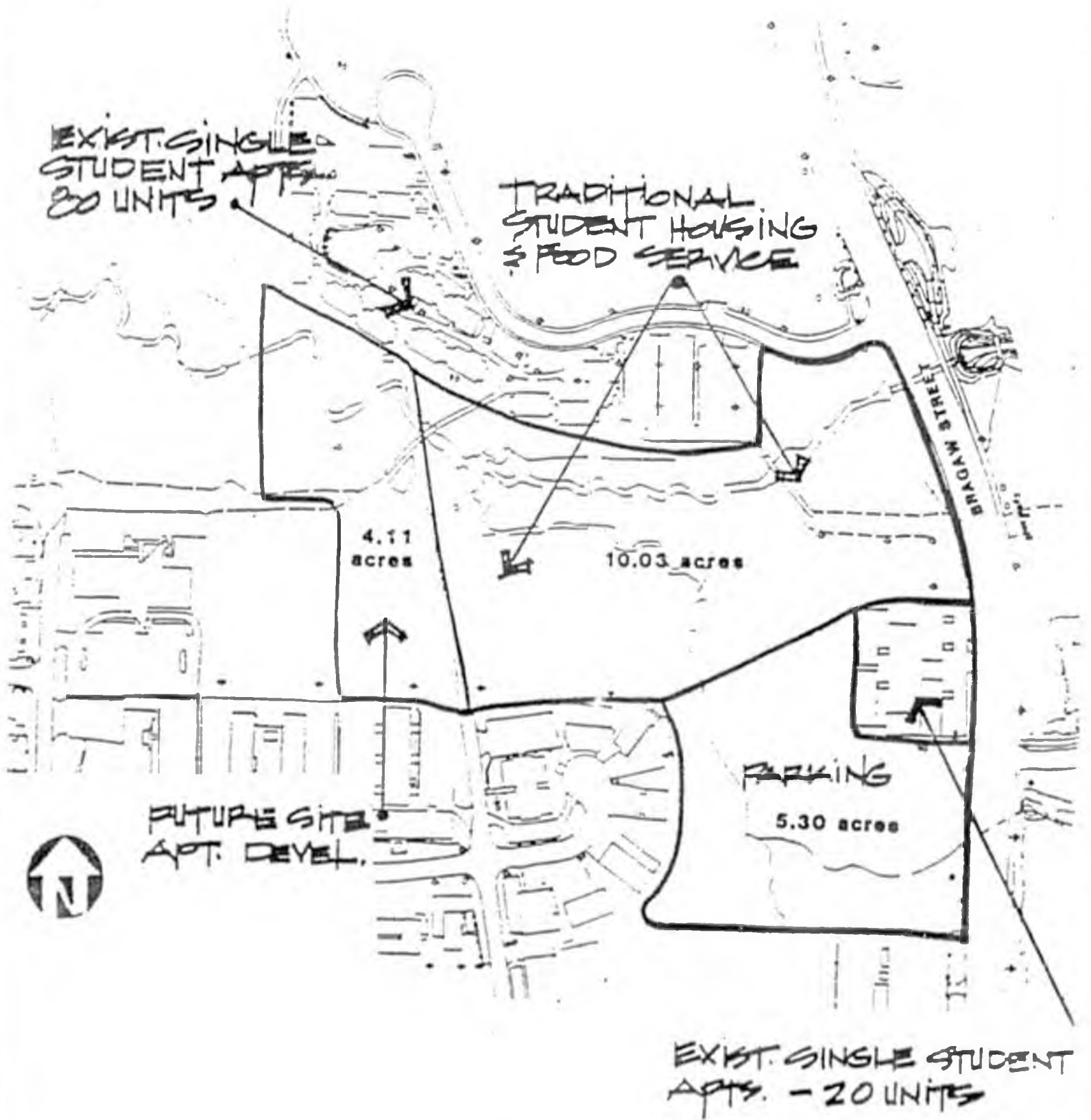
Sincerely,



Edward Lee Gorsuch  
Chancellor

*P.S. Tim, I wrote this in response to  
the report to four committees. I  
hope Dave will reconsider.*

# STUDENT HOUSING DEVELOPMENT





University of Alaska Southeast

Juneau • Ketchikan • Sitka

Office of the Director

Ketchikan Campus

March 14, 1995

The Board of Regents  
University of Alaska

We are pleased to bring this proposal for student housing before you. It is a response to documented need in Ketchikan both for our current student body and for potential students from southern Southeast communities who otherwise might find university education beyond their abilities and resources.

This proposal culminates nearly ten years of work, study, and planning. It is coming together now in part because strong support from the not-for-profit and private sectors is available and in part because financial constraints on the university are providing pressure and flexibility to find new ways to tackle continuing problems.

This project is complex, and it will require the cooperation and support of many parties. But if it is successful, as we expect it to be, then it may also be a new model that will facilitate meeting this need elsewhere. To date, over 200 hours of non-university volunteer time – including bankers, housing project developers, architectural firms, modular contractors, and local government planners and engineers – have been spent on this new project design alone.

We are requesting two actions, one immediate and one subsequent, from the Board of Regents:

First, we request approval for initiating the project as required under Regent's policies. This will allow us to spend general funds to document carefully the feasibility of the project, initiate an engineering study of potential campus building sites, and provide the university, lending, and granting agencies with detailed information.

Second, we will request Regents authorization to release a building site. We expect to request that it be leased with a provision that students have first claim on facility use. When student needs have been met, remaining units may be rented to the non-students. The building site contribution is one of many which will make the project feasible.

Sincerely,

A handwritten signature in cursive script that reads "Frances Feinerman".

Dr. Frances Feinerman  
Director, Ketchikan Campus UAS

## Project Overview

### ASSUMPTIONS:

- Despite a continuing need for student housing (documented in 1986 and 1990 campus studies), solving the problem through university construction of a campus dormitory or apartment building is not feasible. Fiscal downsizing, changes in university priorities, and lack of statewide policy on extended campus housing prevents adequate state funding for meeting the demand.
- Placement of students in local homes, the current campus model, is unreliable due to the severe housing shortage (worst in the state), high housing costs (highest in Alaska), and staff time required to find housing and place students.
- The private sector, on its own, cannot afford to provide housing for students at reasonable cost. Two specific efforts within the last four years collapsed.
- The cost of construction through normal university channels by itself renders self-supporting projects impractical.
- There is significant, documented support for an affordable housing program in Ketchikan. And the leaders in this effort see student housing as a viable, visible project that will enhance community interest in future projects.
- There is a serious need for student housing currently, and available housing in Ketchikan will positively impact the number and success of area students attending college.

### THE PROGRAM:

A not-for-profit corporation, including influential community leaders and help from the campus, will be formed in Ketchikan to focus on affordable student housing. This corporation will be wholly separate from the campus, and not accountable to the university. The corporation will apply for Federal Home Loan Grants to serve as up-front funding for the project and will seek out grant and low interest funding from government and private financial agencies. Organizers of this corporation have begun meeting and preparing incorporation papers. The core of this effort has been supported by local banks as part of Community Reinvestment Act responsibilities.

This corporation initially is looking to purchase two modular units (in a dormitory and an apartment configuration) and place them on university property near the campus which is, most important, easily and cheaply accessible to utilities and street access. The primary contribution of the university will be accessible land. This is more than reasonable in that the university will be the primary beneficiary of the project.

The corporation will provide for management and maintenance of the facilities, most likely through a Ketchikan property management firm.

Among construction alternatives being considered is use of university construction classes assisting with assembly of the modular units, foundation preparation, and landscaping.

### STUDENT HOUSING NEED SURVEY:

In 1986 and 1990, UAS contracted with Ira Fink and Associates to study student housing needs on the Ketchikan campus. The report, noting demographic characteristics of the campus which complicated the housing issue, concluded, "We now recommend a 12 unit project that could accommodate between 18 and 36 students. If this is not a feasible alternative for the university, UAS Ketchikan should seek Board of Regents concurrence to obtain and operate an existing small apartment project in proximity to the university for the benefit of AS Ketchikan students."

Since then, a number of changes have occurred in the Ketchikan student population. In 1990, 72% of the student population was single; only half of those never married. Fink's conclusion was that parents with children was the primary norm for housing. However, a sample population of full-time students undertaken in March indicates that 68% of current students are single and only 15% of those have children. This bears up under a study of currently enrolled students. In 1989 36% of full-time students (67) were between 18-22 years of age, the next largest group was between 30-39 years of age (25%). This semester, 57% of our 64 full time students are between 18-24 and the next largest group is between 25-29 (23%). This reflects a major demographic change on the campus: we have younger students and more students without children. There is reason to expect this pattern to continue as the campus moves increasingly away from vocational programs in into two-year transfer studies. (The number of Associate of Arts enrollments has increased steadily and significantly since 1986, with 11 students in 1986, 46 in 1990 and 62 now.

The current survey indicates 72% are willing to live with roommates, a significant change from the 1990 study. Currently, 53% of full-time students are living with parents. Fully 6% are living in alternative housing: one out of his camper and a second in a different home each week in an effort to stay in school with the help of friends. Currently, 53% of our full-time students indicated that they would live in student housing if available.

Another important factor for this campus is the ability to house students from neighboring communities. As indicated by attached letters of support, there is considerable interest in transitioning students between small communities and larger universities through an accessible, affordable option. Initial inquiries indicate a probable population each year of 10-15 students out of southern Southeast. Also, regional, short-term vocational and skill training in Ketchikan would be possible were housing available. We estimate a very low vacancy rate by using available units for housing students for short-courses and continuing education efforts.

The need for summer housing for cannery workers and foresters and hostellers tells us that a full summer occupancy would present no difficulties in the current market. These are people who are not able to afford local hotel rates, and the number of low-cost housing units is far exceeded by demand. In addition, 83% of full-time students indicate interest in year-round housing.

### PROJECT SITES:

Several campus sites have been reviewed for the construction of student residence halls. The primary considerations for choosing a site are accessibility and cost of development. In addition, impact on future building sites and residential side streets are factors to be considered. The following descriptions are brief summaries of four prospective locations on UAS property.

- The first, and most attractive site measures 135' x 135' and occupies lots 16, 17, and 18. This site is adjacent to the campus parking lot and is accessible from Clinton Court and 7th Avenue and the campus parking lot. The site is large enough to permit residence parking between the buildings.
- The second parcel measures roughly 105' x 135' and occupies lots 22 and 23. Both lots are pie shaped so actual footage is approximate. This site is also located adjacent to the campus at slightly more removal than the primary site, but it is more costly to develop and has higher impact on the residential area.
- The third site measures 150' x 60' and occupies lots 20, 21, and half of 19. This site is also adjacent to the campus parking lot and accessible by Clinton Court, but really allows for only one unit of housing without disrupting the already limited parking area.
- The fourth site was originally the preferred site. It measures roughly 180' x 180' (currently unplatted and unsurveyed) and is accessible from Monroe Street. This location, however, has high development expenses, due in part to construction of 160' access road and utility corridor. It is not cost effective given the current fiscal limitations.

Each identified site is within walking distance of elementary and high schools as well as shopping and postal services. This summer, the city bus service will include a route to and from the campus.

The campus has considered Facilities Planning and Development long-term plans for campus growth. None of the first three proposed sites reflect that long-term development plan; the fourth does. However, considering a 20-30 time frame for the proposed housing, it is unlikely that the university will undertake such classroom development as to be impacted by releasing any of the proposed sites. Two additional classroom sites — the first choices of FP&C — are not impacted by this proposal. An expansion of the Ziegler building, long a part of the capital development plan, is proposed for directly behind the current building. A future classroom building, not yet in any concrete planning, would be yet behind that. In addition, the campus has higher priority classroom possibilities to be developed in the Robertson and Hamilton complexes on the waterfront campus.

### PROJECT SCHEDULE:

It is the intent of the corporation and campus to have housing for the 1996-97 academic year. An engineering review for the sites and a decision regarding a specific site will be accomplished upon approval by the Regents to proceed. A recommendation for provision of a specific site will be made to one of the next two Board of Regents meetings. Engineering through Facilities Planning and Construction for construction on that site will follow to provide guidance to the corporation in appropriate and approved use of the property.

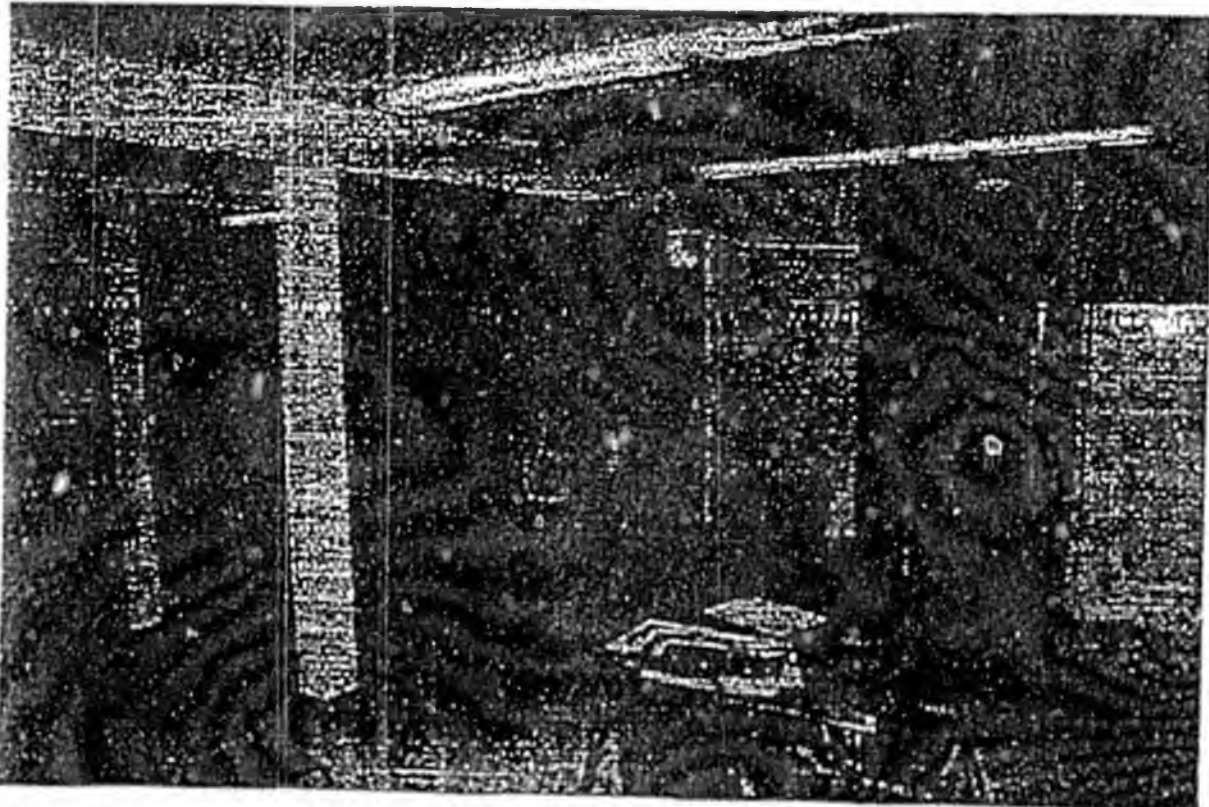
A potential design for the units was begun on a voluntary basis by a private modular facility builder. A copy of plans for a current unit existing in Ketchikan was sent to FP&C for review and recommendation. FP&C returned a schematic apartment layout which was forwarded to the builder for incorporation into a second proposal. Modular construction, if approved, would take approximately four months to build.

The longer task will be to secure adequate financing for the project. This will begin immediately with a \$10,000 grant request to the Federal Home Loan Bank. We expect that the corporation financing package will require a minimum of six months and perhaps a year to develop.

If construction classes can be developed to work with foundations and assembly, such work will be scheduled for next spring semester. That means the financing package must be approved in time to begin site development between January and March, 1996.

### Princess Tours

Ketchikan employee housing



PROJECT COSTS (1995 Dollars)

## CONSTRUCTION:

Land:	\$150,000
Modular Units (2)	40,000
Shipping and Placement	33,000
Site Development	100,000
(Including utility hookups and parking)	<u>          </u>
	\$733,000

## OFFSETS:

Land: Donated by University of Alaska	\$150,000
Construction Classes: UAS	14,000
Grants: (Banks, government, contractors)	<u>130,000</u>
	\$344,000

FINANCING: (20 years @ 9%)	\$389,000
Setup fees	1,670

EQUIPMENT:	\$ 20,000
(Furnishing of Dormitory and two apartments)	

## PROJECTED ANNUALIZED REVENUES:

Apartments (4)	
\$750/mo at 95% occupancy	\$34,200
Dormitories (9)	
\$600/mo at 85% occupancy	\$55,080
Transient rentals	
5 persons * 12 weeks @ \$350/wk	<u>\$ 2,100</u>
	\$91,380

## PROJECTED ANNUALIZED EXPENDITURES:

Annual Loan Payments	\$ 48,000
Building Management Fees	\$ 9,130
Custodial Contract Fees	\$ 7,200
Building Maintenance	\$ 10,000
(Unused funds to accrue for major maintenance)	
Program Management	\$ 5,000
Commodities - General Fund	
Utilities (dormitory)	\$ 12,000
Apartment Units born by residents	
Dormitory Units recovered by housing fees	

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 \$91,330

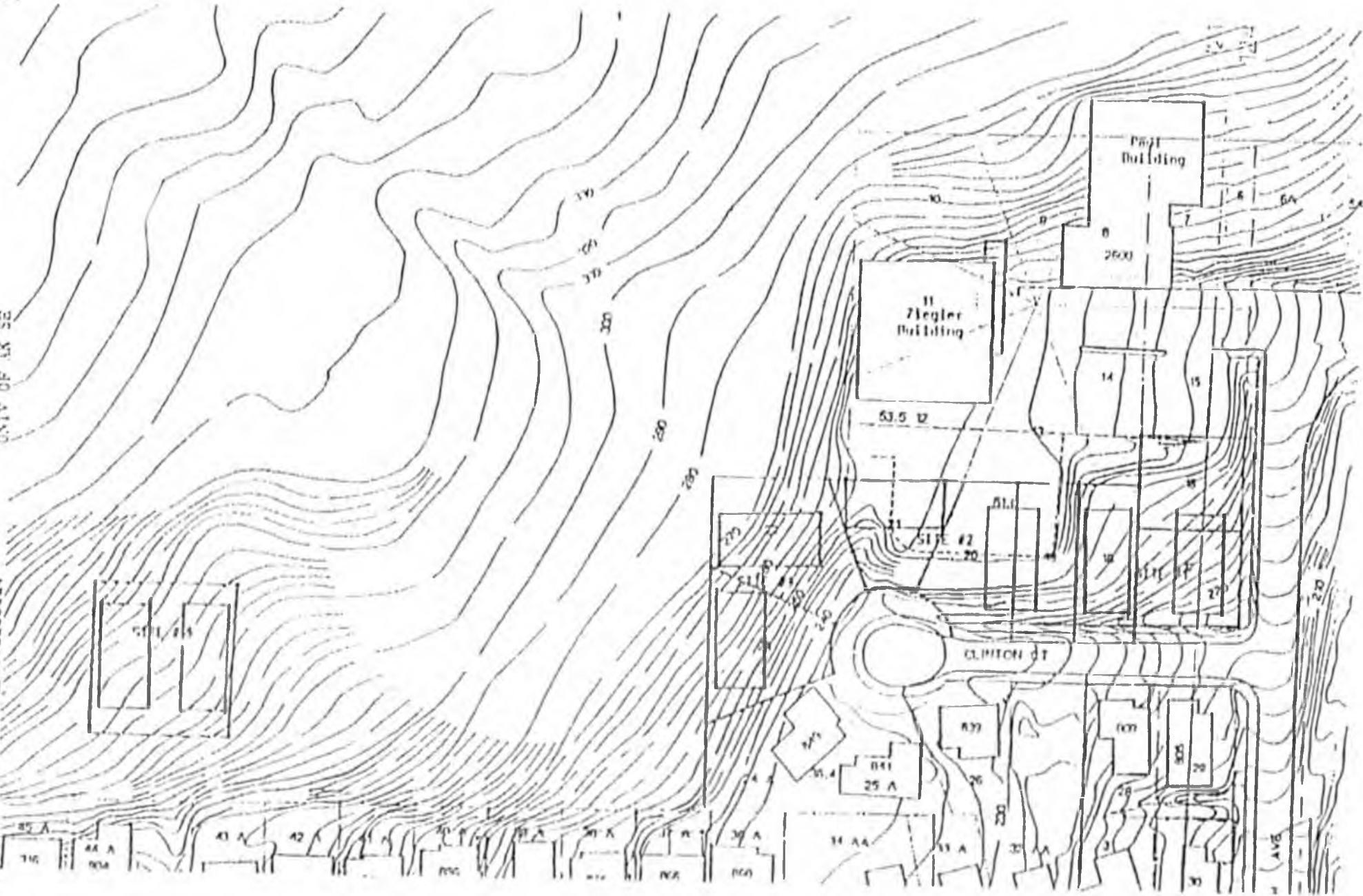
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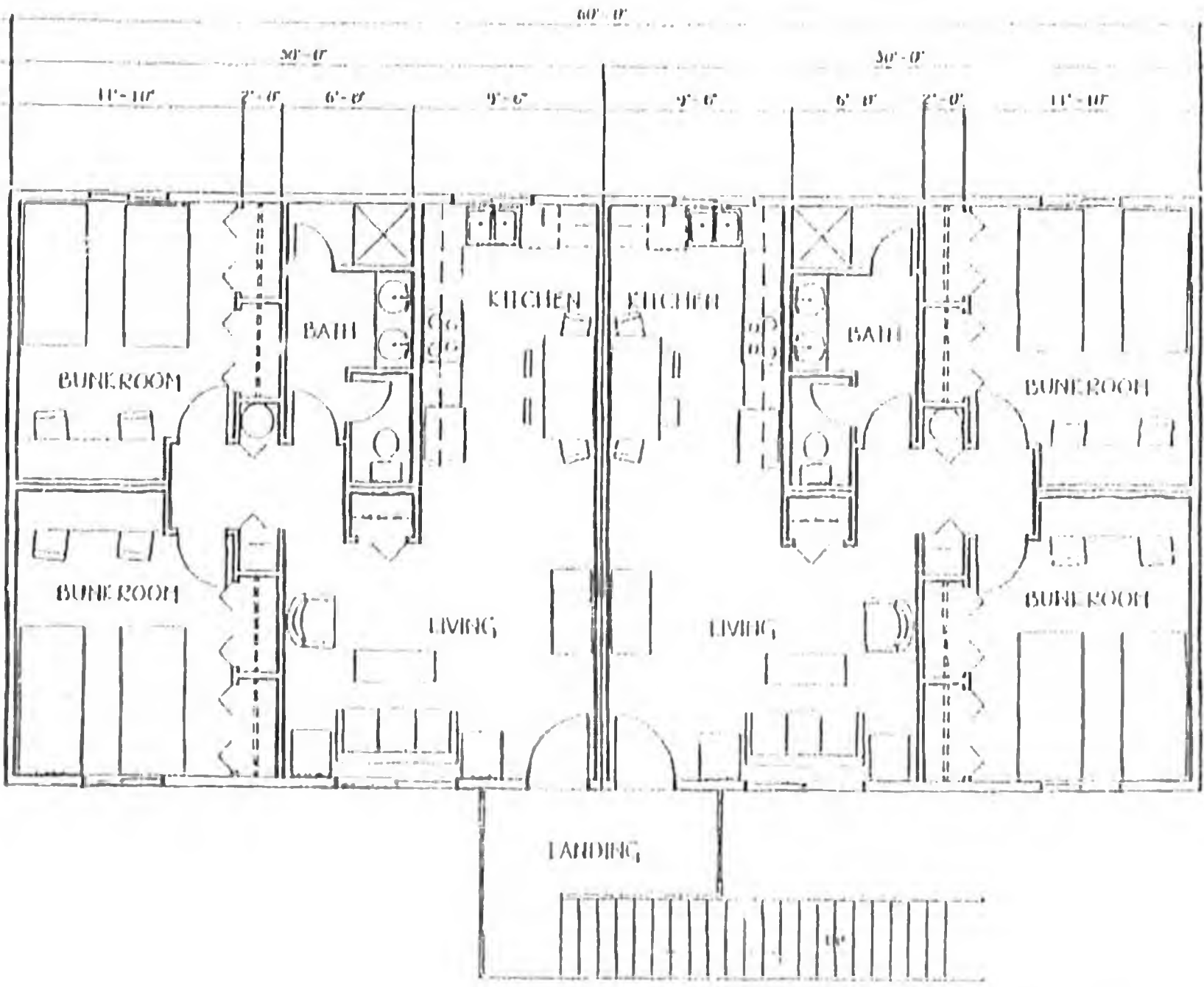
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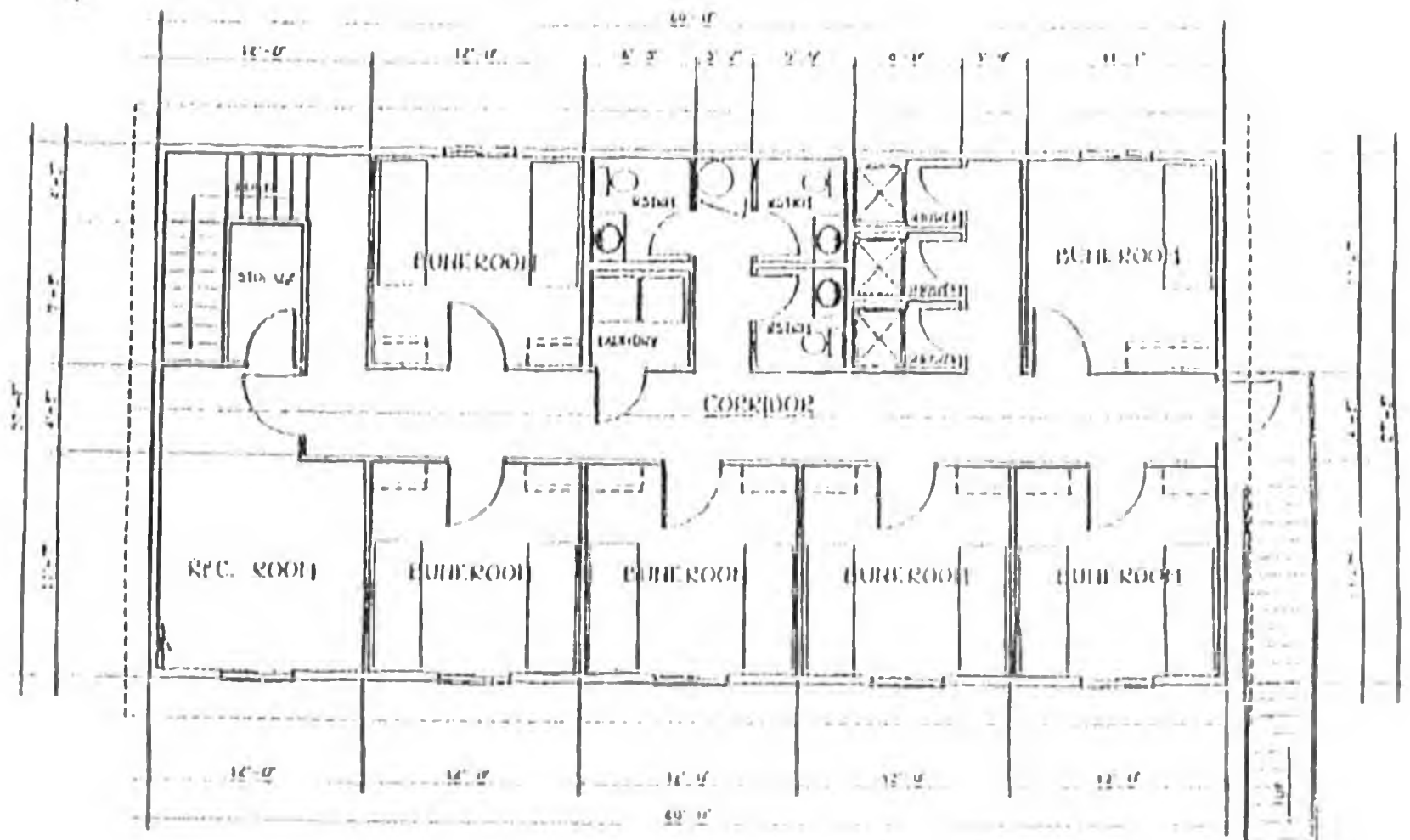




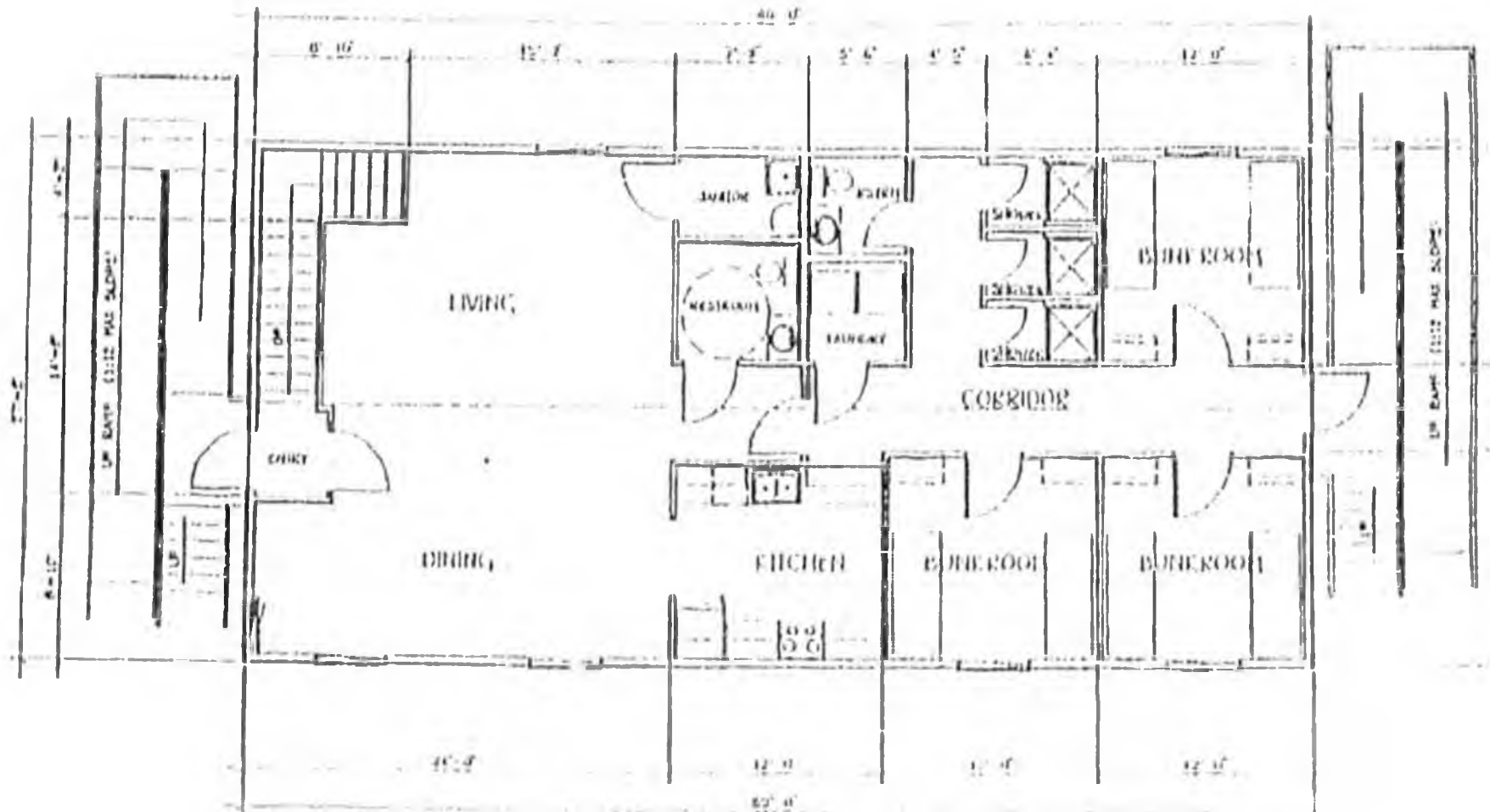
**PROPOSED FLOOR PLAN**  
 28' x 60' TWO STORY APARTMENT BUILDING

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2009



SECOND FLOOR PLAN  
1/8" = 1'-0"



**FIRST FLOOR PLAN**  
 1/4" = 1'-0" SCALE

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 25012552821  
 UNIT 2F W 52

## Affordability Index

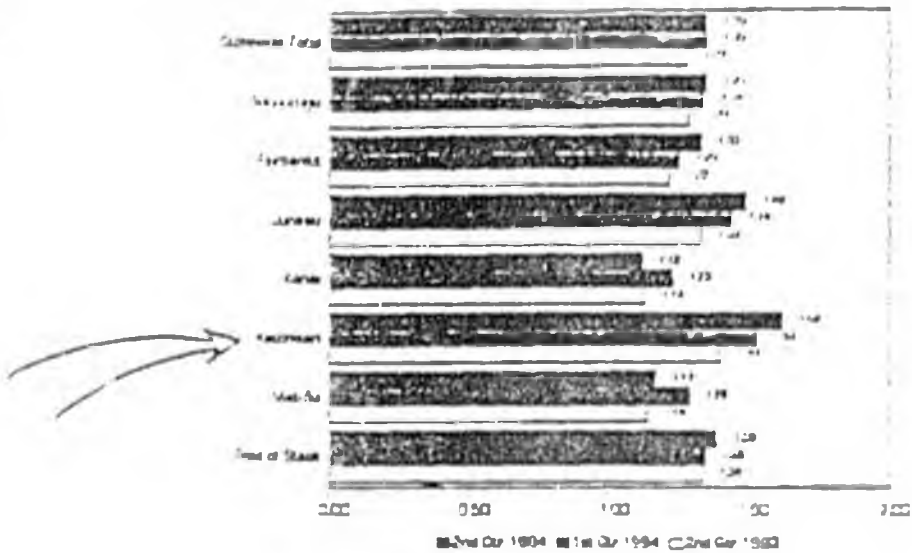
### Single-Family Residences, Private and Public Agency Lenders

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-4

Note: Index is the number of buyers required to qualify for an \$50,000 mortgage. The 1st Quarter 1994's index is 100.

Source: Alaska Department of Labor Research and Analysis Section



## Average Sales Price

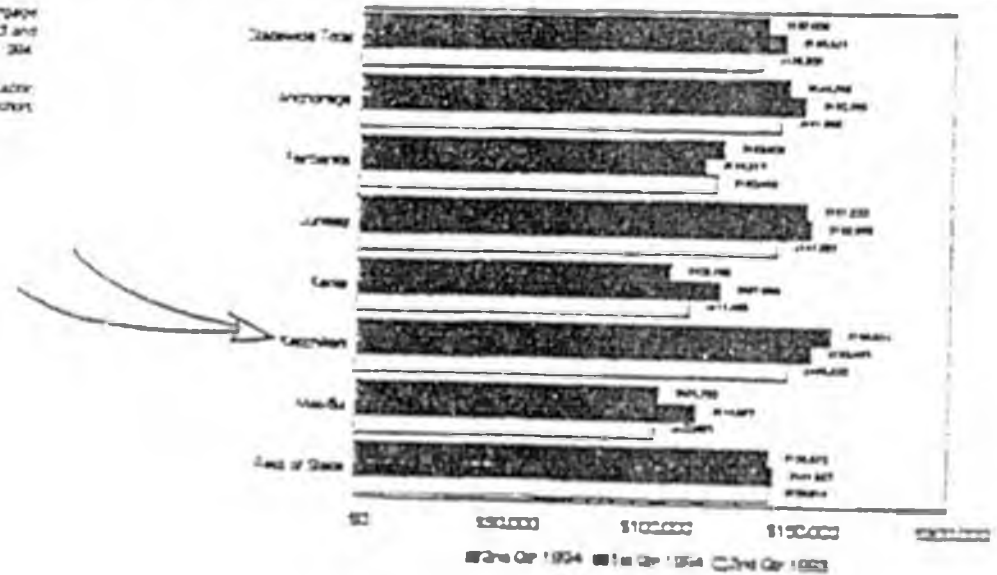
### Single-Family Homes

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-1

Note: Based on survey of 13 mortgage lenders in 1992 and 14 in 1993 and 2004.

Source: Alaska Department of Labor Research and Analysis Section





Southeast Island School District

**THORNE BAY SCHOOL**P.O. Box 5, 1010 Sandy Beach Road Thorne Bay, Alaska 99919  
(907) 828-3921

March 7, 1995

Karen Jones, Counselor  
University of Alaska SE Ketchikan

Dear Ms. Jones:

This is to support the University of Alaska SE Ketchikan in your bid to acquire housing for your out of city students.

Although our annual graduating classes are small, almost every year we have one or more students who would attend at least their first year of college in Ketchikan if reasonably priced student housing was available. As you are likely aware, the cost of living in Ketchikan is one of the highest in the country, a factor that would impact college students less if on-campus housing was provided.

Each year more than half of our graduates pack up and fly off to college, leaving a portion of our graduates who are still in need of additional post-secondary training. Many of these graduates either cannot afford the high cost of education at a major institution or are otherwise tied more closely to their homes than their classmates. Providing on-campus housing in Ketchikan would offer these students a reasonable means of seeking training beyond high school closer to home.

I support the efforts of the University of Alaska SE Ketchikan to acquire housing for your out of city students.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael G. Walker".

Michael G. Walker  
Principal