

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9058 SENATE STATE AFFAIRS

**COMMITTEE SUBSTITUTE FOR SB 280
SECTIONAL ANALYSIS**

Section 1: Legislative finding and purpose

Section 2: Requires the Department of Community and Regional Affairs to submit second-class borough incorporation proposals for all parts of the unorganized borough to the Local Boundary Commission. These proposals are to be based on the 1995 report entitled "Model Borough Boundaries:"

Directs the state assessor to estimate the full and true value of taxable property in the unorganized borough by January 1, 1997. The borough incorporation proposals are to be submitted according to the following schedule.

- by July 1, 1997: model boroughs with an FY 97 estimated full property value of \$550,000,000 or more
- by July 1, 1998: model boroughs with an FY 97 estimated full property value of \$350,000,000 or more
- by July 1, 1999: model boroughs with an FY 97 estimated full property value of \$75,000,000 or more
- by July 1, 2000: model boroughs with an FY 97 estimated full property value of less than \$75,000,000 or more

Requires the commission to make a determination on each borough proposal within 6 months of its receipt. Directs the commission, after accepting each proposal to notify the director of elections of its acceptance.

Section 3: Directs the Division of Elections, after receiving notice from the Local Boundary Commission of its acceptance of an incorporation proposal, to order an election in the proposed borough for initial borough officials. Requires that each nonareawide power included in the incorporation proposal be placed separately on the ballot.

Section 4: States that each borough is incorporated as a second-class borough on the first Monday following certification of the election and that AS 29.05.130-29.05.150 (Integration of special districts and service areas; Transition; and Challenge of legality) and AS 29.05.190-29.05.210 (Organization grants to boroughs; Organization grant fund; and Transitional assistance to boroughs) apply to the boroughs formed by the legislation.

CSSB280(CRA)
Summary

- Directs the Department of Community and Regional Affairs to prepare second-class borough incorporation proposals for each of the model boroughs identified in the LBC "Model Borough Boundaries" Report.
- Directs the State Assessor to estimate the full and true value of taxable property in each of the model boroughs identified in the report
- Directs the Department of Community & Regional Affairs to submit the above borough proposals to the Local Boundary Commission for approval based on the following schedule

July 1, 1997: Model boroughs with an estimated taxable property value of at least \$550 million.

July 1, 1998. Model boroughs with an estimated taxable property value of at least \$350 million but less than \$550 million

July 1, 1999: Model boroughs with an estimated taxable property value of at least \$75 million, but less than \$350 million

July 1, 2000: Model boroughs with an estimated taxable property value of less than \$75 million.

These values are used only for setting the order that incorporation proposals are to be submitted to the LBC.

- The Local Boundary Commission must approve the incorporation proposals or request appropriate revisions to make them acceptable within 6 months of receiving them.
- Within 30 days after approval of an incorporation proposal by the Local Boundary Commission, the Division of Elections must be notified. The Division shall then order an election to be held in the proposed borough within 90 days.
- This is an election for the initial borough officials. Also each nonareawide power included in the proposal shall be placed separately on the ballot. Adoption of a nonareawide power requires a majority vote of the residents of the borough who live outside cities in the borough

SENATE BILL 280 FACT SHEET

The Local Boundary Commission report entitled "Model Borough Boundaries" creates 19 new boroughs, expands 5 existing boroughs and leaves 11 boroughs unaltered. Senate Bill 280 directs the Department of Community and Regional Affairs and the Local Boundary Commission to follow this report in creating boroughs in the unorganized part of the state, while allowing the commission modify the borders to account for recent developments.

Organized Boroughs and Unified Municipalities Unaltered by Report

Aleutians East Borough	Kodiak Island Borough	North Slope Borough
Municipality of Anchorage	Lake & Peninsula Borough	Northwest Arctic Borough
Kenai Peninsula Borough	Matanuska-Susitna Borough	City & Borough of Sitka
		City & Borough of Yakutat

Organized Boroughs Expanded by the Report

Denali Borough	Haines Borough	Ketchikan Gateway Borough
Fairbanks North Star	City & Borough of Juneau	

Organized Boroughs Created by the Report

Aleutian-Military \Combine	Glacier Bay	Prince William Sound
Aleutians-West /	Iditarod Region	Pribilof Islands
Annette Island Reserve	Kuspuk	Southwest Region
Bering Straits	Lower Kuskokwim	Upper Tanana Basin
Chatham	Lower Yukon	Wrangell/Petersburg
Copper River Basin	Prince of Wales Island	Yukon Flats
		Yukon-Koyukuk

Schedule of Incorporation

- By July 1, 1997, those model boroughs with an FY 94 estimated full property value of \$550,000,000 or more.
- By July 1, 1998, those model boroughs with an FY 94 estimated full property value of \$350,000,000 or more
- By July 1, 1999, those model boroughs with an FY 94 estimated full property value of \$75,000,000 or more
- By July 1, 2000, those model boroughs with an FY 94 estimated full property value of under \$75,000,000.

Add intent language for LBC to present annexation proposals for the existing boroughs to conform to model boundaries.

BOROUGH	FY 94 FULL VALUE	POPULATION	PER CAPITA VALUE	YEAR FORM
Prince William Sound	1,272,675,200	7,613	167,171	1997
Copper River Basin	668,865,000	2,935	227,893	1997
Upper Tanana	554,095,700	5,160	107,383	1997
Yukon Koyukuk	522,226,500	3,318	157,392	1998
Yukon Flats	435,075,000	1,485	292,980	1998
Aleutians West/Military	361,910,300	4,505	80,335	1998
Wrangell-Petersburg	350,186,100	6,352	55,130	1998
Lower Kuskokwim	339,446,800	13,009	26,093	1999
Bering Straits	235,140,200	8,763	26,833	1999
Prince of Wales	138,869,900	5,290	26,251	1999
Dillingham-Nushagak	171,120,300	4,356	39,284	1999
Lower Yukon	94,081,000	6,491	14,494	1999
Pribilof Islands	59,525,400	793	75,064	2000
Glacier Bay	56,598,300	2,059	27,488	2000
Chatham Region	34,490,300	1,594	21,638	2000
Kuspuk	31,950,000	1,575	20,286	2000
Iditarod	30,600,000	1,545	19,806	2000

Summary of CSSB280 Fiscal Notes Submitted

Department	Division	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
(Thousands of Dollars)							
Zero Impact							
Administration		0.0	0.0	0.0	0.0	0.0	0.0
Commerce & Economic Dev.		0.0	0.0	0.0	0.0	0.0	0.0
Corrections		0.0	0.0	0.0	0.0	0.0	0.0
Health & Social Services		0.0	0.0	0.0	0.0	0.0	0.0
Labor		0.0	0.0	0.0	0.0	0.0	0.0
Public Safety	DPS Statewide Support	0.0	0.0	0.0	0.0	0.0	0.0
Revenue		0.0	0.0	0.0	0.0	0.0	0.0
Transportation & Public Fac.	Engineering Operations	0.0	0.0	0.0	0.0	0.0	0.0

Fiscal Impact

Community & Reg'l Affairs	\ Organizational Grants	0.0	0.0	900.0	1,800.0	2,600.0	3,200.0
	State Assessor	63.5	70.7	79.2	79.5	77.4	78.4
	/ Local Boundary Comm.	15.6	31.2	31.2	41.6	0.0	0.0
Education	K-12	0.0	0.0	0.0	0.0	2,530.7	41.2
Elections	Elective Operations	25.4	25.2	64.5	19.8	0.0	0.0
Law	Civil Division	0.0	177.5	171.0	171.0	171.0	0.0
Natural Resources	Resource Development	0.0	0.0	127.0	127.0	247.0	247.0

TOTAL FISCAL NOTES RECEIVED	104.5	304.6	1,372.9	2,238.9	5,626.1	3,566.6
Cumulative	104.5	409.1	1,782.0	4,020.9	9,647.0	13,213.6

DCRA

Organizational Grants: Each new borough receives \$500,000 in transitional grants over a 3-year period.

Year 1=\$300,000; Year 2= \$200,000; Year 3=\$100,000

State Assessor: Additional assessor needed to provide realistic full value determinations of the new boroughs

Local Boundary Commission: Cost of preparing incorporation and annexation petitions
(23 petitions at \$5,200 each)

Education: Cost of the phase in provisions for payment of the local contribution for foundation funding.
This phase in is subsidized by state general funds

Elections: Cost of conducting elections for initial borough officials

Law: Cost of litigation of anticipated lawsuits brought by opponents of this bill

Natural Resources: Cost of conveying state land to new boroughs. Borough has 1 year to select land and state must convey it within 9 months of selection.

CONSOLIDATION OF SCHOOL DISTRICTS UNDER CSSB 280(CRA)

Borough Name	REAA/School District	Notes	Borough Name	REAA/School District	Notes
Unchanged Boroughs			Expanded Boroughs		
Aleutians East	Aleutians East		Fairbanks	Fairbanks	
Anchorage	Anchorage		Juneau	Juneau	
Bristol Bay	Bristol Bay		Ketchikan	Ketchikan	
Kenai Peninsula	Kenai				
Kodiak	Kodiak		Haines	Haines	\ Consolidate 2
Lake & Peninsula	Lake & Pen		Skagway	Skagway	/ districts into 1
Mat-Su	Mat-Su				
North Slope	North Slope		Denali	Denali	\ Consolidate 2
Northwest Arctic	Northwest Arctic		Nenana	Nenana	/ districts into 1
Sitka	Sitka				
Yakutat	Yakutat				

New Boroughs

Prince William	Chugach	\ Consolidate 3	Prince of Wales	Craig	\
	Cordova	districts into 1		Hydaburg	Consolidate 4
	Valdez	/		Klawock	districts into 1
				SE Island	/
Copper River	Copper River		Dillingham	Dillingham	\ Consolidate 2
Upper Tanana	Alaska Gateway	\ Consolidate 2	SW Region	SW Region	/ districts into 1
	Delta/Greely	/ districts into 1			
Yukon Koyukuk	Tanana	\ Consolidate 3	Lower Yukon	Kashunamiut	\ Consolidate 3
	Galena	districts into 1		Lower Yukon	districts into 1
	Yukon/Koyukuk	/		St. Mary's	/
Yukon Flats	Yukon Flats		Pribilof	Pribilof	
Aleutian West	Adak	\ Consolidate 3	Glacier Bay	Hoonah	\ Consolidate 2
	Aleutian Region 1	districts into 1		Pelican	/ districts into 1
	Unalaska	/	Chatham	Chatham	\ Consolidate 2
Wrangell/Petersburg	Petersburg	\ Consolidate 2	Kako	Kako	/ districts into 1
	Wrangell	/ districts into 1	Kuspuk	Kuspuk	
Lower Kuskokwim	Lower Kuskokwim	\ Consolidate 2	Iditarod	Iditarod	
	Yupit	/ districts into 1	Annette	Annette	
Bering Strait	Bering Strait	\ Consolidate 2			
	Nome	/ districts into 1			

Total of 20 Schools could be consolidated, changing the total number of school districts from 54 to 34

Consolidation of School Districts

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Unchanged Boroughs			Expanded Boroughs		
Aleutians East	Aleutians East		Fairbanks	Fairbanks	
Anchorage	Anchorage		Juneau	Juneau	
Bristol Bay	Bristol Bay		Ketchikan	Ketchikan	
Kenai Peninsula	Kenai				
Kodiak	Kodiak		Haines	Haines	\ Consolidate 2
Lake & Peninsula	Lake & Pen			Skagway	/ districts into 1
Mat-Su	Mat-Su				
North Slope	North Slope		Denali	Denali	\ Consolidate 2
Northwest Arctic	Northwest Arctic		Denali	Nenana	/ districts into 1
Sitka	Sitka				
Yakutat	Yakutat				
New Boroughs					
Prince William	Chugach	\ Consolidate 3	Prince of Wales	Craig	\
	Cordova	districts into 1		Hydaburg	Consolidate 4
	Valdez	/		Klawock	districts into 1
			SE Island	/	
Copper River	Copper River				
			Dillingham	Dillingham	\ Consolidate 2
Upper Tanana	Alaska Gateway	\ Consolidate 2		SW Region	/ districts into 1
	Delta/Greely	/ districts into 1			
			Lower Yukon	Kashunamiut	\ Consolidate 3
Yukon Koyukuk	Tanana	\ Consolidate 3		Lower Yukon	districts into 1
	Galena	districts into 1		St. Mary's	/
	Yukon/Koyukuk	/			
			Pribilof	Pribilof	
Yukon Flats	Yukon Flats				
			Glacier Bay	Hoonah	\ Consolidate 2
Aleutian West	Adak	\ Consolidate 3	Glacier Bay	Pelican	/ districts into 1
	Aleutian Region 1	districts into 1			
	Unalaska	/	Chatham	Chatham	\ Consolidate 2
				Kake	/ districts into 1
Wrangell/Petersburg	Petersburg	\ Consolidate 2			
	Wrangell	/ districts into 1	Kuspuk	Kuspuk	
Lower Kuskokwim	Lower Kuskokwim	\ Consolidate 2	Iditarro 1	Iditarro	
	Yupit	/ districts into 1			
			Annette	Annette	
Bering Strait	Bering Strait	\ Consolidate 2			
Bering Strait	Nome	/ districts into 1			
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MODEL BOROUGH BOUNDARIES

PURPOSE OF THE MODEL BOROUGH BOUNDARY STUDY

Article X, Section 3 of Alaska's constitution requires the entire state to be divided into boroughs, organized or unorganized. It further provides that each borough must embrace an area and population with common interests to the maximum degree possible.

To carry out the constitutional mandate that the state be divided into boroughs, the 1961 legislature passed a law providing that all areas not within the boundaries of an organized borough constitute a single unorganized borough.¹ At the time the law was passed, no organized borough existed. Thus, all of Alaska was originally within the unorganized borough. The establishment of a single residual unorganized borough was seemingly done to preserve maximum flexibility in the setting of boundaries for organized boroughs.

From its beginning, the unorganized borough has always embraced an area and population with greatly diverse interests. Some take the position that the constitutional mandate that each borough embrace an area and population with maximum common interests was never intended to apply to unorganized

boroughs. However, others take the opposite view.²

In the late 1980's four boroughs attempted to annex portions of the unorganized borough. Several factors precipitated those actions. Among them were declining State aid to local governments and local concerns over the allocation and development of resources.

The unorganized borough's lack of maximum common interests among its parts also contributed to the borough annexation frenzy. In some instances, the annexation petitions precipitated the filing of competing proposals to incorporate new organized boroughs.

In October of 1988, the Kodiak Island Borough petitioned to annex an estimated 12,825 square miles. That prompted residents of the Alaska Peninsula to petition for the incorporation of the Lake and Peninsula Borough. The proposed Lake and Peninsula Borough contained an estimated 16,675 square miles, including much of the territory proposed for annexation to the Kodiak Island Borough.

In May of 1989, the Fairbanks North Star Borough petitioned to annex 216 square miles. The area in question contained substantial taxable property,

¹ That law is currently codified as AS 29.03.010.

² The appendix lists the basis for some of the opposing views.

were pending. The effort to determine specific boundaries began in earnest in 1990 and was completed by the end of 1992. Specific funding for the project had been appropriated by the Alaska legislature.

Because borough formation and annexation proposals are often very emotional issues in Alaska, the Commission's reason for pursuing the model borough boundary project was occasionally misunderstood. The purpose of the study was not to force the incorporation of new boroughs or to promote annexation to existing boroughs. Instead, the study was intended to enable the Commission and DCRA to be better prepared for future borough petitions through the information and public comment obtained in the study process. The study also encouraged communities in the unorganized borough to consider where future boundaries should be drawn, as well as give guidance to petitioners on the factors which go into borough incorporation decisions.

The Commission adopted two provisions in its regulations relating to model borough boundaries. Both provisions were adopted prior to the completion of the model borough boundaries project.



The first provision relates to the incorporation of new boroughs. 19 AAC

010.060(b) provides that, "*Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond the model borough boundaries adopted by the commission.*" [effective 10/12/91, register 120]

The second provision relates to borough annexation proposals. 19 AAC 010.190(c) provides, "*Absent a specific and persuasive showing to the contrary, the commission, in its discretion, will not approve a proposed borough or unified municipality with boundaries extending beyond the model borough boundaries adopted by the commission and identified in the 1992 Interim Report on Model Borough Boundaries.*" [effective 7/31/92, register 123]

The provisions in the regulation make it clear that the model borough boundaries are not rigid or unchangeable. Petitioners for borough incorporation or alteration of existing borough boundaries can successfully propose different boundaries if they make a specific and persuasive showing to the Commission why other boundaries are more appropriate.

STUDY PROCEDURES

The Commission began its study of each area by sending out an eight-page tabloid which explained the study and set out the questions the Commission expected to consider in its decision-making process. Each tabloid included a map on which recipients were requested to draw suggested boundaries. DCRA prepared and widely distributed a report of its

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

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In the late 1980's four boroughs attempted to annex portions of the unorganized borough. Several factors precipitated those actions. Among them were declining State aid to local governments and local concerns over the allocation and development of resources.

The unorganized borough's lack of maximum common interests among its parts also contributed to the borough annexation frenzy. In some instances, the annexation petitions precipitated the filing of competing proposals to incorporate new organized boroughs.

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comprised principally of pump station #7 of the trans-Alaska oil pipeline and some 16 miles of the pipeline. Residents of the adjacent area were hostile to the proposed annexation. While the annexation petition prompted the adjacent region to conduct a study of the feasibility of forming a borough, no competing petition was ever filed.

In June of 1989, the City and Borough of Juneau petitioned to annex 140 square miles. The area

in question contained the Greens Creek Mine. Again, while the annexation proposal was resolutely opposed by inhabitants of the adjacent region, no competing borough proposal was filed.

In June of 1989, the Matanuska-Susitna Borough petitioned to annex an estimated 9,814 square miles to and including Healy. In October of that year, residents of the Railbelt Regional Educational Attendance Area filed a competing petition for the formation of the Denali Borough. The boundaries of the proposed Denali Borough encompassed an estimated 9,406 square miles, including much of the territory proposed for annexation by the Matanuska-Susitna Borough. That same month, another group of residents filed an unprecedented third competing petition for incorporation of the Valleys Borough. The Valleys Borough proposal took in an estimated 14,900 square miles, including most of the proposed Denali Borough as well as the community of Nenana.

Amid the intensive activity, it was readily apparent that three groups had a significant stakes in any borough boundary decision. These were residents within the proposed boundaries, people of the adjacent areas and the state as a whole. Further, it was amply evident that proposals for the formation of new boroughs or the expansion of boundaries of existing boroughs are sensitive issues in Alaska. Lawsuits or long-standing boundary disputes tend to



erupt each time a borough incorporation or annexation proposal is advanced.

On the basis of such factors, the Commission concluded that, rather than examining borough boundaries only when petitions are lodged, it would invite public testimony from throughout the entire state and adopt 'model borough boundaries' throughout the unorganized borough. Such 'model' boundaries were to be used as a frame of reference in the evaluation of future petitions. They were to be considered when existing organized boroughs seek to annex unorganized borough territory or when unorganized borough residents petition for borough incorporation.

The Commission and its staff provided by the Department of Community and Regional Affairs (DCRA) began planning the model borough boundary study in mid-1989. They focused first on the areas of the state for which borough annexation or incorporation petitions

were pending. The effort to determine specific boundaries began in earnest in 1990 and was completed by the end of 1992. Specific funding for the project had been appropriated by the Alaska legislature.

Because borough formation and annexation proposals are often very emotional issues in Alaska, the Commission's reason for pursuing the model borough boundary project was occasionally misunderstood. The purpose of the study was not to force the incorporation of new boroughs or to promote annexation to existing boroughs. Instead, the study was intended to enable the Commission and DCRA to be better prepared for future borough petitions through the information and public comment obtained in the study process. The study also encouraged communities in the unorganized borough to consider where future boundaries should be drawn, as well as give guidance to petitioners on the factors which go into borough incorporation decisions.

The Commission adopted two provisions in its regulations relating to model borough boundaries. Both provisions were adopted prior to the completion of the model borough boundaries project.



The first provision relates to the incorporation of new boroughs. 19 AAC

010.060(b) provides that, "*Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond the model borough boundaries adopted by the commission.*" [effective 10/12/91, register 120]

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The provisions in the regulation make it clear that the model borough boundaries are not rigid or unchangeable. Petitioners for borough incorporation or alteration of existing borough boundaries can successfully propose different boundaries if they make a specific and persuasive showing to the Commission why other boundaries are more appropriate.

STUDY PROCEDURES

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findings and recommendations for the area, and then the Commission held hearings in as many communities as resources allowed. At the completion of the project, hearings had been conducted by the Commission in 88 communities (either in person or by teleconference).

The study prompted residents and organizations throughout the state to articulate where they believed future boundaries should be set. Municipal governments and other public and pri-

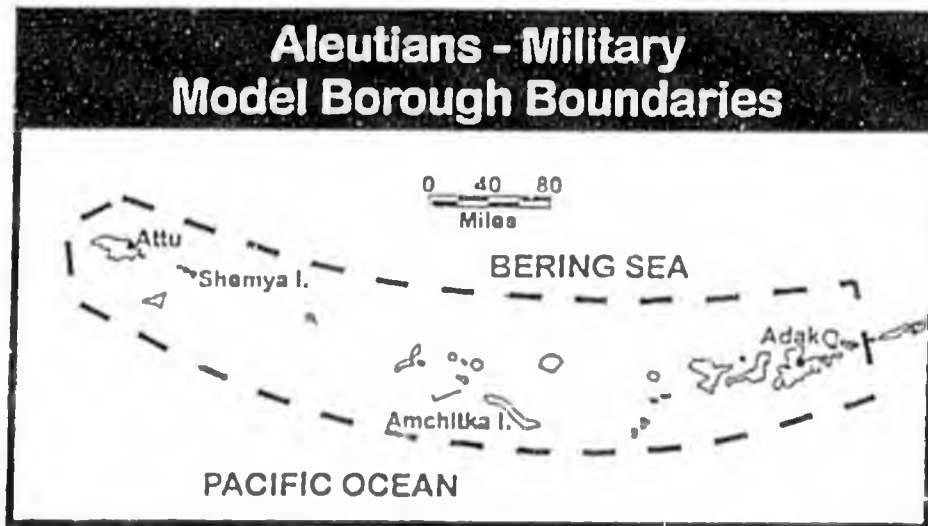
vate local and regional organizations helped execute the model boundaries project. Many hundreds of interested parties provided written comment or oral testimony.

Completion of the study renders the Commission and DCRA much better prepared to evaluate future petitions. A wealth of information and public comment was obtained in the study process.

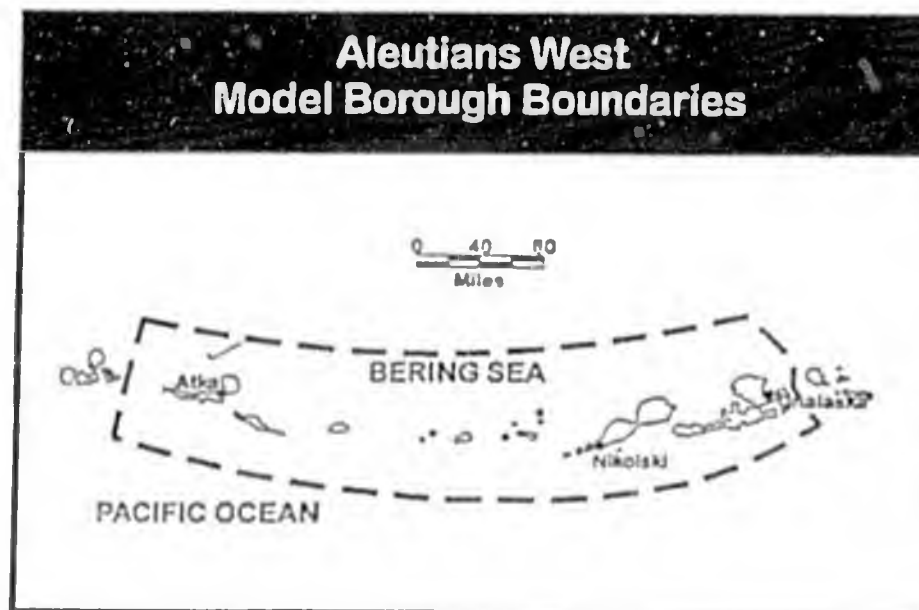
Maps and a brief discussion of model borough boundaries adopted by the Commission follow.

MODEL BOROUGH BOUNDARIES

Aleutians - Military Region. The Commission conducted a public hearing on model boundaries for this region by teleconference with Adak on October 21, 1992. On November 21, 1992, the Commission set model boundaries for the region extending from the mid-point of Fenimore Pass to the boundary of the State at the western end of the Aleutian Chain. The boundaries include the military settlements of Adak, Attu and Shemya. In 1990, the area had a population of 5,345.

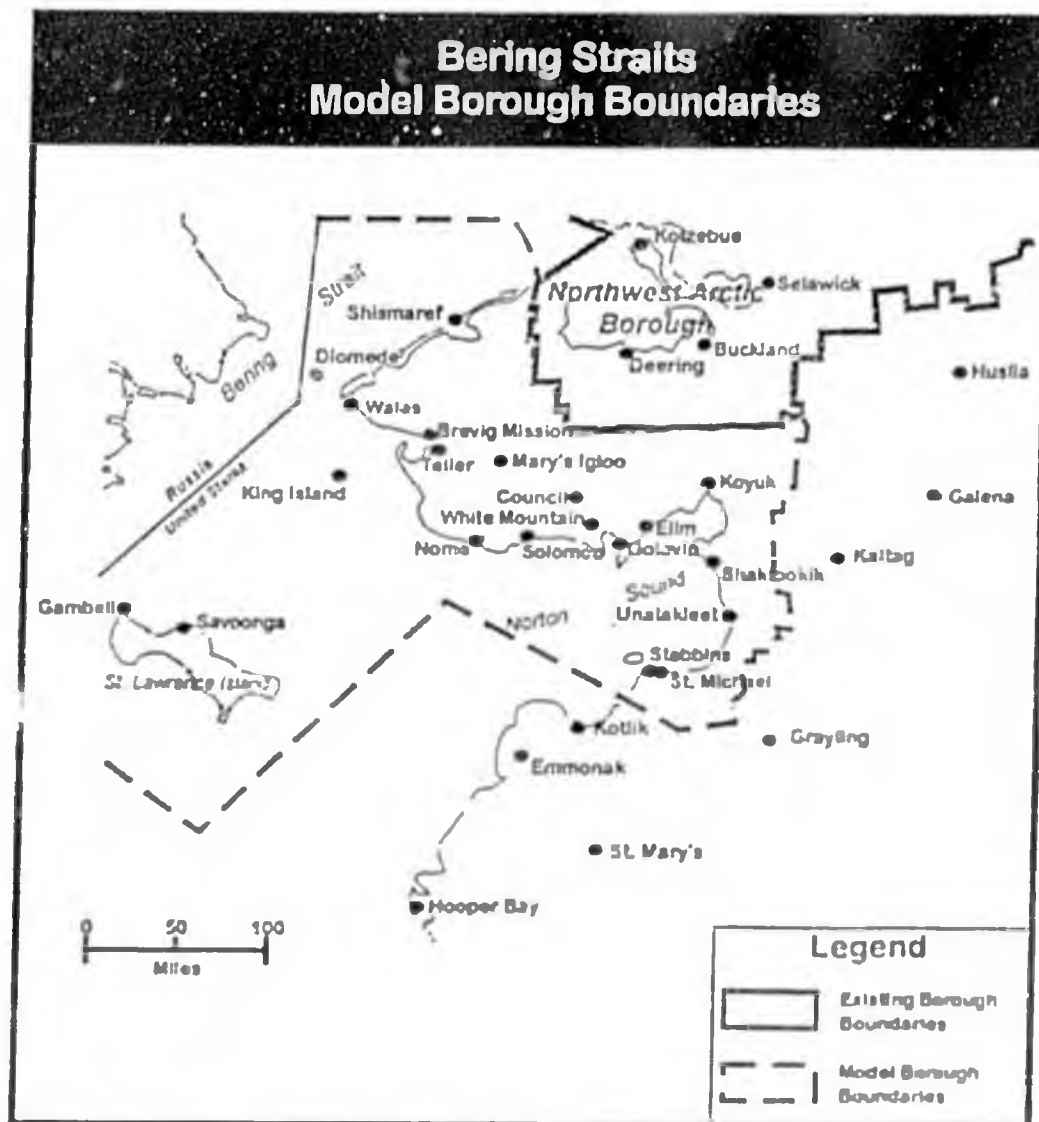


Aleutians West Region. The Commission received testimony on model boundaries in this region through public hearings with teleconference participation from Atka, Unalaska and Akutan on November 5, 1992. The Commission set model boundaries for the area on November 21, 1992. The boundaries extend from the western boundary of the Aleutians East Borough to the mid-point of Fenimore Pass, including Atka, Nikolski and Unalaska. In 1990, the area had a population of 3,232.



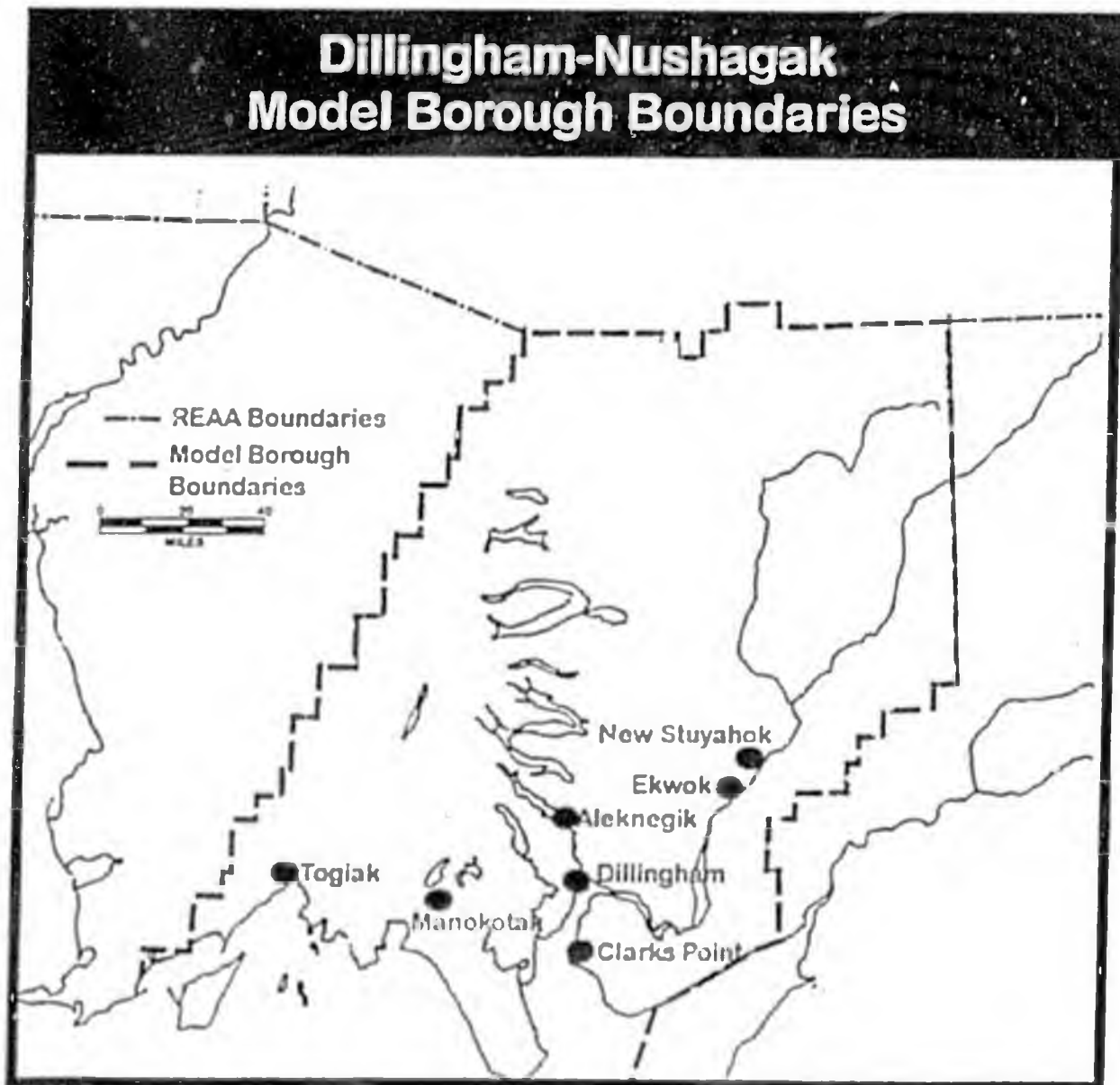
Bering Straits Region. The Commission held two hearings on model boundaries for this region in October 1991. The hearings took place in Nome and Unalakleet, with teleconference sites in Elim, Koyuk, Stebbins and Savoonga. Following the hearings, the Commission approved DCRA's recommendation and formally defined the model boundaries for this region to follow the boundaries of the Bering Straits Regional Educational Attendance Area (REAA). Those boundaries also match the boundaries of the Bering Straits Native Corporation, Bering Straits Coastal Resource Service Area, Nome Census District, Norton Sound Health Corporation and Bering Straits Economic Council.

The model boundaries for a Bering Straits Region borough include an estimated 23,013 square miles of land and 5,264 square miles of water. The area contains two school districts, the City of Nome School District and the Bering Straits REAA. The 1990 Federal Census indicates that the region had 8,288 residents.

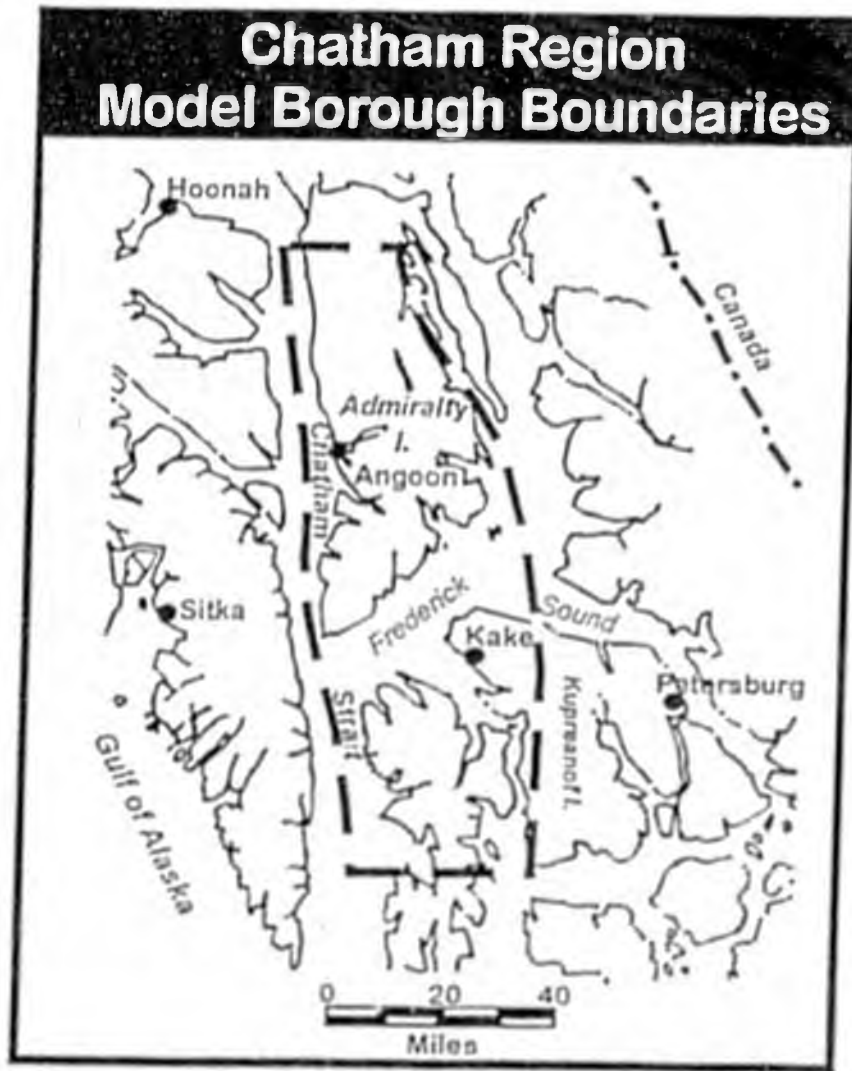


Bristol Bay Region. The Commission conducted public hearings on model borough boundaries for the region in Dillingham, Naknek and Togiak on November 23 & 24, 1992. Kokhanok, Pilot Point, Chignik, Levelock, Egegik, Newhalen, Nondalton and Chignik Lake participated in the November 24 Dillingham hearing by teleconference. Most of the comment and testimony at Naknek urged that Bristol Bay Borough boundaries be left unaltered. Testimony at Togiak suggested a local preference for a Northwest Bristol Bay unorganized borough. Testimony at Dillingham suggested that boundaries based upon existing Dillingham Census Area boundaries would be most appropriate.

On December 4, 1992, the Commission identified model boundaries encompassing the existing Dillingham Census Area. Dillingham, Aleknagik, Clark's Point, Ekuk, Ekwok, Koliganek, Manokotak, New Stuyahok, Portage Creek, Togiak and Twin Hills are included in the model boundaries.

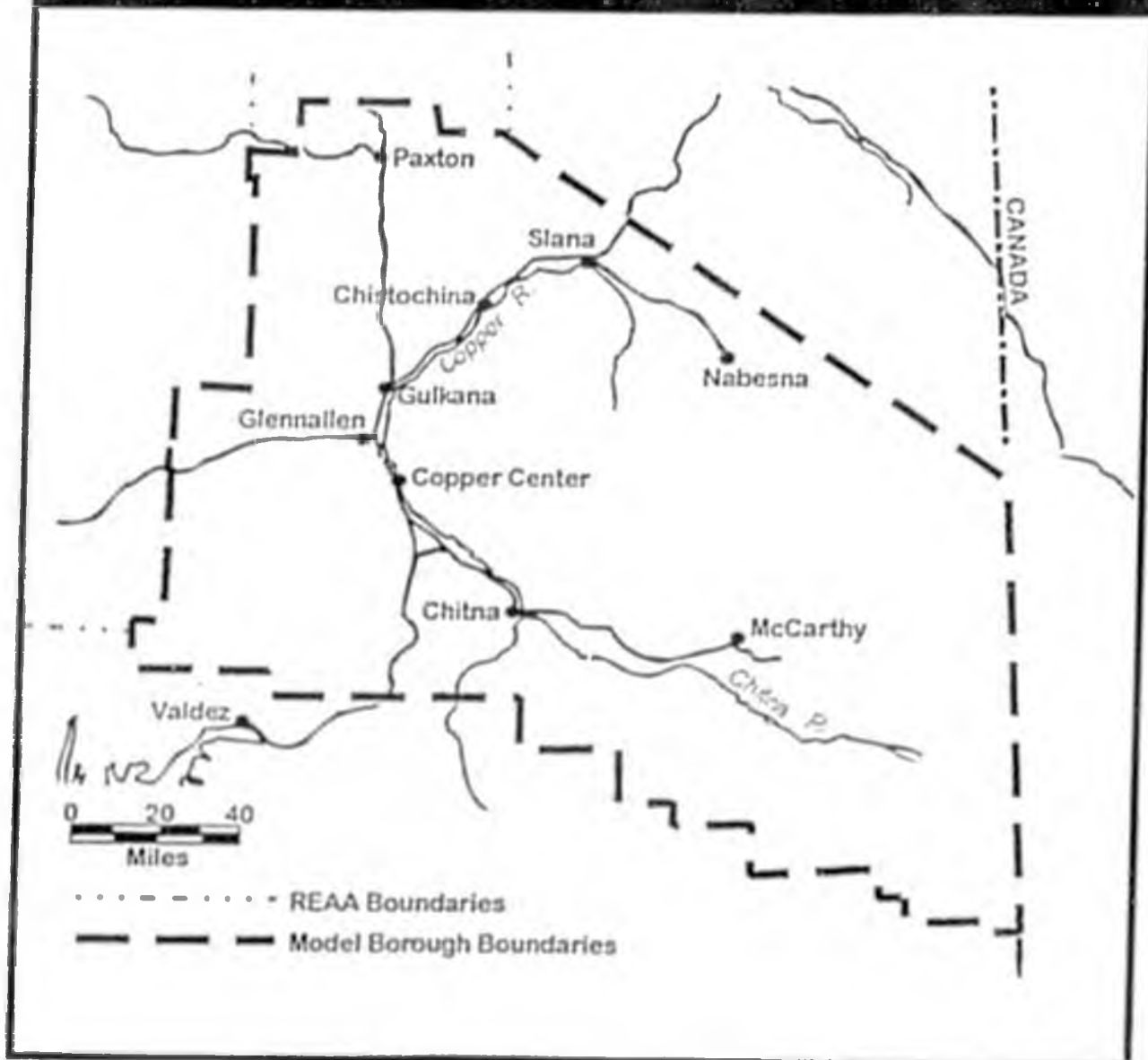


Chatham Region. In November 1990, the Commission conducted public hearings throughout the central portion of Southeast Alaska. Individuals in Gustavus, Haines, Skagway, Yakutat, Tenakee Springs, Pelican, Sitka, Elfin Cove, Port Alexander, Angoon, Hoonah, Kake and Cube Cove participated. On May 8, 1992, the Commission adopted model boundaries for the Chatham region encompassing Kake and Angoon. In 1990, the area had a population of 1,663.

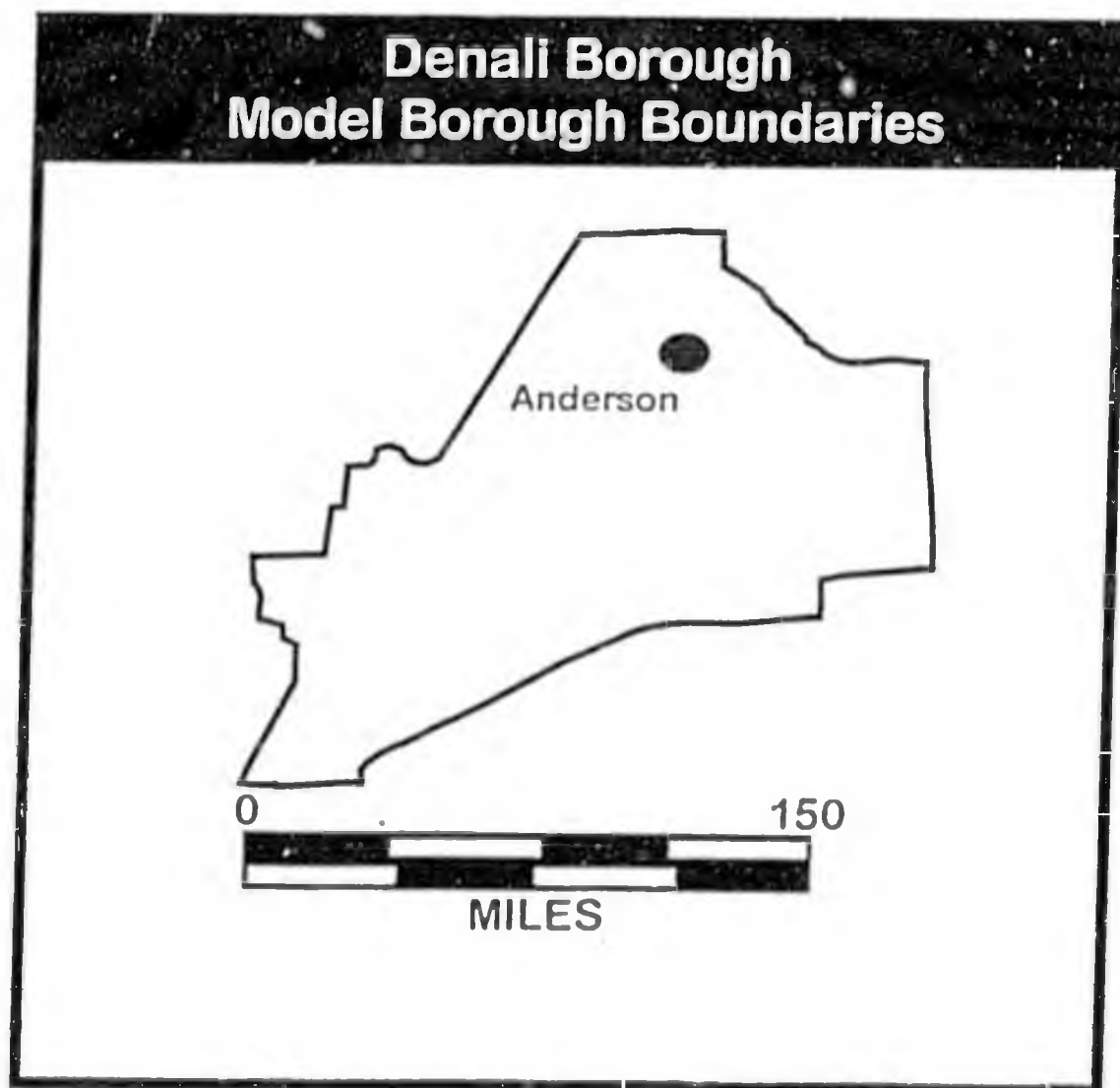


Copper River Basin Region. The Commission held a hearing on model boundaries in Glennallen on May 9, 1992. Additional information concerning the model boundaries for the Copper River Basin was provided to the Commission by residents of the region in June. On November 21, 1992, the Commission determined that the Copper Basin model borough boundaries should follow the boundaries of the Copper River REAA. Communities within the area include, Chistochina, Chitna, Copper Center, Gakona, Glennallen, Gulkana, Kenny Lake, McCarthy, Paxson, Slana, Tazlina and Tonsina. The area encompasses an estimated 20,649 square miles. In 1990, the area had a population of 2,638.

Copper River Basin Model Borough Boundaries

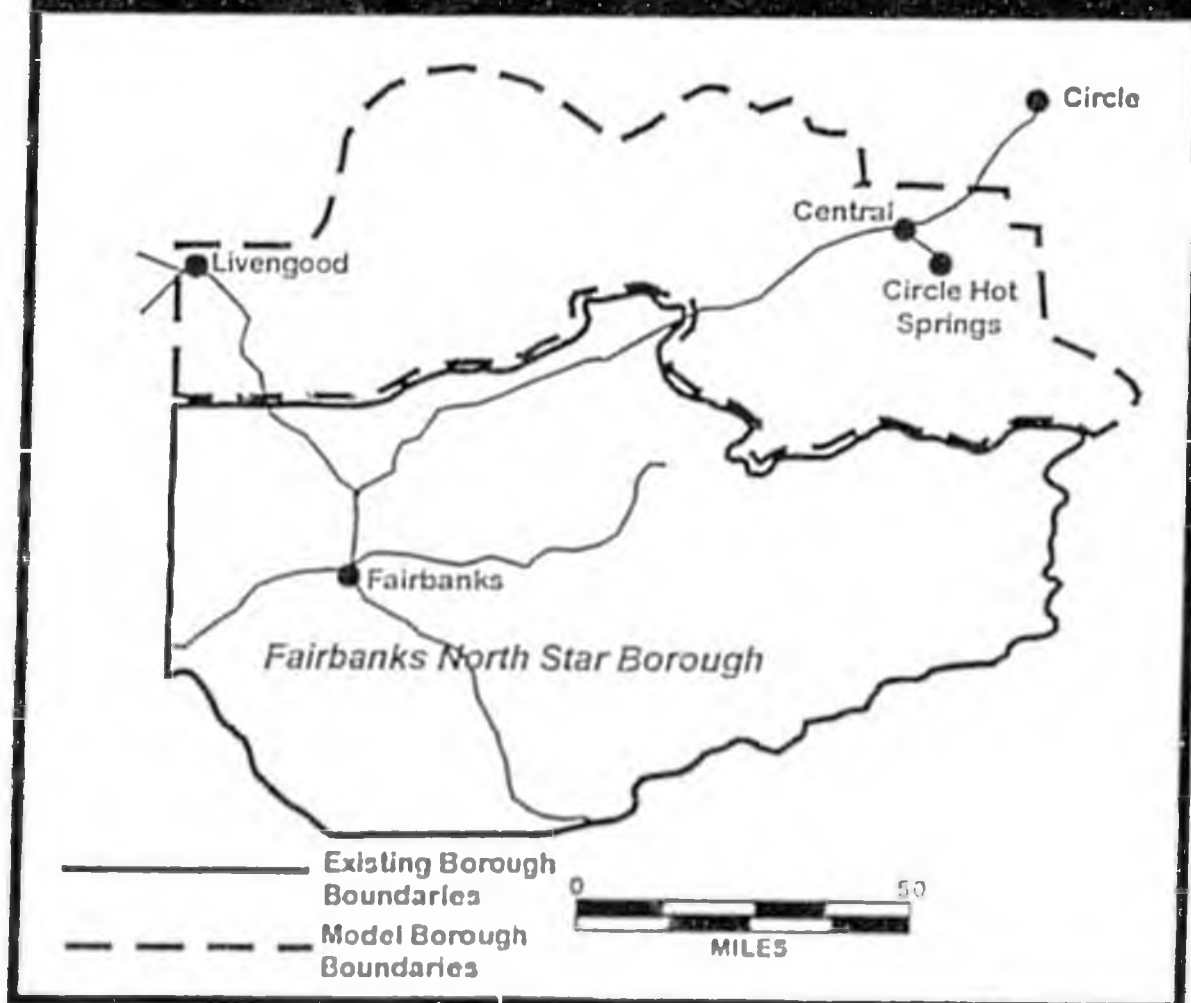


Denali Borough. The Commission conducted public hearings on model borough boundaries for the region in conjunction with hearings on the competing petitions for annexation of territory to the Matanuska-Susitna Borough, incorporation of the Denali Borough and incorporation of the Valleys Borough. Hearings were held in Palmer and Anderson on March 22, 1990. Three more hearings were held in McKinley Park, Fairbanks and Cantwell on March 23, 1990. Two additional hearings were held in Healy and Nenana on March 24, 1990. On April 21, 1990, the Commission held a decisional meeting on the boundaries and the petitions. The boundaries were defined to extend from the northern boundary of the Matanuska-Susitna Borough on the south and from the Delta-Greely Regional Educational Attendance area on the east. The area also takes in that portion of the Denali National Park and Preserve not located within the Matanuska-Susitna Borough. The boundaries border the Fairbanks North Star Borough on the northeast.

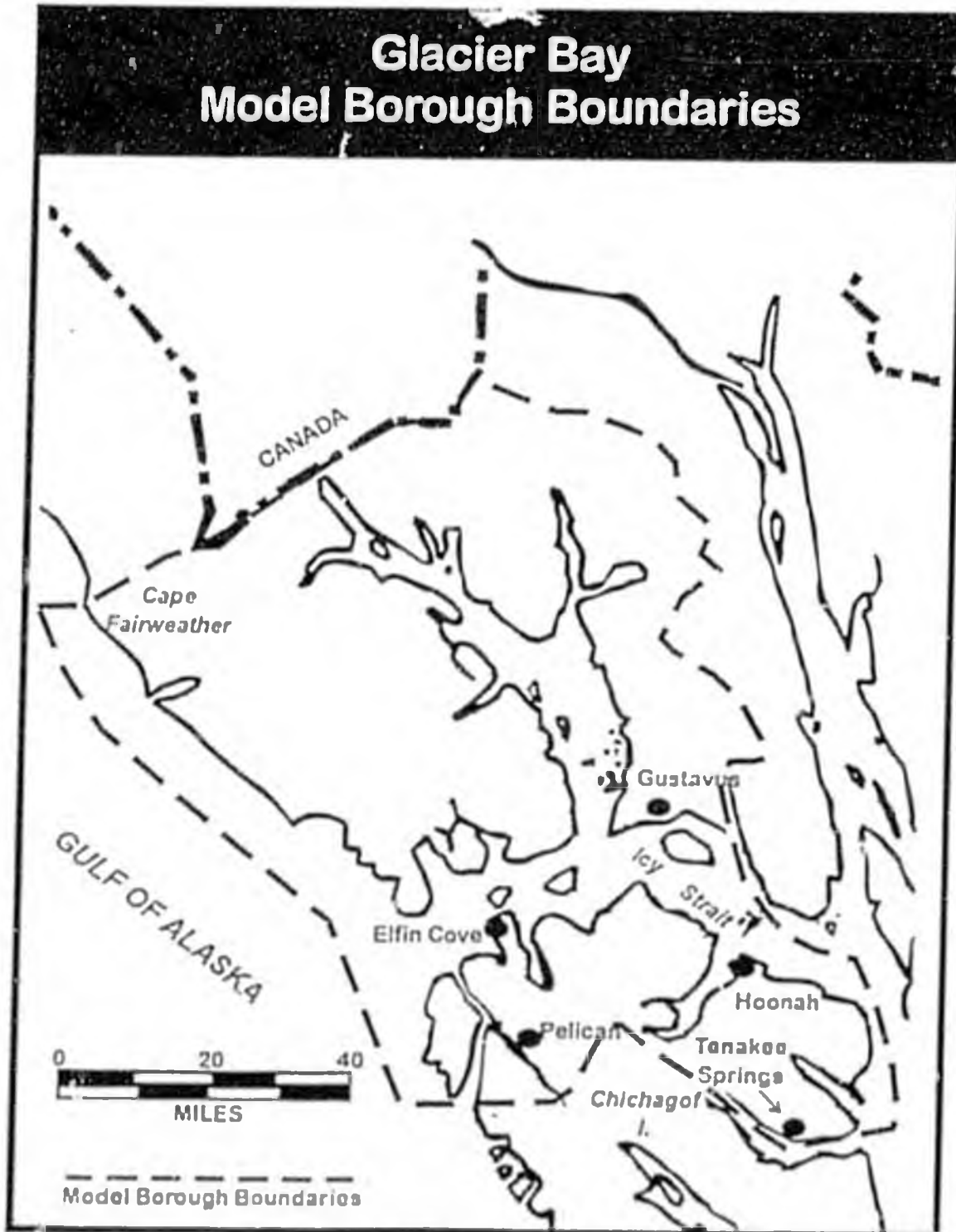


Fairbanks North Star Borough. The Commission conducted public hearings on model borough boundaries for the region in conjunction the petition for annexation of territory to the Fairbanks North Star Borough. Hearings were held in McGrath and Tanana, on May 18, 1990. Two additional hearings were held in Livengood and Fairbanks on May 19, 1990. Two more hearings were held in Fort Yukon and Central on May 20, 1990. On July 14, 1990, the Commission held a decisional meeting on the model boundaries and the petition. The model boundaries of the Fairbanks North Star Borough were defined to include the communities of Livengood, Central and Circle Hot Springs. The model boundaries also encompass the White Mountain National Recreation Area and the Steese National Conservation Area. The model boundaries of the Fairbanks North Star Borough encompass and estimated 4,918 square miles not presently within the corporate boundaries of the Borough.

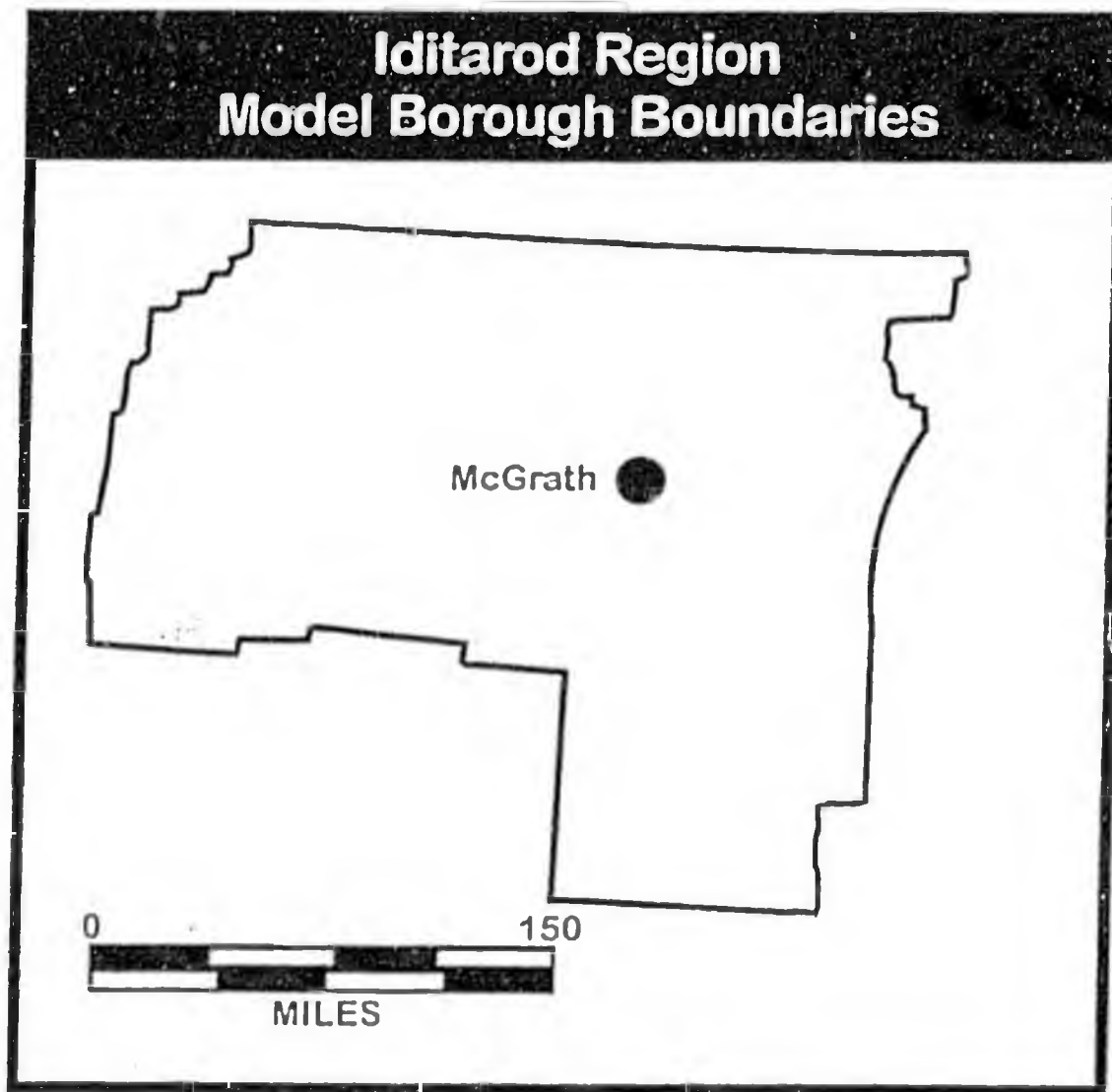
Fairbanks North Star Borough Model Borough Boundaries



Glacier Bay Region. The Commission conducted hearings on model boundaries for this region in Hoonah, Pelican and Gustavus in January 1992. On May 8, 1992,, the Commission defined model borough boundaries for the region extending from Cape Fairweather to Chatham Strait. These model boundaries encompass Glacier Bay and the communities of Elfin Cove, Pelican, Hoonah, Gustavus and Tenakee Springs. In 1990, the region had a population of 1,858.



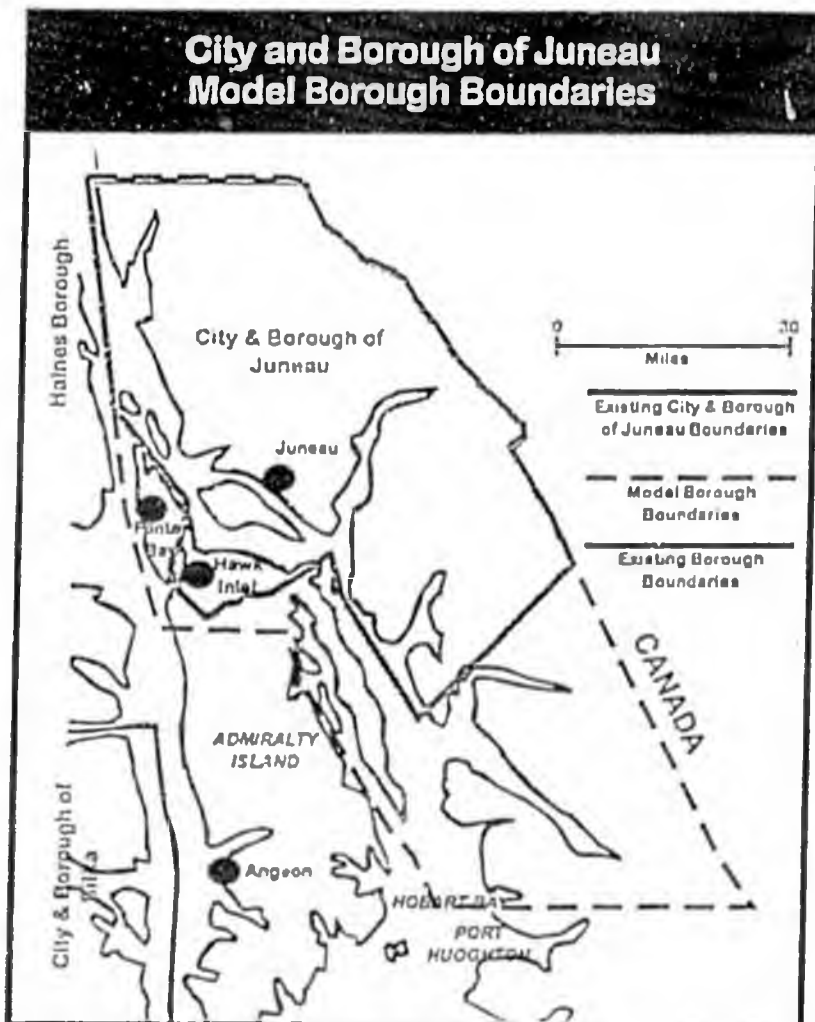
Iditarod Region. The Commission conducted a public hearing on model borough boundaries for the Iditarod region on May 8, 1990. The hearing was held in McGrath, with teleconference sites established in Nikolai and Shageluk. On November 10, 1990, the Commission defined the model borough boundaries for the region to follow the boundaries of the Iditarod Regional Educational Attendance Area, excluding the territory within the model boundaries of the proposed Denali Borough.



City and Borough of Juneau. The Commission conducted a hearing on the model boundaries for the City and Borough of Juneau in July, 1990, but delayed action on the boundaries pending testimony from residents of adjacent regions. In November of 1990, the Commission held model boundary hearings in Kake, Hoonah, Cube Cove, Angoon, Sitka, Elfin Cove, Port Alexander, Pelican, Tenakee Springs, Haines, Skagway, Yakutat and Gustavus (due to weather conditions, the hearings were conducted by teleconference.)

In November, 1991, the Commission defined the model boundaries for the City and Borough of Juneau to include the Mansfield Peninsula, Glass Peninsula, and Seymour Canal areas of Admiralty Island. The model boundaries extend south along Stephens Passage to Hobart Bay on the mainland. From there, the boundaries run due east to the Alaska/Canada border. The boundary continues northward along the Alaska/Canada border following the existing boundaries of the City and Borough of Juneau.

The model borough boundaries take in about 2,400 square miles of land and water outside of the current boundaries of the City and Borough of Juneau. The area defined by the model borough boundaries had a 1990 population of 26,938 residents, all but 187 of whom lived within the established corporate limits of the City and Borough of Juneau.

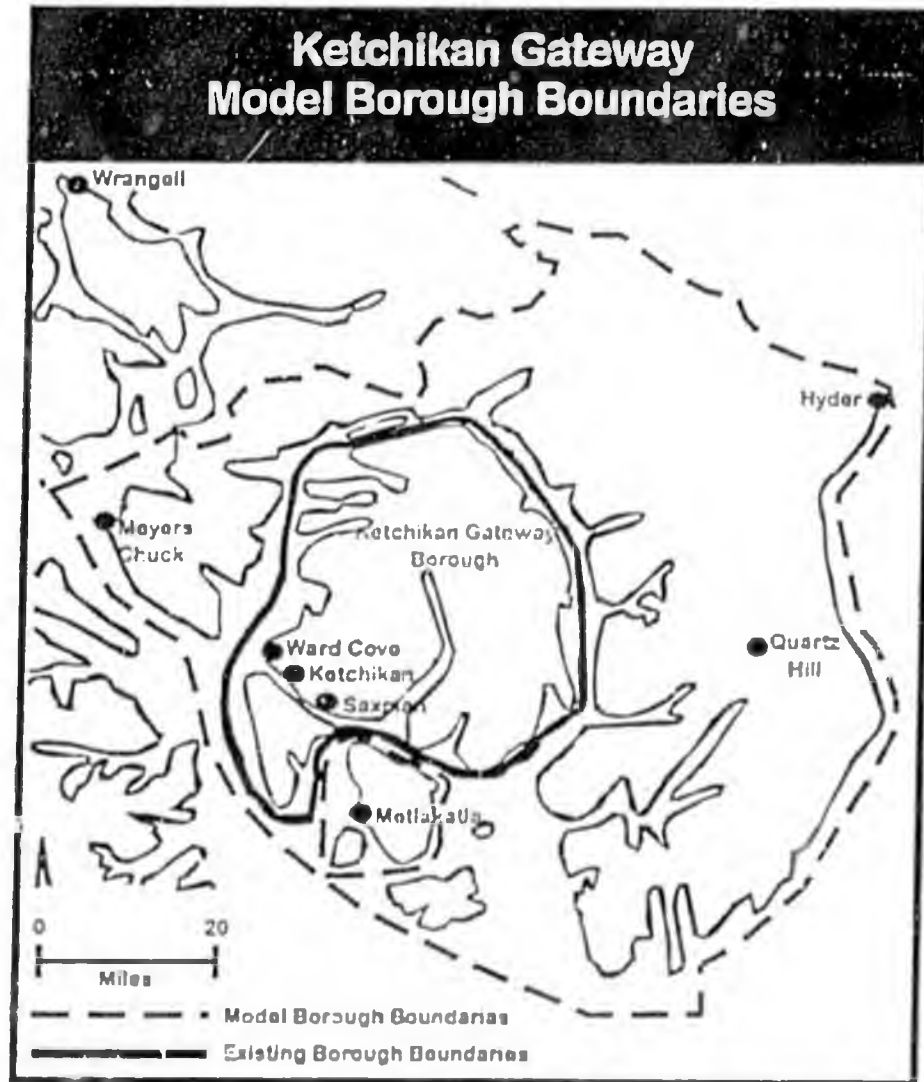


Ketchikan Gateway Borough. The Commission held a hearing on model boundaries for the Ketchikan region in September 1991. Residents of Meyers Chuck and Hyder participated by teleconference. Additional information concerning the model boundaries for the Ketchikan Gateway Borough was provided to the Commission in November of 1991.

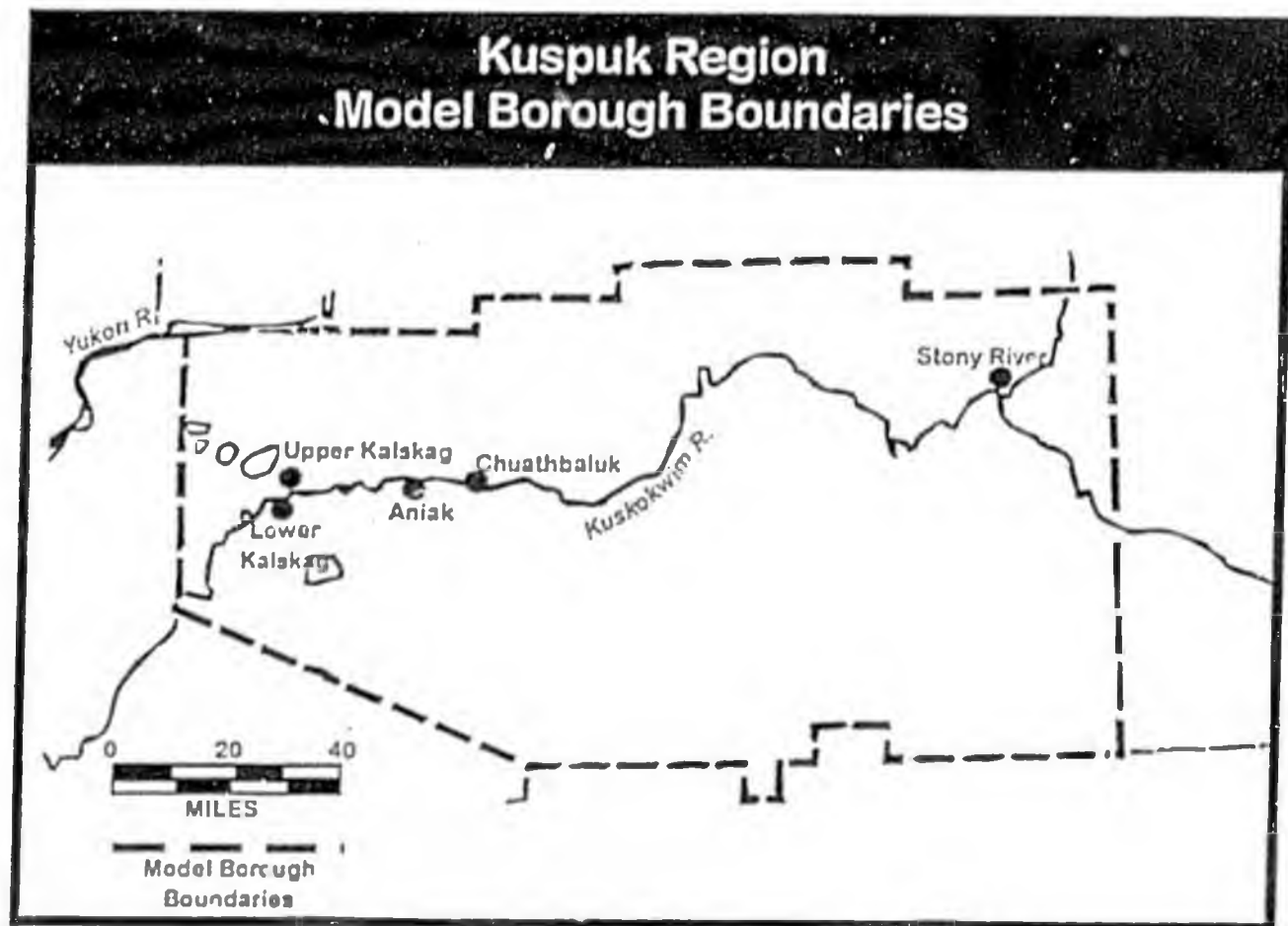
The model borough boundaries defined by the Commission for the Ketchikan area extend from the State's southern boundary along Clarence Strait to Ernest Sound. There, the boundary turns east, following the southern boundary of the Wrangell Ranger District and the northern boundary of the Misty Fjords National Monument to the Alaska/Canada border. From there, the model boundary line turns south along the Alaska/Canada border to the point of beginning. These model borough boundaries exclude the Annette Island Indian Reservation.

The area includes an estimated 7,300 square miles of land and water. Of that, approximately 1,744 square miles are already within the current corporate boundaries of the Ketchikan Gateway

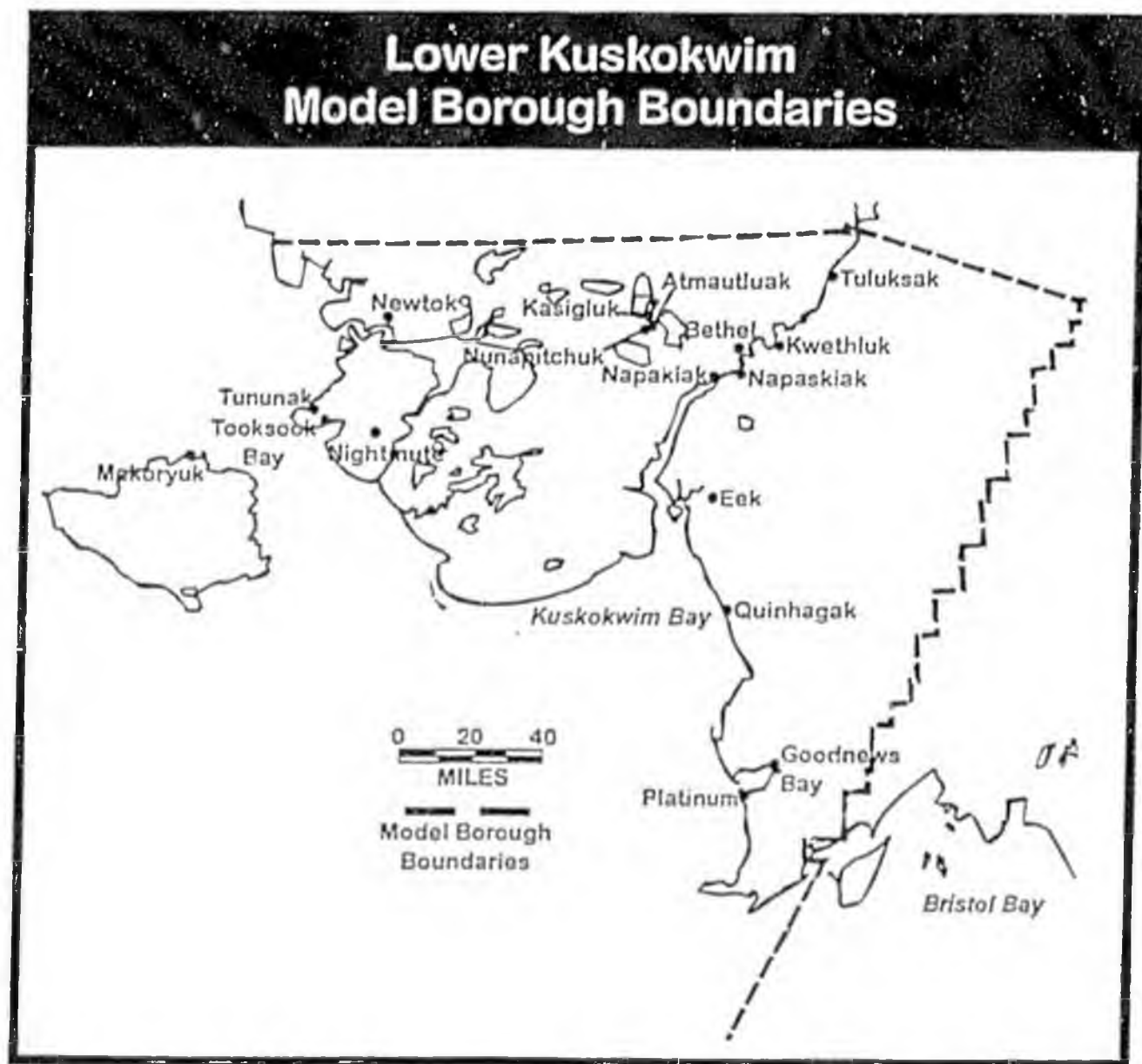
Borough. According to the 1990 Federal Census, the area defined by the model borough boundaries is inhabited by 13,985 people, all but 157 of whom live within the current borough boundaries.



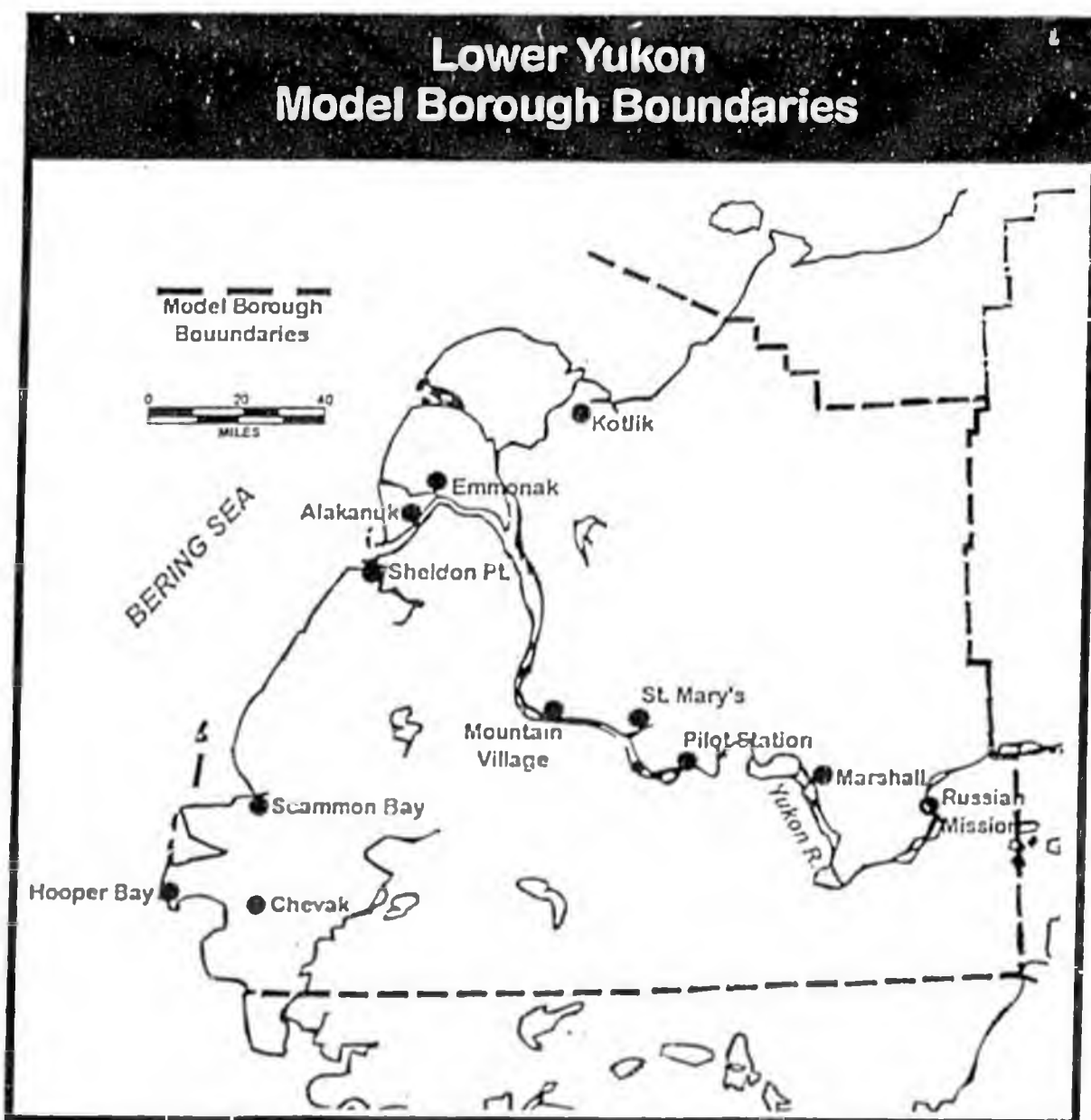
Kuspuk Region. The Commission conducted a public hearing on model borough boundaries for the Kuspuk region in Aniak on October 23, 1992. On November 21, 1992, the Local Boundary Commission set the Kuspuk region model boundaries to conform to those of the Kuspuk Regional Educational Attendance Area. The 1990 population for the region was 1,490 residents. Communities in the region consist of Aniak, Chuathbaluk, Crooked Creek, Sleetmute, Stony River, Upper Kalskag and Lower Kalskag.



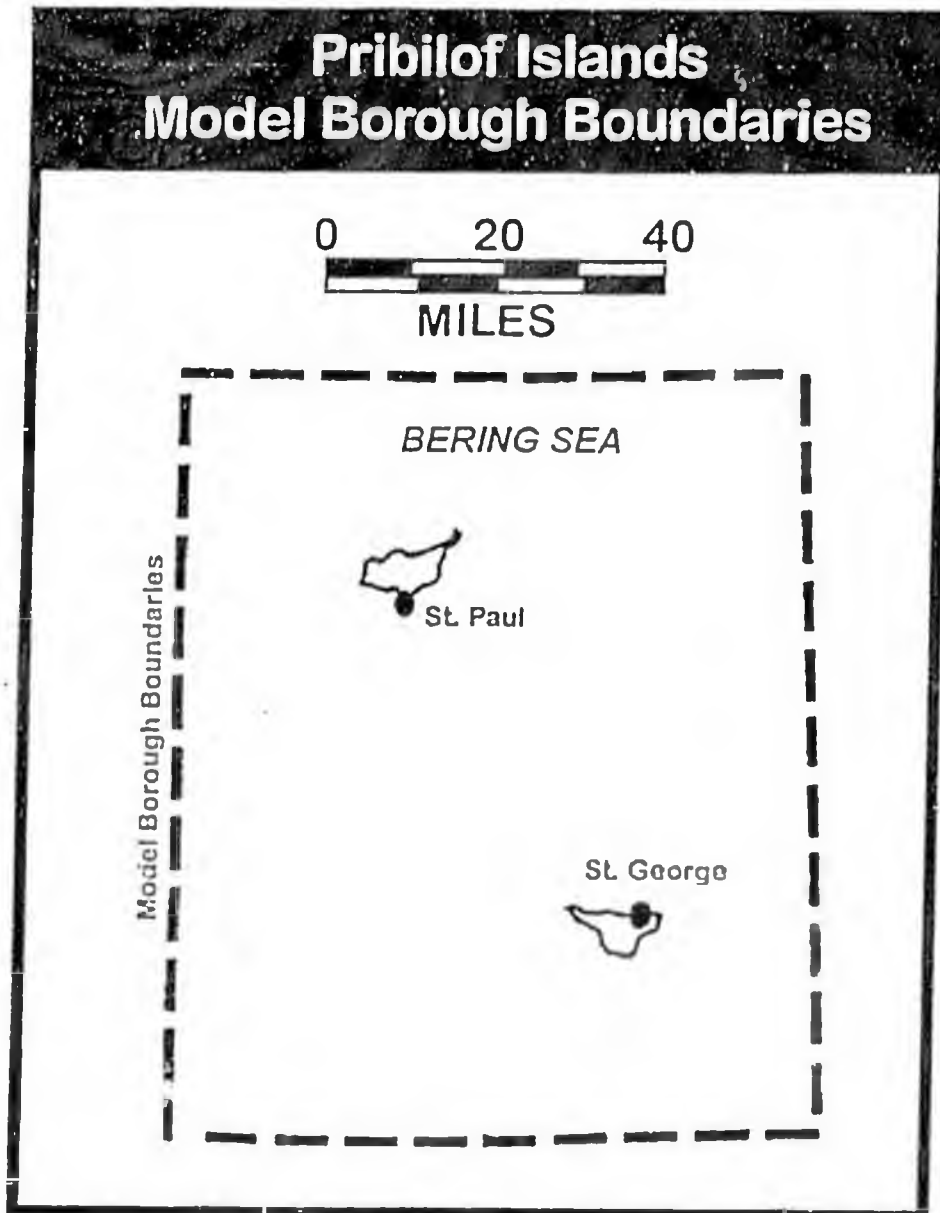
Lower Kuskokwim Region. The Commission held model borough boundary hearings concerning the Lower Kuskokwim region in Bethel on October 24, 1992. On November 21, 1992, the Local Boundary Commission set model borough boundaries for the region to conform to the boundaries of the Lower Kuskokwim Regional Educational Attendance Area (including the smaller Yupiit Regional Educational Attendance Area). The 1990 population of the region was 12,125. The region encompasses 25 communities including Akiachak, Akiak, Atmautluak, Bethel, Chefornak, Eek, Goodnews Bay, Kasigluk, Kipnuk, Kongiganak, Kwethluk, Kwigillingok, Mekoryuk, Napakiak, Napaskiak, Newtok, Nightmute, Nunapitchuk, Oscarville, Platinum, Quinhagak, Toksook Bay, Tuluksak, Tuntutuliak, and Tununak.



Lower Yukon Region. The Commission held model borough boundary hearings for the Lower Yukon region in St. Mary's on October 23, 1992. On November 21, 1992, the Commission set Lower Yukon model boundaries to conform to the Lower Yukon Regional Educational Attendance Area. The model borough boundaries include the smaller Kashunamiut Regional Educational Attendance Area and the St. Mary's City School District. The area also includes the communities of Alakanuk, Chevak, Emmonak, Hooper Bay, Kotlik, Marshall, Mountain Village, Pilot Station, Russian Mission, Scammon Bay, Sheldon Point and Pitka's Point. In 1990, the area's population totaled approximately 5,791.

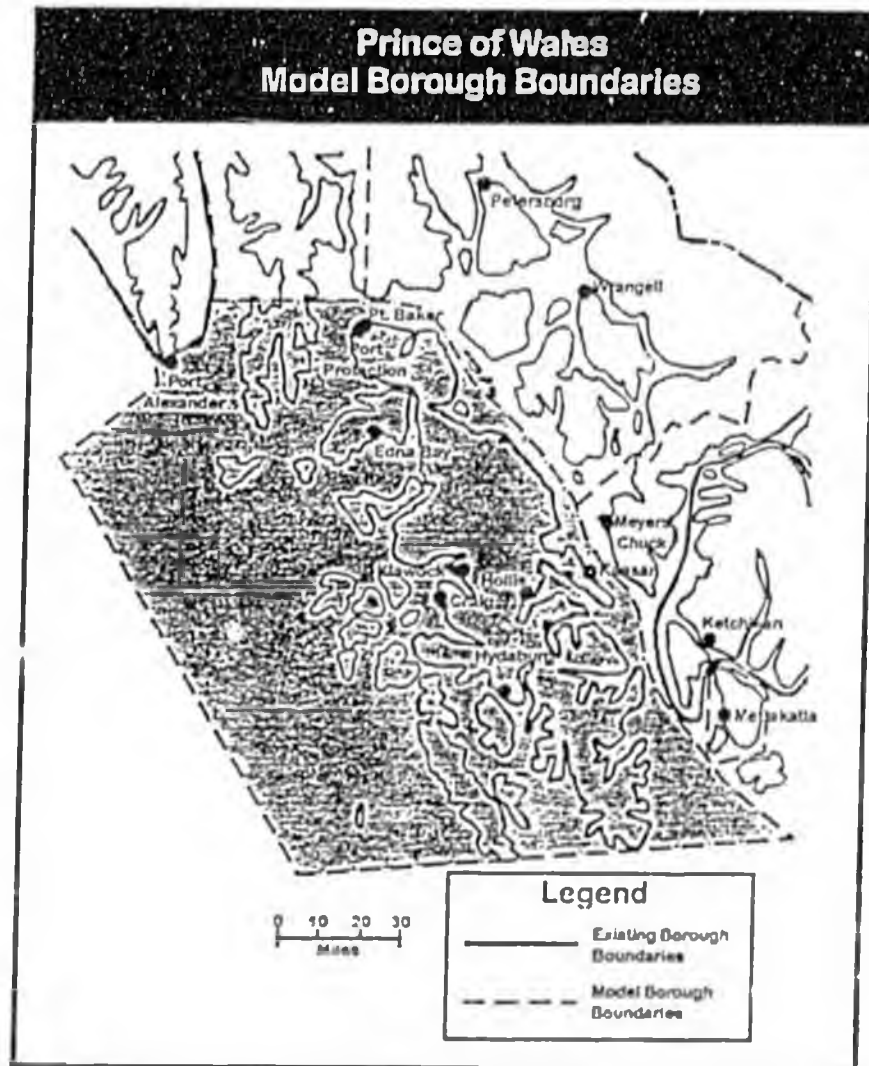


Pribilof Region. The Local Boundary Commission conducted a hearing on model borough boundaries for the Pribilof region on October 20, 1992. Testimony was received by teleconference from St. Paul and St. George. The Commission set model borough boundaries for the area on November 21, 1992. Those boundaries conform to the Pribilof Island Regional Educational Attendance Area which encompass St. Paul and St. George. The area had a 1990 population of 901.



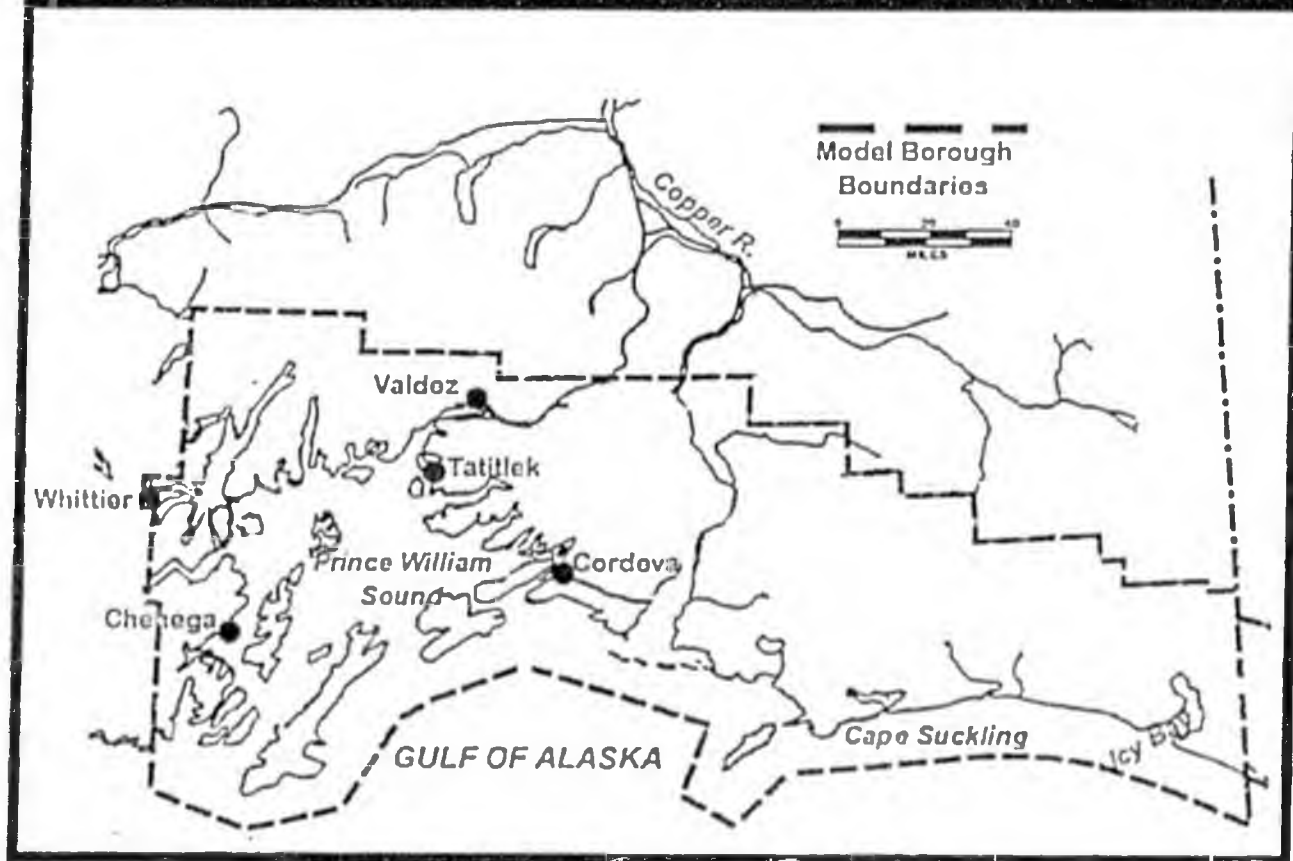
Prince of Wales Island Region. The Commission held its hearing on model borough boundaries for this region in Klawock in September 1991. Additional comments concerning model boundaries for this region were provided to the Commission in November of 1991.

The Commission adopted model boundaries for this region to extend from the southern boundary of the State of Alaska along Clarence Strait and Sumner Strait to an area north of Point Baker (following the Wrangell Ranger District boundary). From there the boundary extends due west across Kuiu Island to the middle of Chatham Strait where it turns south, following the State boundary back to the point of beginning. These model boundaries encompass an estimated 8,200 square miles of land and water. This area is all part of the Southeast Island Regional Educational Attendance Area, and has 4,650+ residents.



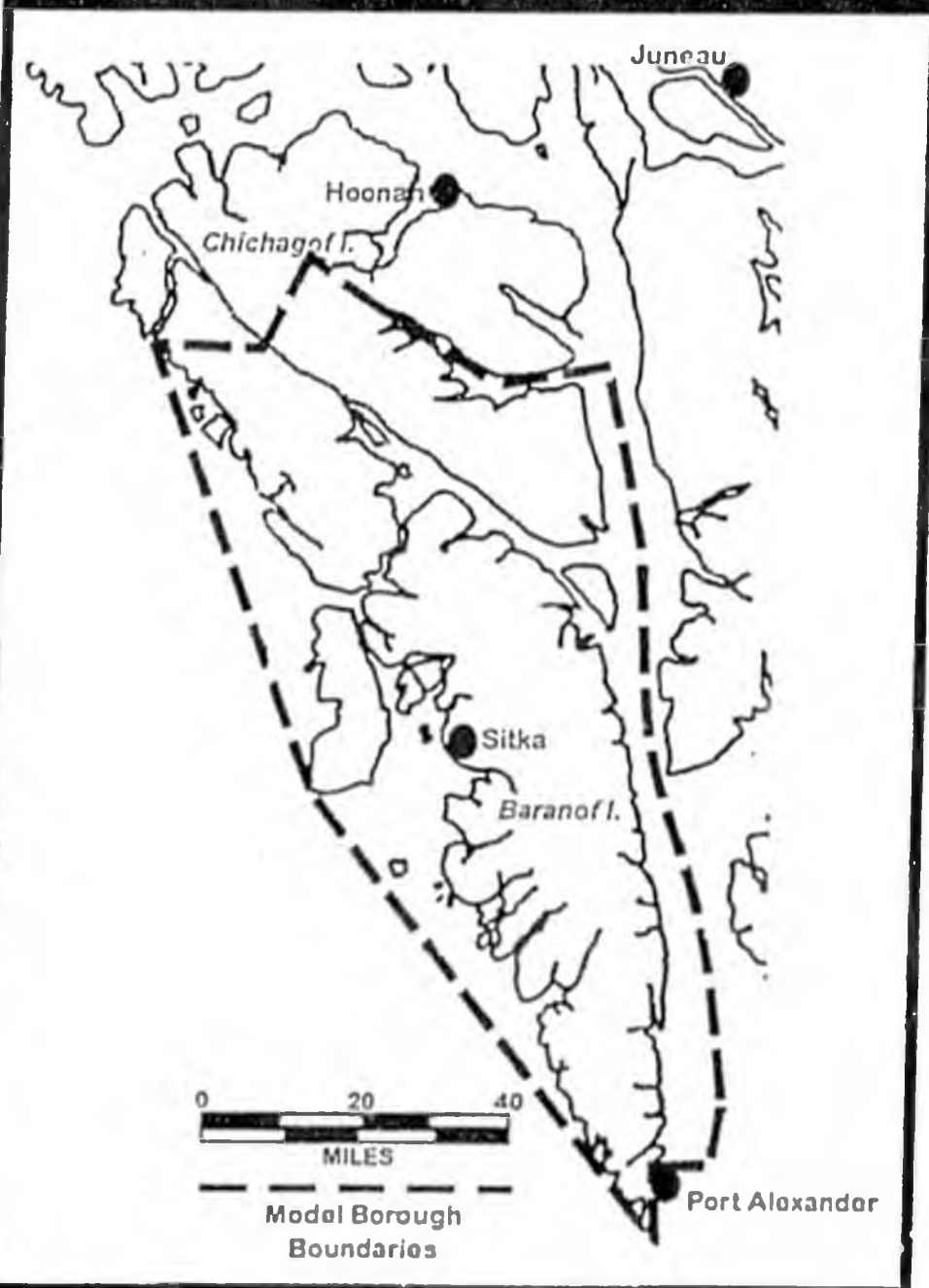
Prince William Sound Region. The Commission conducted a public hearing on model borough boundaries for the Prince William Sound region in January 1992. On May 8, 1992, the Commission set model boundaries for the area to conform to the Chugach REAA, including Cordova City School District and the Valdez City School District. The region also includes the City of Whittier and the unincorporated communities of Chenega and Tatitlek. In 1990, the area had a population of 7,189.

Prince William Sound Model Borough Boundaries

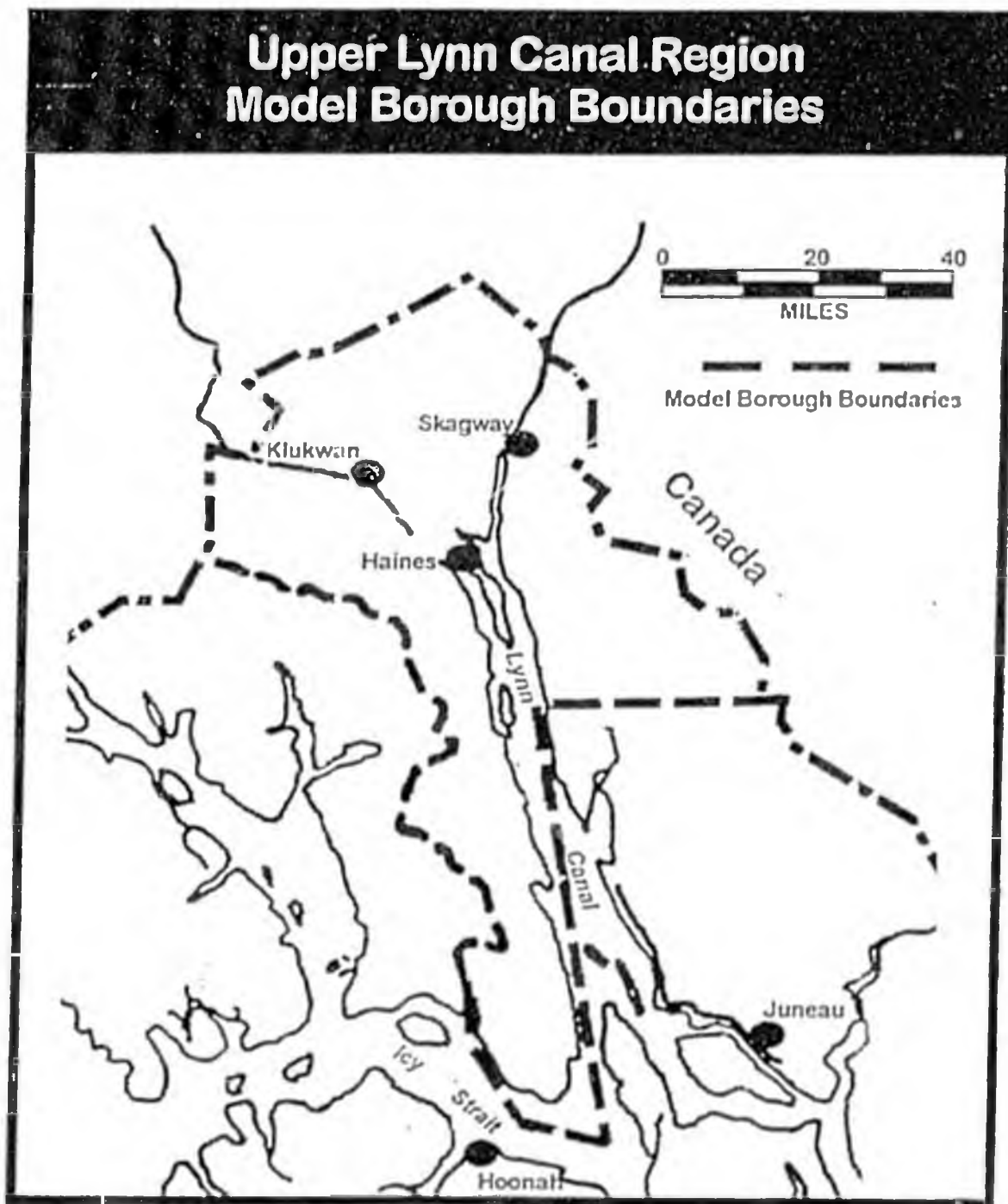


City and Borough of Sitka. The Commission conducted public hearings regarding model borough boundaries for the City and Borough of Sitka by teleconference in November 1990. On May 8, 1992, the Commission set model boundaries for the City and Borough of Sitka identical with its existing boundaries. That area encompasses an estimated 4,849 square miles. In 1990, the area had a population of 8,588.

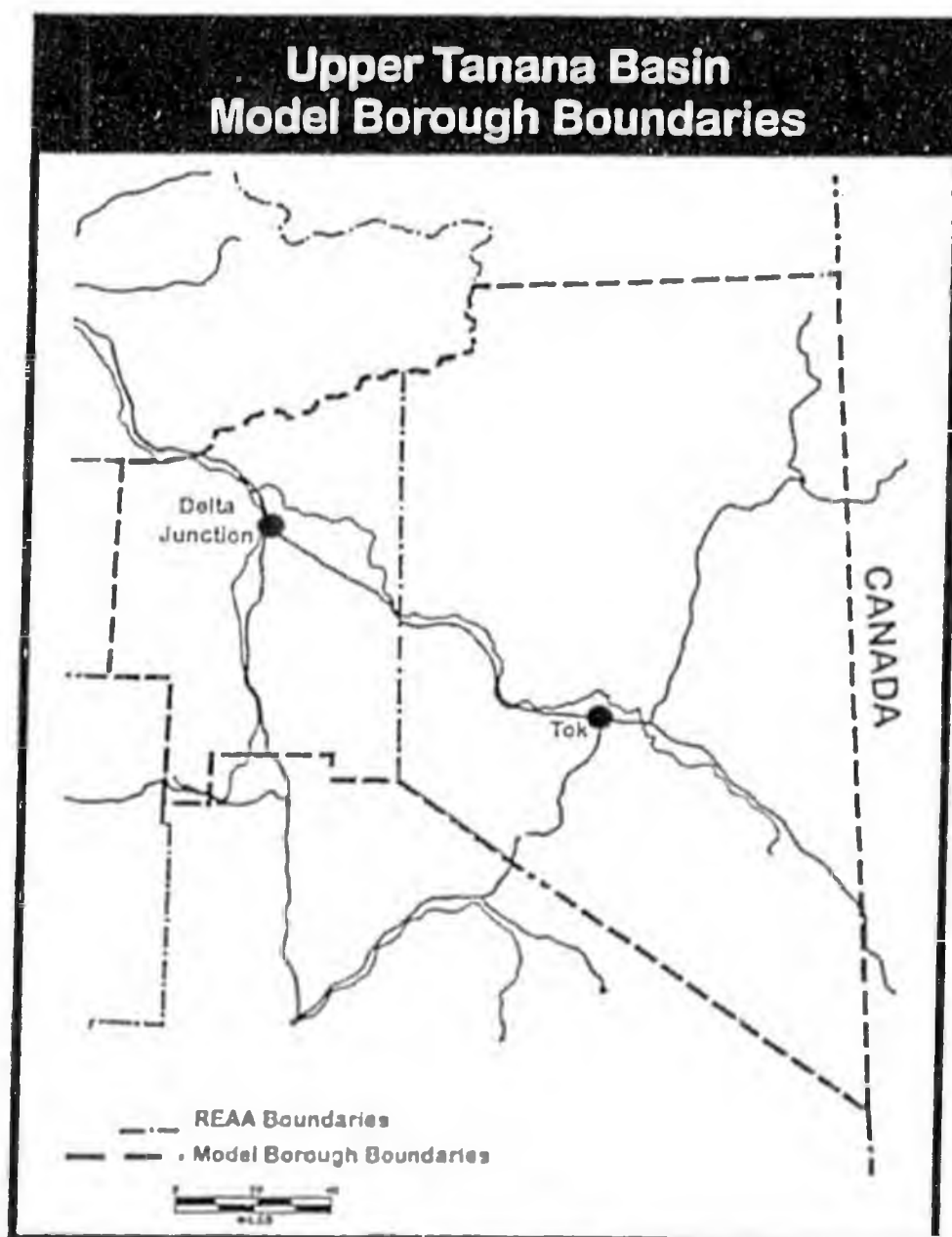
City and Borough of Sitka Model Borough Boundaries



Upper Lynn Canal - Haines Borough Region. On May 8, 1992, the Commission set model borough boundaries for the upper Lynn Canal area. The model boundaries were defined to encompass the area within the present Haines Borough as well as the adjacent City of Skagway and the village of Klukwan. Klukwan is presently an enclave within the Haines Borough. In 1990, the area had a population of 2,938..



Upper Tanana Basin Region. The Commission conducted hearings on model borough boundaries for the region in Delta Junction on May 8, 1992 and in Tok on May 9 and June 6, 1992. The Commission set model boundaries for the area on November 21, 1992. The Upper Tanana Basin model boundaries were defined to encompass both the Delta Greely and Alaska Gateway REAA areas. In 1990, the area had a population of 6,021. The model borough boundaries encompass an estimated 26,235 square miles. Communities within the region include two second class cities, the City of Delta Junction and the City of Eagle. Unincorporated communities in the area include Boundary, Chicken, Dot Lake, Dry Creek, the Native Village of Eagle, Fort Greely, Healy Lake, Mentasta Lake, Northway, Tanacross, Tetlin and Tok.

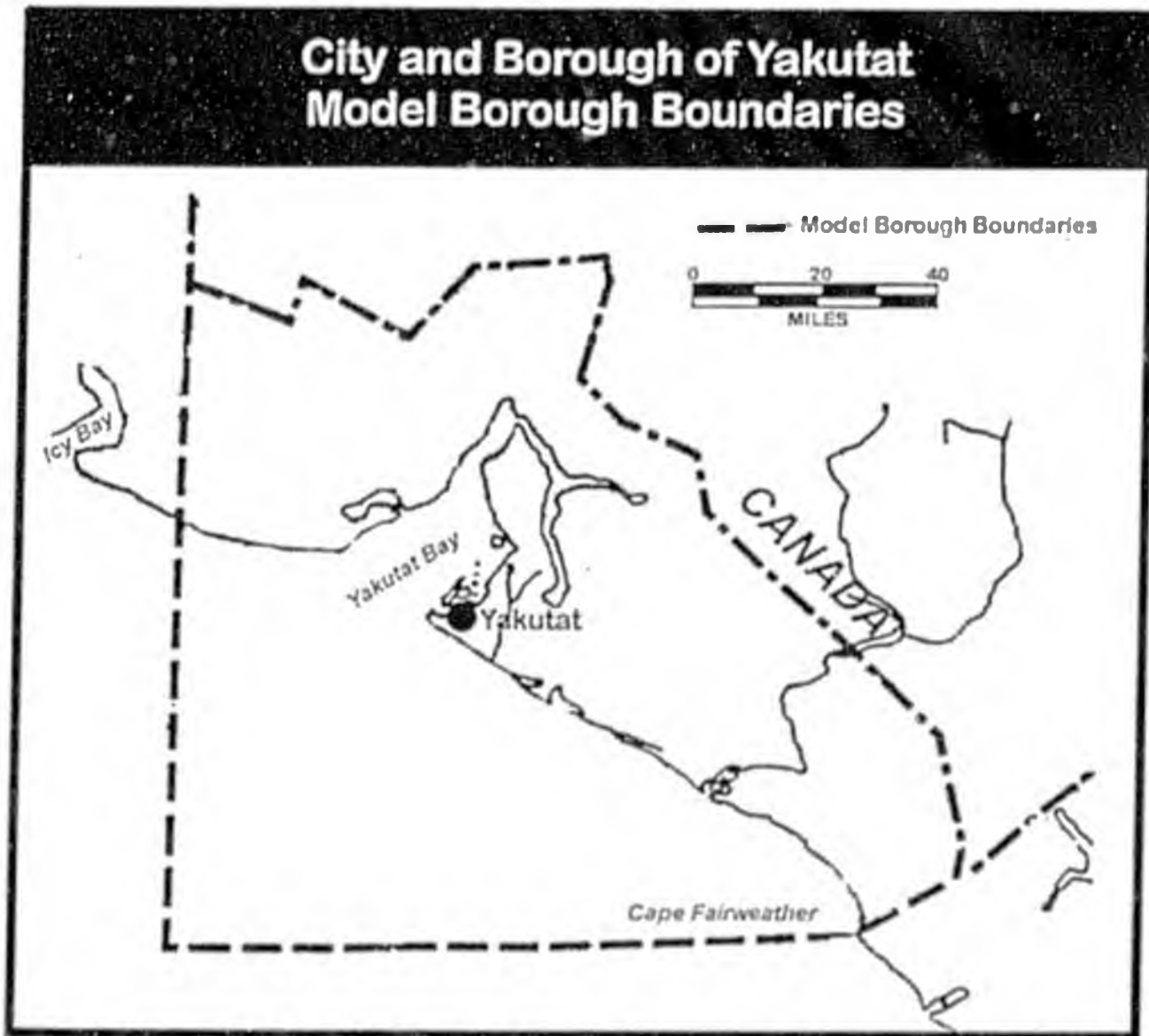


Wrangell/Petersburg Region. The Commission conducted hearings on model boundaries for the region in Wrangell and Petersburg in September 1991. After receiving additional comments in November, the Commission defined model borough boundaries for this region to follow the boundary of the Wrangell Ranger District along the Misty Fjords National Monument to Ernest Sound and along Clarence Strait and Sumner Strait to an area north of the community of Point Baker. From there, the model boundary runs due north to Hobart Bay then due east to the Alaska/Canada border. The boundary then turns south following the border to the point of beginning.

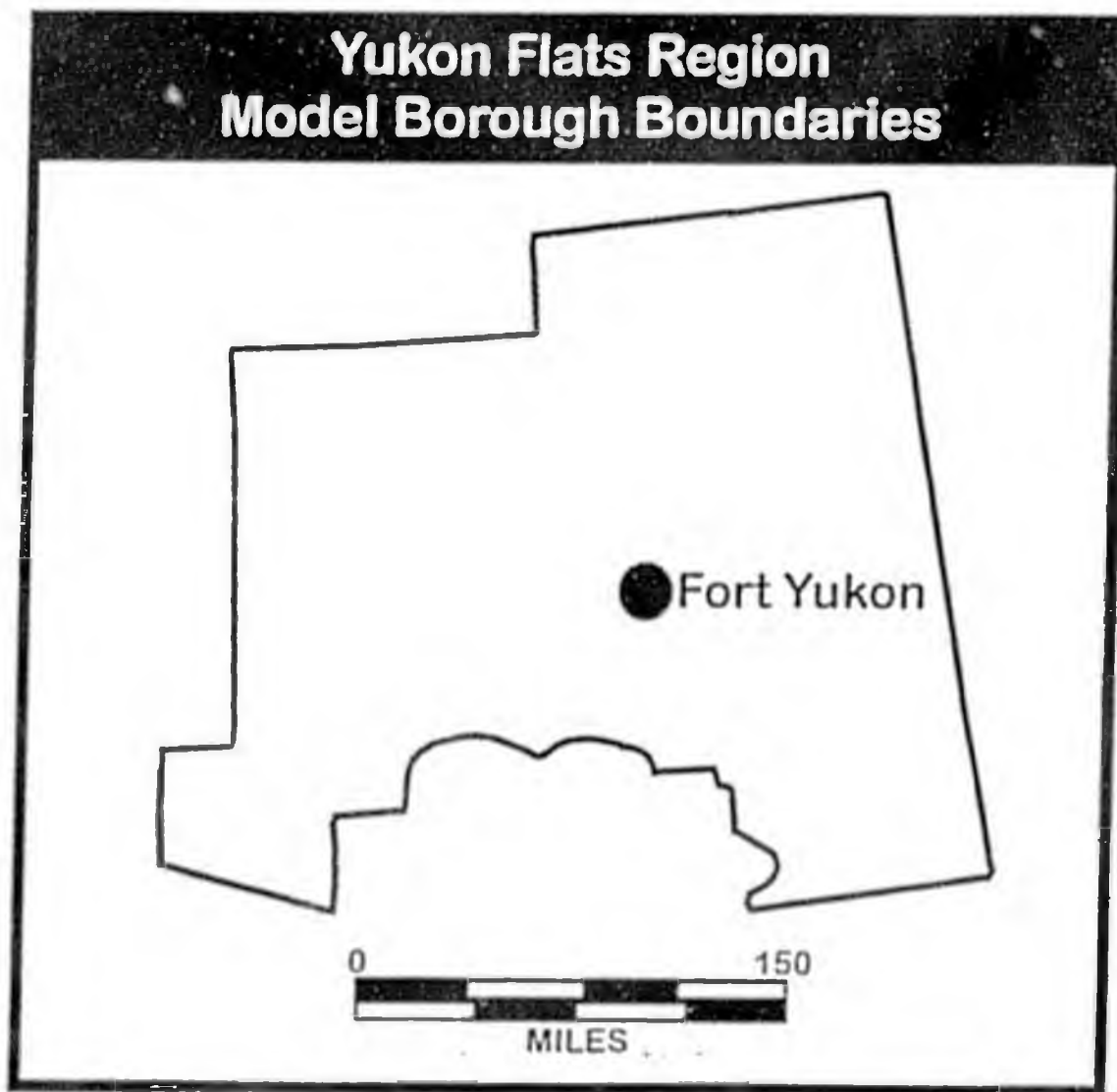
These model boundaries include an area of approximately 7,200 square miles of land and water. The 1990 population of the area was estimated to be approximately 6,000. The model boundaries encompass two complete school districts (Petersburg and Wrangell) and portions of two others (Southeast Island REAA and Chatham REAA).



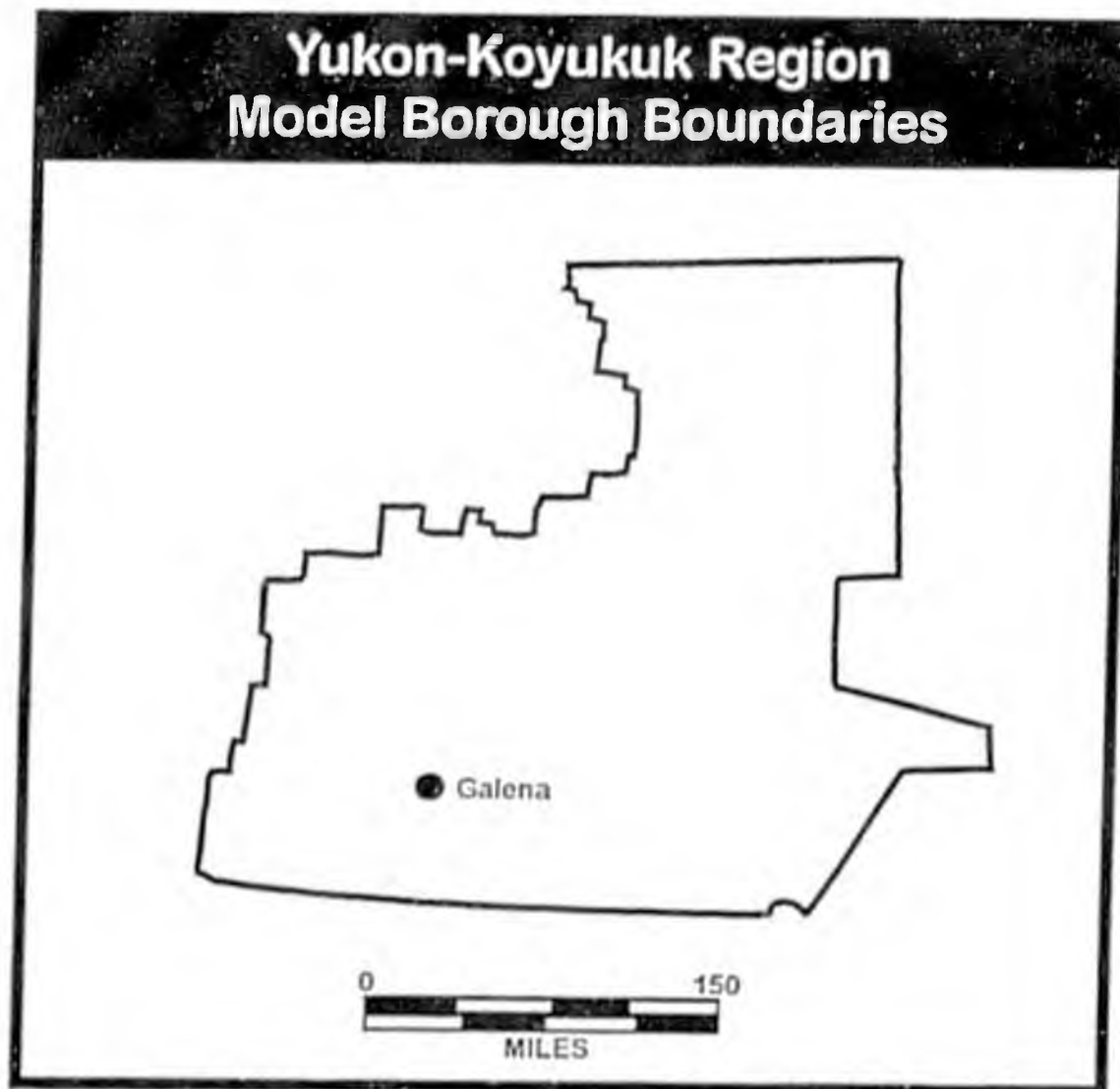
Yakutat Borough. The Commission set model borough boundaries for the Yakutat region on May 8, 1992. The boundaries are identical to those approved by the Commission for incorporation of the City and Borough of Yakutat. The model boundaries encompass approximately 4,224 square miles with boundaries extending from the 141st Meridian to Cape Fairweather. In 1990, the area had a population of approximately 705.



Yukon Flats Region. The Commission conducted a public hearing on model borough boundaries for the Yukon Flats region on May 20, 1990. The hearing was held in Fort Yukon, with teleconference sites established in Rampart, Birch Creek, Beaver, Arctic Village, Venetie and Stevens Village. On November 10, 1990, the Commission defined the model borough boundaries for the region to follow the boundaries of the Yukon Flats Regional Educational Attendance Area with the exclusion of the territory in the model boundaries of the Fairbanks North Star Borough.



Yukon Koyukuk Region. The Commission conducted a public hearing on model borough boundaries for the Yukon-Koyukuk region on May 18, 1990. The hearing was held in Tanana, with teleconference sites established in Nenana, Ruby, Galena, Nulato, Manley Hot Springs, Kaltag, Hughes, Allakaket and Bettles. On November 10, 1990, the Commission defined the model borough boundaries for the region to follow the boundaries of the Yukon-Koyukuk Regional Educational Attendance Area, excluding the area within the model boundaries of the proposed Denali Borough.



APPENDIX

The following lists certain of the reasons why some believe that the provision of Article X, Section 3 of Alaska's Constitution requiring each borough to embrace an area and population with common interests to the maximum degree possible, applies to both organized and unorganized boroughs.

A direct reading of Article X, Section 3 is unambiguous in its application to unorganized boroughs. The provision states in relevant part, "The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. . . Each borough shall embrace an area and population with common interests to the maximum degree possible. . ."

The Public Administration Service (PAS) expressed the view that unorganized boroughs had to conform to the borough boundary standards.³ On page 52 of its Local Government Under the Alaska Constitution (January 1959) the PAS notes that "Returning then, to the question of the proper size and number of the initial unorganized boroughs, it would seem desirable to begin with a small number of very large boroughs. One possibility would be to begin with only four, which might correspond precisely or substantially to the four major senate districts. Since these districts were drawn primarily on the basis of the way in which the State is divided into natural 'socio-economic' areas, with drainage and other geographic factors such as mountain barriers being considered in setting the boundary lines, this division of the State might well provide a logical

³ The PAS, a non-profit organization, was selected by the Alaska Statehood Committee to provide research and consulting services in conjunction with the efforts to develop Alaska's constitution. (See Alaska's Constitutional Convention, Victor Fisher, pages 18 - 21.) The PAS also provided consulting services to the First Alaska State Legislature in the implementation of Alaska's constitution.

basis for the differential treatment of local affairs which, as already indicated, the borough system permits. If experience showed the need for further differentiation, the large boroughs could be broken down into somewhat smaller ones. It is important to remember that it is always easier to subdivide a political area than it is to combine areas previously subdivided." (emphasis added).

The Executive Director of the Alaska Legislative Council held those same views. In a December 1, 1959 paper entitled Local Government and the State Constitution - Constitutional Intent, the John C. Doyle wrote that, "Under the terms of the proposed article, all of Alaska would be subdivided into boroughs. Each would cover a geographic area with common economic, social, and political interests. Boundaries are to be established by the state. . . . Three classes of boroughs might be sufficient, but the legislature is not limited to three. . . . The unorganized borough would be the third class borough. . ."

Vic Fischer states on page 119 of

⁴ The paper was submitted to Representative Peter J. Kalamarides, Chairman of the Alaska Legislative Council with the following statement, "Attached hereto you will find a report on the local government article of the State Constitution. The report is the one which was submitted by the Committee on Local Government to the Constitutional Convention (1955-56), but it has been revised to reflect the amendments and thinking of the Convention when the proposal was discussed and finally approved on the floor. The Committee's report and comments, and the transcript of the Convention's proceedings were used in preparing this revised report. . ." At the time the report was submitted, two of the ten members of the Alaska Legislative Council had been delegates to the Constitutional Convention. These were Senator Frank Peratrovich, Vice Chairman of the Council, and Representative Warren A. Taylor.

Alaska's Constitutional Convention (University of Alaska Press 1975) that one of the initial principles set forth by the Convention's Committee on Local Government was that "Provision should be made for subdividing all Alaska into local units (boroughs) based on economic, geographic, social, and political factors; initially, not all need be organized."⁵

Thomas A. Morehouse and Victor Fischer wrote in Borough Government in Alaska under the heading "Organized and Unorganized Boroughs" that, "All of Alaska was to be subdivided into logical borough units. Depending on readiness and capability for government, these would be classified as organized or unorganized boroughs . . ."

Richard W. Garnett, III, wrote in a paper for the Institute of Social, Economic and Government Research that, "The local government article of the state constitution calls for the division of the state into boroughs, organized and unorganized. The language of the article presupposes plural unorganized units.⁶ The specific reference in Section 6 to 'maximum local participation and responsibility' in unorganized boroughs

indicates that manageable units encompassing communities of interest were contemplated for unorganized as well as organized boroughs. It is difficult to believe that the single unorganized borough that now exists complies with the intention expressed in the constitution."

The Local Boundary Commission expressed views consistent with this interpretation during its "Model Borough Boundary Study".⁷ For example, in the LBC's paper announcing the model borough boundary study for the Aleutian/Pribilof Islands Region, the LBC stated, "Clearly, the Unorganized Borough does not meet the requirement of Article X, Section 3 of the Alaska Constitution that, 'each borough embrace an area and population with common interests to the maximum degree possible.'" (August 1991, page A-2)

⁵ Vic Fischer was a Delegate to Alaska's Constitutional Convention and was also a member of the Convention's Committee on Local Government. He is widely regarded as an expert on Alaska's Constitution, particularly the local government article.

⁶ Equalization of Local Government Revenues in Alaska (ISEGR Occasional Papers, January 1973). Richard W. Garnett, III, is a former Assistant Attorney General for the State of Alaska. His remarks may have represented his personal views rather than those of the Department of Law.

⁷ The LBC and its DCRA staff began the Model Boundary study throughout the unorganized borough in mid-1989. The goal of the study was to "Identify the best potential boundaries for future boroughs." The project was completed in 1992.

SB

304

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 304

Revision Date: _____ Dept. Affected: Administration
 Title: An act relating to eligibility for the longevity BRU: Longevity Bonus Program
 bonus program Component: Longevity Bonus Program
 Sponsor: Senate State Affairs
 Requestor: Senate State Affairs COMPONENT SERIAL NO. 26

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)
MISCELLANEOUS						
TOTAL OPERATING	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
Total	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)

Estimate of current year (FY 96) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Longevity Bonus Payment System, which is the system used to generate monthly Longevity Bonus warrants, also tracks recipient absences, based on information provided by the recipients. If this legislation is passed, there are currently 15 recipients who would be out of compliance with program requirements and who would be disqualified from the Longevity Bonus program immediately. We anticipate that another 15 recipients would become disqualified over the course of the year. For the purposes of this fiscal note, we have assumed that approximately 15 recipients would become disqualified each year. For the purpose of this fiscal note, we have also assumed that these recipients are all at the \$250 payment level, although in reality this may not be the case.

Prepared by Connie J. Sipe
 Division: Division of Senior Services

Phone: 563-5654
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/15/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE



Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1182

Senate State Affairs

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133

TO: House Finance Committee Members

FROM: Senator Bert Sharp, Chairman
Senate State Affairs Committee *BMS/AR*

DATE: April 30, 1996

RE: CSSB 304 (RLS) am
"An Act relating to the permanent disqualification of certain individuals who have been absent from the state for payments under the longevity bonus program; and providing for an effective date."

SB 304 was crafted after the Senate State Affairs Committee reviewed legislation regarding the Longevity Bonus Program. The current program temporarily disqualifies a recipient who voluntarily leaves the state and remains absent from the state for a continuous period of more than 90 days. This legislation would permanently disqualify a longevity bonus recipient if they have been absent from the state for a cumulative total of 180 days or more during a 12 month period, (excluding absences beyond the recipient's control.) This is in keeping with the original intent of the program to assist seniors who are truly residents of Alaska. The statewide testimony received by the Committee was overwhelmingly in favor of this provision.

The fiscal note from the Department of Administration shows a savings of approximately \$90,000 in FY97 and \$45,000 for each year thereafter; a very conservative estimate at best.

Please note: The Senate body amended this bill on April 25th to include an allowance for a one year sabbatical from the state every five years, with due notice provided. The House State Affairs Committee met on April 30 and passed the bill out of committee with 7 "do pass" recommendations.

I respectfully request that the House Finance Committee waive this bill from committee for expedient passage.

March 4, 1996

Senator Bert Sharp
Chairman, Senate State Affairs Committee
State of Alaska

Senator Sharp:

I'm writing in response to the budget proposals of Governor Knowles which adversely affect the senior citizens of Alaska in the income based longevity bonus and the property tax exemption program.

I was pleased to read that you are reluctant to pass the longevity bonus proposal out of committee and I commend you for that. I think most people realize that regardless of income, the bonus is an important part of a seniors budget and discontinuing same would remove \$6,000 per year from an eligible husband and wife's income and lowering their standard of living as well as taking that amount from the State's economy.

Like we're discontinuing the property tax exemption, which is exactly what would happen

under the Governor's proposal would probably add \$1,000 to \$3,000 per year to a seniors already substantial tax burden.

So, if both proposals were approved, a senior husband and wife would face a loss of nearly \$9,000 per year, far more than most could afford.

One wonders how many \$60,000 to \$80,000 incomes would leave the state under these circumstances. Only twelve families would reduce the states economy by nearly \$1,000,000.

I urge that you and legislators from both major oppose these two proposals and any others that might adversely effect the financial health of Alaska's seniors.

Sincerely,

James F. Mayer

Box 4158

Palmer, ak 99645

cc Senator Jim Duncan

Glen & Pat Franklin
1213 Coppet Ste.
Fairbanks, AK. 99709

March 5, 1996

Governor Tony Knowles
P. O.Box 110211
Juneau, AK. 99811-0211

We received a letter dated Jan. 17th from Connie J. Sipe Director, Division of Senior Services which contained, among other things, your suggestion to place the Longevity Program on a Means Test. We are writing in opposition to that idea.

Your administration has estimated savings in the range of 6 Million to 8 Million Dollars. Obviously with that range, they really don't have a clue as to just how many dollars will be squeezed out of the pockets of deserving Seniors.

The Longevity program was put in place to recognize the real contributions that early pioneers made to the Territory and State. No guessing about that. We are all aware that the Court screwed up the real wishes of Alaska in opening the gate to applicants of age 65 with only one year residence in the State. Fortunately that has not resulted in more than a small percentage increase in current beneficiaries. My guessing is as good as yours.

We also all know that there is a Court case against the phase out that could result in the destruction of the entire Longevity program. If the Court holds for the Plaintiff, the whole Longevity program is dead. If the Court holds for the State and the phase out is legal, then the solution to the Longevity Program will automatically be taken care of. I am in favor of that.

The Governor should not have ventured in to this area and the resulting Bills in the Legislature should be given proper burial. We are urging our area Legislators to help achieve that end.

As a suggestion to reduce the Budget and save the \$6 to \$8 Million, I would recommend that this amount be knocked off of the program to promote Tourism. The State should quit putting any money in to that effort and it should be the responsibility of the people who are benefitting from the Tourist Trade.

It appears to me that tourism has steadily increased to Alaska and it is my opinion that it is generating on itself. Also it appears that most of the big players in the Tourist Industry are foreign corporations.

So tell me. Why cut our deserving Seniors out of the Longevity Program on the one hand and with the other put money into the pockets of out of State and Foreign Companies?

Sincerely,
Glen Franklin

Glen & Pat Franklin

Pat Franklin

Bert Sipes

cc. Sipes
Seniors & Representatives

Feb. 14th

Senator Bert M. Sharp
Room 514
Capitol Building
Juneau, AK 99801

Dear Bert:

I attended the teleconference held by State Affairs Committee on the Governor's proposal to put the Longevity Bonus Program on a needs basis concept. From the remarks made by Seniors throughout the State, this idea was rejected. They rightly labeled it as a "welfare" concept. You would do well to listen to them.

I am the fellow with a loud voice that testified from Juneau. I would like to put down on paper the comments that I made. As you surmise, the Longevity Bonus tagged with welfare overtones is very emotional with seniors. As I mentioned in my testimony, the program has a screening program in place. The travel restrictions and the fact that a senior has to apply each month for some seniors too restrictive. And of a total of 29,000 seniors over 65, only 25,000 are in the program. If a senior has an income of \$60,000.00, he has no need for an additional \$3,000.00.

The seniors as a group are only 6% of the total population. The national average is over 12%. The seniors contribute far more to the social climate than their numbers would suggest. I don't think that Alaska would want to go back to the 80's when seniors left the State because it was just too expensive to live in it. Would you believe that only 3% of the population was 65 and over, then? The Longevity Bonus Program has kept in place the Seniors who for one reason or another wished to remain in Alaska. We are a resource that should be protected.

I have facts and figures on the Longevity Program. If you are interested in looking at these figures, I would be happy to share them with you.

Sincerely,

Robert Thibodeau
1616 Glacier Ave.
Juneau, AK 99801

P.S. I am 74 years old. I have live in Alaska, in Juneau all of my live. I married her and had twelve children here by one woman. We will have been married 50 years this Fall. Six of my children still live in Alaska; two of whom graduated from the University of Alaska, Fairbanks.

TONY KNOWLES
GOVERNOR



P O Box 110001
Juneau, Alaska 99811-0001
(907) 485-3500
Fax (907) 485-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

217

January 12, 1996

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 makes Alaska senior citizens with high incomes ineligible to receive the longevity bonus. The bill also disqualifies longevity bonus recipients who are absent from the state, for reasons within their control, for 180 days or more within any one-year period. I believe that these changes in the program are necessary as a cost containment measure as we look for ways to reduce state spending and to address our budget gap.

The income maximum portion of this bill would disqualify a senior citizen from receiving the bonus if his or her gross income exceeds \$60,000 a year. A married couple would be disqualified if the spouses' combined gross income exceeds \$80,000 a year.

Although the 1993 amendments to the bonus statutes, which closed the program to people not applying by the end of this year, will eventually lead to reduced costs for the longevity bonus, the short-term savings have been relatively small, as expected. We estimate that enacting the income maximum for eligibility could reduce the cost of the program by about eight percent, or about \$6 million annually.

I am aware that many seniors within the state oppose "needs-basing" the bonus program, somehow equating it to welfare. This bill does not do that. Approximately 92 percent of seniors currently on the program, or more than 27,000 people, would see no change in their bonuses. Setting income caps at a relatively high level does not

The Honorable Drue Pearce

January 12, 1996

Page 2

limit the bonus to only those senior citizens who rely on it for the necessities of life. Instead, the high cap is intended to take the bonus away from only those recipients who should not be even minimally affected by the loss.

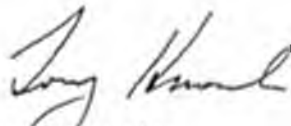
The bill looks only at income, and not assets, so that recipients with moderate incomes will continue to receive the bonus even if they own valuable but nonliquid assets, such as homestead property or a residence that has greatly increased in value over the years. The bill also provides that a recipient disqualified by reason of the income maximum is not permanently disqualified. If his or her income drops, or circumstances change, the recipient can become eligible again. This will protect recipients on fixed incomes who enjoy a one-time gain from the sale of a residence or some other asset.

Similarly, the bill contains a special provision for persons who become eligible for the longevity bonus by age and residency in 1996 and apply before January 1, 1997, but are disqualified because of the income maximum. If those persons subsequently become eligible, they will be entitled to \$100 a month payments.

The second part of the bill is intended to address a specific problem: bonus recipients who spend little of the year in Alaska, but time their absences so that they are never out of Alaska for more than 90 days at a time. The bill would disqualify recipients who are out of the state for 180 days or more in any one-year period, excluding absences beyond the recipient's control. This is in keeping with the original intent of the program to assist seniors who are truly residents of Alaska.

I urge your prompt consideration and passage of this bill.

Sincerely,



Tony Knowles
Governor

Proposed longevity bonus limit riles seniors

By LARRY PERSILY
The Paper

JUNEAU — Lawmakers and senior citizens are not excited about the administration's budget proposal to impose an income limit on longevity bonus eligibility, but if the change wins adoption it could invite a legal challenge to the give-away program.

A 1985 special report to the Legislature said an income limit for the program could jeopardize its one-year residency requirement, possibly opening it to people with as little as 30 days' Alaska residency.

"While any legislation which treats some people differently than others may result in litigation, the means-test proposal raises a serious and substantial residency discrimination issue," the report said.

The longevity bonus this year will cost the state about \$72 million, with more than 27,000 seniors in the program. Most receive monthly checks of \$250. A 1993 change in the law is phasing out the payments, a victim of legislative efforts to cut back on expensive state programs.

The phase-out, however, is gradual, and the state's need to cut spending isn't that patient.

In its effort to find \$40 million in cuts in the budget year that starts July 1, the Knowles administration found it could get as much as \$8 million by imposing an income limit on longevity bonus recipients. Seniors who earn more than \$60,000 a year, or couples with more than \$80,000, would be dropped from the list.

The proposal was made to save money, not to impose a needs test on Alaska's elderly, administration officials say. That difference should be enough to win any legal challenge, they say.

Regardless of what it's called, seniors generally don't like the proposal, said Juneau Sen. Jim Duncan. Seniors say it feels like welfare, the Democrat said.

He acknowledged, however, that if the Republican-led Legislature fails to approve the administration's effort to cut back on the program, lawmakers will need to find \$8 million



in savings elsewhere in the budget.

Gov. Tony Knowles has not given up on his proposal, said Bob King, press aide to the governor.

Knowles' proposal received one hearing in the Senate State Affairs Committee, where the general reaction was unfavorable.

"I touched base with the four other committee members the next day after the hearing," said Committee Chairman Sen. Bert Sharp. "And frankly, I can't find one committee member who wants to move it out."

"The general feeling," the Fairbanks Republican said, "is that we bit the bullet with the phase-out ... and Mother Nature will take care of it."

The 1993 legislation phasing out the monthly checks is being challenged

in court as discriminatory. Eligible seniors who turned 65 years old by 1993 receive \$250 a month; those who turned 65 in 1994 receive \$200 a month; 1995 entrants to the program are at the \$150 level; and this year's additions will get \$100 a month for life.

After Dec. 31 of this year, the program will be closed to new participants.

Challengers to the phase-out plan say it discriminates by giving unequal benefits to Alaskans.

Assuming the phase-out is upheld by the courts, Connie Sipe, director of state senior services, questions how the residency issue would be a problem when the program is closed to new applicants after this year.

"I would not think that a program that has ended" could be forced to reopen, Sipe said.

Curtis Lomas, a program officer for the state public assistance division, has another reason why officials shouldn't worry too much about the residency issue if the program is limited by income. "Based on what I know ... it only applies to federally funded pro-

grams," he said.

Lomas said he's never heard of courts applying the 30-day residency to a state-funded program. The shorter residency restriction is to ensure that people can cross state lines and still have access to federal programs, he said.

But there are questions, said Juneau attorney Jonathan Tillinghast, who worked as a special counsel on the committee that prepared the 1985 report. "The more you make it look like you're providing something that's needed ... it's harder to discriminate," he said of income limits.

The report said the one-year residency requirement "is constitutional because the bonus is not dependent upon 'need.' Under both the federal and Alaska constitutions, if a program provides 'the basic necessities of life,' a 30-day residency requirement is the maximum constitutionally permissible.

If challenged in court, the state would argue that a \$60,000 income cap for single people and \$80,000 for couples eliminates any hint that the checks are based on need, said John

Gauguin, an assistant attorney general.

"The income ceiling being proposed is very high ... Obviously, that's not a basic necessity," Gauguin said.

The longevity bonus "certainly has never been viewed as a safety net," said Deborah Vogt, now deputy commissioner at the state Department of Revenue who worked on longevity bonus issues in the 1980s as an assistant attorney general.

The program was started in 1915 by the territorial Legislature, which gave \$12.50 a month to elderly Alaskans who didn't move into the new pioneers' home at Sitka.

In 1973, the Legislature set up \$100 monthly payments to Alaskans at least 65 years old who had lived in the state at least 25 years. That was raised to \$250 a month in 1981.

A 1982 lawsuit over residency discrimination threatened the program, and in 1983 the Legislature changed the restriction to just one year, resulting in major increases in annual costs.



Appeals leave offender registry in limbo

By LIZ RUSKIN
Daily News reporter

A court order barring public access to the state's new sex offender registry expired Friday, but Department of Public Safety officials said they weren't ready to release information from it yet.

An attorney representing the sex offenders filed a host of motions in the past week, appealing to the U.S. District Court, the 9th U.S. Circuit Court of Ap-

peals and the U.S. Supreme Court in an effort to prevent public release of the sex offender database.

The attorney, Darryl Thompson, also filed a new lawsuit this week in Alaska Superior Court. It, like the federal appeal, says the registry violates the constitutional rights of people who've been convicted of sexual offenses.

As of Friday evening, no court had granted the request for a new order keep-

ing the registry off-limits to the public. But just to be safe, the state's Public Safety Department, which administers the registry, decided to wait a few days before releasing any information.

"It's confusing right now," said Deputy Commissioner Del Smith.

The law establishing the registry requires Alaska residents who've been convicted of crimes such as child molestation, child

pornography and rape to report to the authorities. They must fill out a form listing their address, place of employment and the nature of their crime.

Once the registry is opened to the public, citizens willing to pay the \$10 fee will be able to search the database to look for information about a particular person, or to look for sexual offenders in a particular ZIP code or street.

Witnesses say they helped catch hit-and-run teens

By DANIELLE STANTON
Daily News reporter

Two youths driving a stolen car smashed into an

work out of Bauer's home at Eastwood Court and Baxter Road, Hauer said. They heard the collision

"We saw the two victims there and these guys were going to get away with it, and we're standing there

One youth turned his red jacket inside-out to black, Bauer said. Bauer and his partner

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/8/96

FURTHER: Finance

Date of 5-Day Notice: 3/17/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/9/96

The State Affairs Committee considered SB 304

Relating to eligibility for the longevity bonus program.

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>Karen A. Leman</i>	✓	<i>David Donley</i>	✓		
<i>Paul E. Kelly</i>	✓	<i>John Duncan</i>	✓		
CHAIR: <i>Ben Hayes</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>Administration</i>	<i>3/15</i>		*

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 304

Revision Date: _____ Dept. Affected: Administration
 Title: An act relating to eligibility for the longevity bonus program BRU: Longevity Bonus Program
 Component: Longevity Bonus Program
 Sponsor: Senate State Affairs
 Requestor: Senate State Affairs COMPONENT SERIAL NO. 26

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)
MISCELLANEOUS						
TOTAL OPERATING	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
Total	(90.0)	(45.0)	(45.0)	(45.0)	(45.0)	(45.0)

Estimate of current year (FY 96) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Longevity Bonus Payment System, which is the system used to generate monthly Longevity Bonus warrants, also tracks recipient absences, based on information provided by the recipients. If this legislation is passed, there are currently 15 recipients who would be out of compliance with program requirements and who would be disqualified from the Longevity Bonus program immediately. We anticipate that another 15 recipients would become disqualified over the course of the year. For the purposes of this fiscal note, we have assumed that approximately 15 recipients would become disqualified each year. For the purpose of this fiscal note, we have also assumed that these recipients are all at the \$250 payment level, although in reality this may not be the case.

Prepared by Connie J. Sipe
 Division: Division of Senior Services

Phone: 563-5654
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/15/96

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Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1182

Senate State Affairs

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133

TO: Senate State Affairs Committee Members

FROM: Senator Bert Sharp, Chairman *Bert Sharp*

DATE: March 6, 1996

RE: Longevity Bonus Legislation

Attached, please find a copy of a draft bill regarding the Longevity Bonus Program. You may recall that discussions in the Senate State Affairs Committee on February 13th resulted in a favorable concensus that Section 3 of SB 217 was appropriate.

Please review this draft legislation and let me know your comments.

9-LS1759A
Cook
3/5/96

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to eligibility for the longevity bonus program; and providing for
2 an effective date."

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

4 • Section 1. AS 47.45.030 is amended by adding a new subsection to read:

5 (b) The commissioner of administration shall include on each monthly bonus
6 application a place for a recipient to state, under penalty of perjury, whether the
7 recipient has been absent from the state for 180 days or more during the 12 calendar
8 months immediately before the date of the application. If the recipient has been absent
9 from the state for 180 days or more during the 12-month period, the commissioner
10 shall provide an opportunity for the recipient to identify days of the absence that the
11 recipient believes were beyond the control of the recipient as defined in regulations
12 adopted by the commissioner. If, after subtracting days of absence the commissioner
13 determines were beyond the control of the recipient, the remaining days of absence
14 equal at least 180 days during the 12-month period, the recipient is permanently

1 disqualified from receiving the bonus.

2 * Sec. 2. AS 47.45.070(a) is amended to read:

3 (a) An unqualified person is one who

4 (1) does not meet the age or residence requirements as provided for
5 under this chapter;

6 (2) meets the age and residence requirements of this chapter but either
7 is confined in a state or federal mental health institution or facility and is certified by
8 the state as unable to manage personal affairs, or resides in a nursing home as that
9 term is defined in AS 08.70.180; however, if that person, at the time of commitment
10 or commencement of residence, provided the principal support of a spouse, the
11 commissioner of administration may determine to pay the confined person's bonus to
12 the person's spouse until the spouse is qualified for a bonus;

13 (3) is otherwise qualified but confined in a penal or correctional
14 institution or facility; upon completion of sentence or upon the conferral of a pardon,
15 parole, or probation, the person may make application; confinement outside the state
16 shall be considered as residence in the state if a person was convicted and sentenced
17 from a court in Alaska; revocation of parole or probation shall be cause for immediate
18 disqualification until release from confinement is again effected;

19 (4) voluntarily leaves the state and remains absent from the state for
20 a continuous period of more than 90 days or is permanently disqualified under
21 AS 47.45.030(b);

22 (5) did not apply, under AS 47.45.010(a), before January 1, 1997, for
23 qualification to receive a longevity bonus;

24 (6) was found qualified to receive a longevity bonus, was subsequently
25 disqualified for 12 consecutive months or more, and did not reapply before January 1,
26 1997.

27 * Sec. 3. ADOPTION OF REGULATIONS. The commissioner of administration may
28 adopt regulations necessary to implement secs. 1 and 2 of this Act, but regulations adopted
29 under this section may not be effective before the effective date of secs. 1 and 2 of this Act.

30 * Sec. 4. Section 3 of this Act takes effect immediately under AS 01.10.070(c).

31 * Sec. 5. Sections 1 and 2 of this Act take effect July 1, 1996.

SENATE BILL NO. 217

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/12/96

Referred: STA, HES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to eligibility for the longevity bonus; and providing for an
2 effective date."

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

4 * Section 1. AS 47.45.010(a) is amended to read:

5 (a) Except as provided in AS 47.45.015, a [A] person who is 65 years of age
6 or over who resides in the state for at least one year immediately preceding application
7 for a longevity bonus under this chapter may apply to the commissioner of
8 administration no later than December 31, 1996, for qualification to receive a monthly
9 bonus of

10 (1) \$250, if the person's application was submitted before
11 January 1, 1994;

12 (2) \$200, if the person's application was submitted on or after
13 January 1, 1994, but before January 1, 1995;

14 (3) \$150, if the person's application was submitted on or after

1 January 1, 1995, but before January 1, 1996; or

2 (4) \$100, if the person's application was submitted on or after
3 January 1, 1996, but before January 1, 1997.

4 * Sec. 2. AS 47.45 is amended by adding a new section to read:

5 Sec. 47.45.015. MAXIMUM INCOME FOR ELIGIBILITY TO RECEIVE
6 LONGEVITY BONUS. (a) Notwithstanding any other provision of this chapter, a
7 person otherwise eligible to receive a bonus is disqualified from receiving the bonus
8 for the period from July of one year through June of the following year if

9 (1) the person is not married, or is married but is not sharing a
10 residence with the person's spouse, and the person's gross income for the calendar year
11 preceding the July to June period equals or exceeds \$60,000; or

12 (2) the person is married, is sharing a residence with the person's
13 spouse, and the gross income of the person and the person's spouse for the calendar
14 year preceding the July to June period equals or exceeds \$80,000.

15 (b) A disqualification under this section is not permanent. If the circumstances
16 of a disqualified person change so that the person would no longer be disqualified
17 under this section, the person may reapply for the bonus. The provisions of
18 AS 47.45.045 do not apply to a disqualification under this section.

19 (c) In order to verify gross income amounts, the commissioner of
20 administration may, by regulation

21 (1) provide for access to records of a person who is applying for or
22 receiving a bonus; and

23 (2) establish procedures for auditing gross income statements made by
24 a person who is applying for or receiving a bonus.

25 (d) In this section "gross income" has the same meaning as "adjusted gross
26 income" in 26 U.S.C. 62, except that

27 (1) income received from bonuses under this chapter is not included in
28 gross income; and

29 (2) income that is exempt from federal income tax under 26 U.S.C. 102
30 (gifts and inheritances) and 26 U.S.C. 103 (interest on state and local bonds) is
31 included in gross income.

1 • Sec. 3. AS 47.45.030 is amended by adding a new subsection to read:

2 (b) After qualification, a recipient who has been absent from the state for 180
3 days or more during any one-year period is permanently disqualified from receiving
4 the bonus. The commissioner of administration shall include on each monthly bonus
5 application a place for a recipient to state, under penalty of perjury, that the recipient
6 has not been absent from the state for 180 days or more during the one-year period
7 immediately before the date of the application. If the recipient has been absent from
8 the state for 180 days or more during the one-year period the commissioner shall
9 provide an opportunity for the recipient to explain why the absence is believed to be
10 beyond the control of the recipient as specified in regulations adopted by the
11 commissioner. If the commissioner determines that a period of absence is beyond the
12 control of the recipient, so that the total of absences not beyond the control of the
13 recipient does not equal or exceed 180 days during this one-year period, the recipient
14 may not be disqualified under this subsection.

15 • Sec. 4. SPECIAL PROVISION FOR THOSE PERSONS WHO HAVE NOT APPLIED
16 FOR THE BONUS BEFORE THE EFFECTIVE DATE OF THIS ACT. A person who, as
17 of July 1, 1996, has never applied for the longevity bonus under AS 47.45, and who, by
18 December 31, 1996, will meet the age and residency requirements of AS 47.45.010(a), must
19 apply for the bonus before January 1, 1997, in order to preserve future eligibility for the
20 bonus, even if the person is ineligible upon application because of AS 47.45.015, as enacted
21 by sec. 2 of this Act. The person upon application shall be suspended from the bonus
22 program until the time that the person is no longer disqualified under AS 47.45.015, as
23 enacted by sec. 2 of this Act.

24 • Sec. 5. APPLICABILITY. This Act applies to the eligibility determinations for bonuses
25 paid on or after July 1, 1996.

26 • Sec. 6. TRANSITION: REGULATIONS. Notwithstanding sec. 8 of this Act, the
27 commissioner of administration may proceed to adopt regulations necessary to implement the
28 provisions of this Act. The regulations take effect under AS 47.45.100, but not before
29 July 1, 1996.

30 • Sec. 7. Section 6 of this Act takes effect immediately under AS 01.10.070(c).

31 • Sec. 8. Sections 1 - 5 of this Act take effect July 1, 1996.

SB

306

SENATE COMMITTEE RE
First Committee of Referral

DATE: 3/12/96

FURTHER: Judiciary
Finance

Date of 5-Day Notice: 3/28/96
in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/3/96

The State Affairs Committee considered SB 306

Providing for the issuance of general obligation bonds in the amount of \$148,500,000 for the purpose of paying the cost of design and construction of state correctional facilities.

and recommends:

- be replaced with CS SB 306 (STA)
- 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#

IGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Duncan</i>	<input checked="" type="checkbox"/>	<i>Koren D. Hanna</i>		<input checked="" type="checkbox"/>	
		<i>Reid E. [unclear]</i>	<input checked="" type="checkbox"/>		
CHAIR:		CHAIR: <i>Ben [unclear]</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DIV. of Elections	3/9/96		1397
OFFICE OF Lt. Gov.			2.2
Revenue	3/8/96		1497
			35.7

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

No. 2

FISCAL NOTE

Version: SB 306

(S) Publish Date: 3/11/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date 3/7/96 Dept Affected Office of the Governor
 Title An Act relating to the issuance of general BRU Elective Operations
 obligation bonds constructing state correctional facilities Component General and Primary Elections
 Sponsor Rules Committee by request of the Governor
 Requester Rules Comm by request of the Governor COMPONENT SERIAL NO. 22

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	2.2					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.2	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	2.2					
1005 GF/Program Receipts						
1037 GF/Mental health						
Other						
TOTAL	2.2	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

ANALYSIS: (Attach a separate page if necessary)

This figure includes the cost of providing information about this issue in the Official Election Pamphlet as required by AS 15.58, and the programming costs for counting votes cast on the question.

Prepared by Dana LaTour Phone 465-5347
 Division Division of Elections Date 3/7/96

Approved by Lt Governor Fran Ulmer Date 3/7/96
 Commissioner John Smolinski
 Agency Office of the Lt Governor

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FISCAL NOTE

No. 1

Bill Version: SB 306

(S) Publish Date: 3/12/96

Revision Date: _____ Dept. Affected: Revenue
 Title: General Obligation Bond for Correctional Facilities BRU: Revenue Operations
 Component: Treasury Division
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 121

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	35.7	125.1	86.8	50.4	32.9	42.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	35.7	125.1	86.8	50.4	32.9	42.6

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

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Bond Construction Funds	35.7	125.1	86.8	50.4	32.9	42.6
TOTAL	35.7	125.1	86.8	50.4	32.9	42.6

Estimate of any current year (FY96) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Betty Martin, Comptroller Phone: 465-2350
 Division: Treasury Division Date: March 8, 1996
 Approved By Commissioner: Wilson Condon Date: March 8, 1996
 Agency: Department of Revenue

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FISCAL ANALYSIS:

The \$35.7 reflects costs of the Treasury Division to manage the bond proceeds (primarily custodian and paying agent fees) during the construction period. Treasury estimates that the funds will earn approximately several million dollars of interest based on a 5.5% annual rate of return. All interest earnings are retained in the bond fund to pay related costs or pay back debt.

The following assumptions have been used in the above calculations:

Bonds will be issued in five lots. While this will increase issuance costs (anticipated to be \$2,155,000), it will result in a reduction in interest expense over the life of the bonds of over \$7,000,000. Principal plus interest payments will begin in January 1998 and will be \$2.7 million for FY98. These will increase annually up to approximately \$15.2 million in FY 2003 and will remain at that level through FY 2013. The average annual debt payment for the 17 year period will be \$13.4 million.

TONY KNOWLES
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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

SB 306

March 11, 1996

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 providing for the issuance of general obligation bonds to finance the expansion of regional correctional facilities at several locations in Alaska. The bonds would be issued in the principal amount of \$148,500,000.

Alaska's jails and prisons are severely overcrowded. While we have put more police on the streets and rewritten the criminal code to produce longer and stronger sentences, we have not significantly increased the number of prison beds in Alaska's correctional system since Spring Creek Correctional Center opened in January 1988.

As a result, we now face substantial fines for any violation of court-ordered population limits at our correctional facilities. We are now also confronted by a new class action lawsuit related to the housing and program needs of female prisoners that promises to be just as costly and protracted as the Clery litigation if the issues it raises are not addressed swiftly.

My Administration inherited this problem, and we accept the responsibility of remedying it.

After several months of study and planning by the criminal justice mini-cabinet, we propose this bill as one part of a three-part plan to manage Alaska's growing prisoner population. Our approach to expanding capacity takes a statewide view and puts the jail and prison beds where they belong -- in the regional centers around the state where there are courts, prosecutors, defense attorneys, law enforcement resources, and existing correctional facilities suffering from overcrowding.

In addition to expansion, the Department of Corrections will pursue new initiatives to reduce the number of low-risk offenders entering correctional facilities, while increasing the number of low-risk offenders exiting our jails and prisons. These two parts of the plan are equally as critical as expansion. They will employ both programmatic efforts and increased use of private and non-profit halfway houses to ensure that beds in our secure facilities are available for dangerous offenders. A prisoner will not be released from a secure setting unless the prisoner is judged to be at low risk to reoffend; protecting the public will remain as the foremost concern as these parts of the plan are carried out.

I must note that even if this three-part plan is completely successful, Alaska will not have solved its prisoner problems. Our state population continues to grow; alcohol abuse continues to fuel a disproportionate growth in the crime rate; and tough new laws and enhanced law enforcement efforts are resulting in our criminal justice system apprehending, convicting, and incarcerating more offenders than at any time in our history.

If we are ever to stem this rising tide of prisoners, we must focus more resources on prevention and intervention, especially in programs aimed at our young people. Some 1,500 juveniles were arrested last year on felony charges and we know that many of these children eventually will appear in the adult corrections system. Clearly, we need stronger efforts in prevention, and I anticipate specific recommendations along these lines when the Youth and Justice Conference that I convened last fall issues its report later this year. Also, I again urge the legislature to work with me to endow, for the first time, the recently reconstituted Children's Trust Fund as a public-private partnership dedicated to meeting the needs of troubled children.

For now, we are obligated to provide more jail and prison space in which to house our prisoners. Construction and operation of these proposed correctional projects will represent a significant commitment of state revenue to support our criminal justice system and, in turn, protect the people of Alaska. But we believe that over the long term it will be the most cost-effective method of dealing with our growing prisoner population.

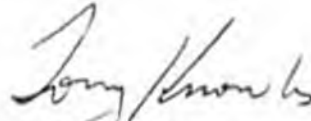
I have purposefully chosen general obligation bonds as the primary vehicle to finance expansion for two reasons. First, with revenue declining, it is more feasible to pay for these projects over a long term than it would be to fund them with direct capital appropriations. Second, the Alaska Constitution requires general obligation bonds to be submitted to the voters of the state for ratification and I strongly believe that such a substantial financial commitment deserves to be subjected to a vote of the people.

I have taken the additional step of including the costs of the first full year of operations once all of the projects in the ballot proposition are completed. We expect an estimated average annual debt service payment of \$13,423,000 through 2013 if the bonds are sold at

par. The Department of Corrections estimates that the operating costs for the first full year after all these projects are completed will be approximately \$28,000,000. Cost reductions made possible by the projects, such as closure of the 6th Avenue jail in Anchorage and the return of 206 prisoners from a contract facility in Arizona, are expected to produce a net operating cost of \$18,700,000 for these facilities in the first year that all of them are in use.

If approved by the voters, this commitment will then become an integral part of the state's long-range financial plan. I urge your support for this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 3, 1996

SUBJECT: General obligation bonds (CSSB 306(STA))

TO: Senator Bert Sharp, Chair
Senate State Affairs Committee
Attn: Ann Ringstad

FROM: Tamara Brandt Cook
Director *TBC*

Here is the final CSSB 306(STA) deleting sec. 4 from the bill as originally introduced. With this deletion the bill does not indicate how costs of issuing the bonds will be paid for. The usual form used for general obligation bond bills includes the following language:

* **Sec. 4.** If the issuance of the bonds is authorized by the qualified voters of the state, the amount of \$ _____ (((.0035))) or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriations authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

TBC:glc
96-205.glc

Enclosure

CS FOR SENATE BILL NO. 306(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for the issuance of general obligation bonds in the amount
2 of \$148,500,000 for the purpose of paying the cost of design and construction
3 of state correctional facilities; and providing for an effective date."

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

5 * Section 1. For the purpose of paying the cost of design and construction of correctional
6 facilities of the state, general obligation bonds of the state in the principal amount of not more
7 than \$148,500,000 shall be issued and sold. The full faith, credit, and resources of the state
8 are pledged to the payment of the principal of and interest and redemption premium, if any,
9 on the bonds. The bonds shall be issued under the provisions of AS 37.15 as those provisions
10 read at the time of issuance.

11 * Sec. 2. If the issuance of the bonds is authorized by the qualified voters of the state, a
12 special fund of the state to be known as the "State Correctional Facility Construction Fund"
13 shall be established, to which shall be credited the proceeds of the sale of the bonds described
14 in sec.1 of this Act except for the accrued interest and premiums.

1 * Sec. 3. The amount of \$148,500,000 is appropriated from the "State Correctional Facility
2 Construction Fund" to the Department of Transportation and Public Facilities to be allocated
3 among the following projects in the amounts listed, which include the cost of issuance of the
4 bonds, subject to reallocation between projects in accordance with AS 37.07.080(e):

5	(1) Palmer Correctional Center	\$ 13,050,000
6	(2) Hiland Mountain (Eagle River) Correctional Center	1,000,000
7	(3) Yukon-Kuskokwim (Bethel) Correctional Center	5,000,000
8	(4) Mat-Su Pretrial (Palmer) Correctional Center	6,000,000
9	(5) Fairbanks Correctional Facility	10,250,000
10	(6) Anchorage Criminal Justice Facility	60,000,000
11	(7) North Slope Borough (Barrow) Correctional Facility	15,000,000
12	(8) Lemon Creek (Juneau) Correctional Center	9,000,000
13	(9) Wildwood (Kenai) Correctional Center	29,200,000

14 * Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of
15 advance planning for the improvements financed under this Act shall be reimbursed to the
16 fund from the proceeds of the sale of bonds authorized by this Act.

17 * Sec. 5. The unexpended and unobligated balance of the appropriation made in sec. 3 of
18 this Act lapses under AS 37.25.020 and is appropriated to the state bond committee to redeem
19 bonds sold under the Act or to pay rebatable arbitrage if necessary. The amounts expended
20 from the general fund to pay the principal, interest, and redemption premium on bonds issued
21 under this Act shall be reimbursed to the general fund from the appropriation made under this
22 section to the extent that the money is not needed to redeem the bonds.

23 * Sec. 6. The question whether the bonds authorized in this Act are to be issued shall be
24 submitted to the qualified voters of the state at the next general election and shall read
25 substantially as follows:

26 PROPOSITION

27 State General Obligation Correctional Facility

28 Design and Construction Bonds \$148,500,000

29 Shall the State of Alaska issue its general obligation bonds in the
30 principal amount of not more than \$148,500,000 for the purpose of
31 paying the cost of design and construction of state correctional

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facilities? The annual operating cost of the facilities is estimated at \$28,783,600. Between 1997 and 2013 the average annual debt service for bonds is estimated at \$13,423,000.

Bonds Yes []
Bonds No []

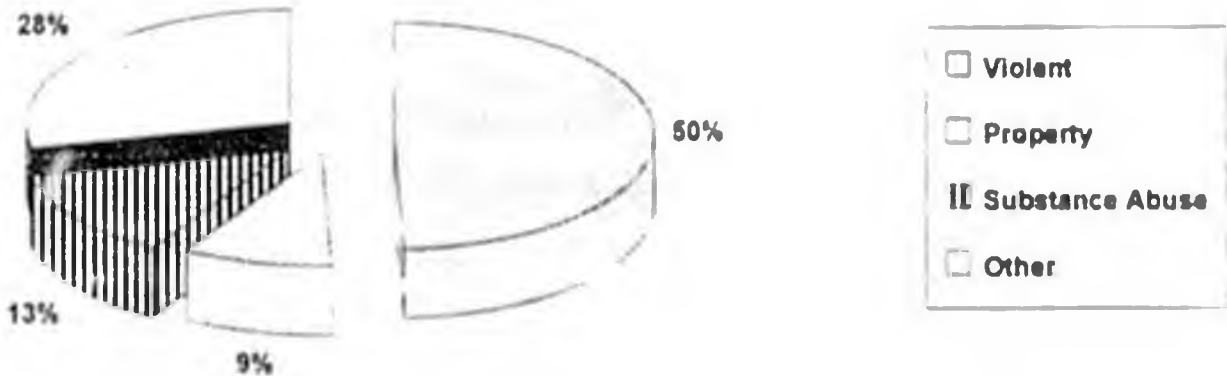
* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

DRAFT

Inmates Incarcerated in Institutions,
 Out-of-State, Az & Pt. Mackenzie

Institution	Sentenced	Unsentenced	Sentenced	Unsentenced	Maximum Capacity	Total
	Felons	Felons	Misdemeanors	Misdemeanors		
6th Avenue	1	32	28	73	104	132
Anvil Mt.(Nome)	53	19	10	12	102	94
Cook Inlet PT	50	352	5	6	397	413
Fairbanks CC	80	72	13	31	189	196
Hiland Mt. CC	222	0	15	0	225	237
Ketchikan CC	19	16	18	7	47	60
Lemon Creek CC	107	44	14	7	164	172
MatSu Pre-Trial	6	56	5	30	82	97
Meadow Creek	37	6	8	4	62	55
Palmer Med CC	149	6	66	0	165	221
Palmer Min. CC	134	0	40	1	176	175
Spring Creek CC	485	3	2	0	466	490
Wildwood CC	192	1	30	0	224	223
Wildwood PT	23	51	12	16	112	102
YKCC (Bethel)	10	57	5	20	88	102
Sub Total	1,568	715	269	217	2,603	2,769
Point Mackenzie	27	1	16	1		45
Out-of-State						
FBP	35	5	0	0		40
Minn.	2	0	0	0		2
ND	10	0	0	0		10
Arizona	205	0	0	0		205
Sub Total	252	5	0	0		302
Total	1,847	721	285	218	2,603	3,071

Inmates Incarcerated in Institutions,
 Out-of-State, Az & Pt. Mackenzie on December 31, 1995



DRAFT

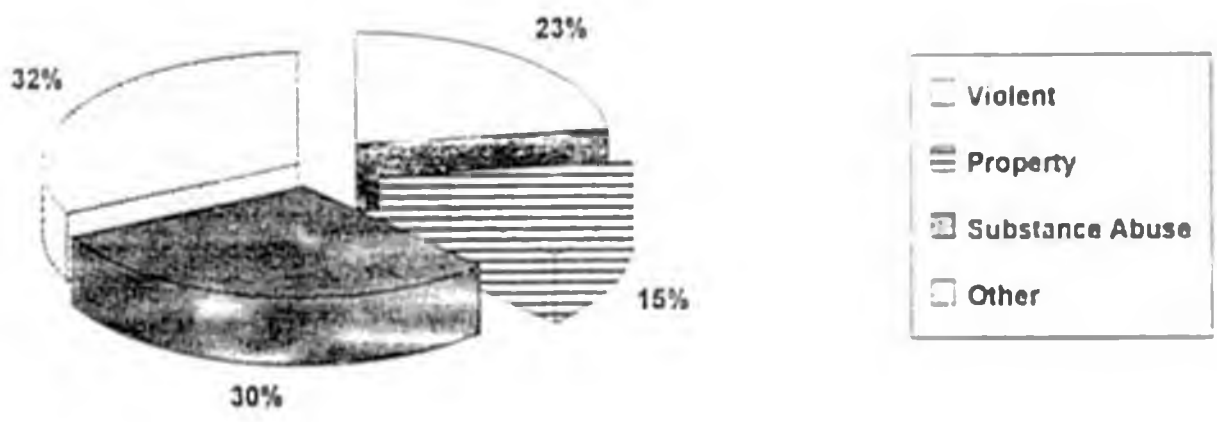
Inmates in Community Residential Centers on December 31, 1995

Location	Sentenced Felons	Unsentenced Felons	Sentenced Misdemeanors	Unsentenced Misdemeanors	Contracted * Bedspace	Total
Cordova Center (Anch.)	47	1	67	4	140	119
Glacier Manor (Juneau)	25	0	9	3	45	37
Glenwood Center (Anch.)	23	0	53	6	90	82
Northstar Center (Fbx)	27	0	30	0	79	57
Parkview (Anch.)	43	1	18	2	80	64
Tundra Center (Bethel)	10	0	16	5	41	31
Total	175	2	193	20	475**	390

* The number of contracted and per diem beds will change pending outcome of current contract negotiations

** Includes 29 per diem beds, not paid for unless occupied

Inmates in Community Residential Centers on December 31, 1995



DRAFT

SENATE BILL NO. 306 / HOUSE BILL NO. 541

Section 1. Provides for the issuance of general obligation (GO) bonds in the amount of \$ 148,500,000 for the purpose of paying the cost of issuance of the bonds and design and construction of state correctional facilities across the state. The issuance is subject to voter approval at the next general election in November, 1996.

Note: An amendment to HB 412, the operating budget bill, has been prepared to use the Constitutional Budget Reserve Fund (CBRF) to cover the costs of initial bond preparation by the State Bond Committee. This appropriation covers only expenses that must be incurred before bonds are sold. Once the bonds are sold, proceeds are used to cover the costs and to reimburse the Constitutional Budget Reserve Fund. [See Attachment; (d) and (e)]

Section 2. Establishes a "State Correctional Facility Construction Fund" (SCFC) in DOT&PF to receive proceeds from bond issuances.

Section 3. Authorizes allocation of bond proceeds in the SCFC to the projects listed.

Section 4. An amendment has been prepared to delete this section. [Attachment]

Note: An amendment to HB 412, the operating budget bill, has been prepared to use the Constitutional Budget Reserve Fund (CBRF) to capitalize the Public Facilities Planning Fund (PFPF) in OMB, for the purpose of forward funding advance planning of the listed projects by DOT&PF and DOC. As bonds are issued, PFPF will be reimbursed and funds paid back to the CBRF by PFPF. The net effect is a one time capital appropriation to PFPF which declines as advanced planning of projects is accomplished, and the amount "loaned" to PFPF by the CBRF is reimbursed to the CBRF. [See attachment; (c)]

Section 5. Authorizes the Departments of Corrections and Transportation/Public Facilities to withdraw funds from the "Public Facilities Planning Fund" (PFPF) in OMB for the purpose of advance planning, for the improvements financed under this Act.

Section 6. Allows excess bond proceeds, should any be realized, to be used by the bond committee to redeem these bonds or pay arbitrage fees.

Section 7. Authorizes a ballot measure to be placed on the ballot November, 1996 asking voters whether they support the issuance of these bonds and associated operating costs.

Section 8. Establishes an immediate effective date for the Act under AS 01.10.070(c).



PROPOSED G.O. BONDED CAPACITY EXPANSION

Location	New Beds	Initial Capital Costs	Design & Construction Period ****	First Full Year Operating (FY05)
Palmer C.C.	221	\$13,050.0	7/1/97 - 12/31/99	\$3,763.3
Comined Hiland C.C.	0	\$1,000.0	7/1/97 - 3/31/00	\$0.0
Yukon-Kuskokwim C.C.	48	\$5,000.0	7/1/97 - 12/31/99	\$963.7
Anchorage Criminal Justice	400	\$60,000.0	7/1/97 - 6/30/01	\$8,076.4 *
North Slope Borough	50	\$15,000.0	7/1/97 - 6/30/00	\$2,801.2 **
1st Bond Issuance	719	\$94,050.0		\$15,604.6
Matanuska-Susitna C.C.	64	\$6,000.0	7/1/98 - 12/31/00	\$1,107.1
2nd Bond Issuance	64	\$6,000.0		\$1,107.1
Fairbanks C.C.	80	\$10,250.0	7/1/99 - 12/31/01	\$2,266.5
3rd Bond Issuance	80	\$10,250.0		\$2,266.5
Lemon Creek C.C.	64	\$9,000.0	7/1/00 - 12/31/02	\$1,931.0
4th Bond Issuance	64	\$9,000.0		\$1,931.0
Wildwood C.C.	149	\$29,200.0	7/1/01 - 3/31/04	(\$2,111.4)***
5th Bond Issuance	149	\$29,200.0		(\$2,111.4)
GRAND TOTAL	1076	\$148,500.0		\$18,797.8

Notes

* Represents a "Net" cost by factoring in the closure of the Sixth Avenue CC (104 Beds) with a \$4,352.2 budget. [ACJ \$ 12,428.7 less \$ 4,352.3 = \$ 8,076.4]

** Represents a "Net" cost by factoring in the closure of the current North Slope Jail Contract (9 Beds) with a \$ 834.8 budget. [NSB \$ 3,636.0 less \$ 834.8 = \$ 2,801.2]

*** Represents a "Net" cost by factoring in the closure of the Arizona Out-Of-State Contract (206 Beds) with a \$ 4,798.7 budget [Wildwood \$ 2,687.3 less \$ 4,798.7 = (\$2,111.4)]

**** These schedules are subject to change depending on detailed planning with the Architects and Construction contractors

DRAFT

ESTIMATED FUNDING SUMMARY **DRAFT**

I. DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Expenditure									
Line	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
71000	\$100.0	\$500.9	\$596.9	\$842.7	\$574.4	\$241.5	\$232.6	\$111.8	\$3,200.8
73000	\$0.0	\$10.0	\$30.0	\$70.0	\$50.0	\$20.0	\$20.0	\$10.0	\$210.0
78000	\$0.0	\$3,966.1	\$16,800.5	\$43,636.9	\$32,464.8	\$11,700.0	\$17,893.8	\$14,307.1	\$140,769.2
TOTAL	\$100.0	\$4,477.0	\$17,427.4	\$44,549.6	\$33,089.2	\$11,961.5	\$18,146.4	\$14,428.9	\$144,180.0

II. DEPARTMENT OF REVENUE:

Expenditure									
Line	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
73000	\$35.7	\$125.1	\$86.8	\$50.4	\$32.9	\$42.6	\$18.8	\$1.3	\$393.6
78000	\$950.0	\$240.0	\$265.0	\$260.0	\$440.0	\$0.0	\$0.0	\$0.0	\$2,155.0
TOTAL	\$985.7	\$365.1	\$351.8	\$310.4	\$472.9	\$42.6	\$18.8	\$1.3	\$2,548.6

III. DEPARTMENT OF CORRECTIONS:

Expenditure									
Line	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
71000	\$85.9	\$180.9	\$190.5	\$200.6	\$211.2	\$219.1	\$219.1	\$219.1	\$1,526.4
72000	\$5.0	\$15.0	\$15.0	\$20.0	\$10.0	\$10.0	\$10.0	\$10.0	\$95.0
78000	\$10.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$150.0
TOTAL	\$100.9	\$215.9	\$225.5	\$240.6	\$241.2	\$249.1	\$249.1	\$249.1	\$1,771.4

ESTIMATED FUNDING TOTALS

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES	\$144,180.0
DEPARTMENT OF REVENUE	\$2,548.6
DEPARTMENT OF CORRECTIONS	\$1,771.4
TOTAL	\$148,500.0

DRAFT

DRAFT

HB 412

Page 4, between lines 4 and 5: Insert the following new material to read:

"(c) If the issuance of general obligation bonds is authorized by the qualified voters of the state at the 1996 general election, the sum of \$ 5,200,000 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the improvements authorized at that election.

(d) If the issuance of general obligation bonds is authorized by the qualified voters of the state at the 1996 general election, \$900,000 is appropriated from the budget reserve fund (art IX, sec. 17, Constitution of the State of Alaska) to the State Bond Committee to cover the cost of issuance incurred before the bonds are sold.

(e) An amount equal to the amounts appropriated from the budget reserve fund (art IX, sec. 17, Constitution of the State of Alaska) in (c) and (d) of this section for the purpose of advance planning for improvements financed under this Act and to pay the cost of issuance of the bonds is appropriated from the proceeds of the sale of bonds to reimburse the budget reserve fund "

line 5: after "(a)" delete "and (b)" and insert " - (d)" in its place.

renumber remaining subsections accordingly

SB 300 / HB 541

Page 2, lines 14 - 17 delete sec. 4

renumber remaining sections accordingly

*delete sec 1
amended -
sent 4/2*

SENATE BILL NO. 306

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/12/96

Referred: STA, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for the issuance of general obligation bonds in the amount
2 of \$148,500,000 for the purpose of paying the cost of design and construction
3 of state correctional facilities; and providing for an effective date."

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

5 * Section 1. For the purpose of paying the cost of design and construction of correctional
6 facilities of the state, general obligation bonds of the state in the principal amount of not more
7 than \$148,500,000 shall be issued and sold. The full faith, credit, and resources of the state
8 are pledged to the payment of the principal of and interest and redemption premium, if any,
9 on the bonds. The bonds shall be issued under the provisions of AS 37.15 as those provisions
10 read at the time of issuance.

11 * Sec. 2. If the issuance of the bonds is authorized by the qualified voters of the state, a
12 special fund of the state to be known as the "State Correctional Facility Construction Fund"
13 shall be established, to which shall be credited the proceeds of the sale of the bonds described
14 in sec.1 of this Act except for the accrued interest and premiums.

1 * Sec. 3. The amount of \$148,500,000 is appropriated from the "State Correctional Facility
2 Construction Fund" to the Department of Transportation and Public Facilities to be allocated
3 among the following projects in the amounts listed, which include the cost of issuance of the
4 bonds, subject to reallocation between projects in accordance with AS 37.07.080(e):

5	(1) Palmer Correctional Center	\$ 13,050,000
6	(2) Hiland Mountain (Eagle River) Correctional Center	1,000,000
7	(3) Yukon-Kuskokwim (Bethel) Correctional Center	5,000,000
8	(4) Mat-Su Pretrial (Palmer) Correctional Center	6,000,000
9	(5) Fairbanks Correctional Facility	10,250,000
10	(6) Anchorage Criminal Justice Facility	60,000,000
11	(7) North Slope Borough (Barrow) Correctional Facility	15,000,000
12	(8) Lemon Creek (Juneau) Correctional Center	9,000,000
13	(9) Wildwood (Kenai) Correctional Center	29,200,000

14 * Sec. 4. [If the issuance of the bonds is authorized by the qualified voters of the state, the
15 cost of issuance of the bonds, included in the amount appropriated by sec. 3 of this Act,
16 may be paid by means of a net transaction by which the trustee of the bonds shall retain a part
17 of the bond proceeds for this purpose.]

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

21 * Sec. 6. The unexpended and unobligated balance of the appropriation made in sec. 3 of
22 this Act lapses under AS 37.25.020 and is appropriated to the state bond committee to redeem
23 bonds sold under the Act or to pay rebatable arbitrage if necessary. The amounts expended
24 from the general fund to pay the principal, interest, and redemption premium on bonds issued
25 under this Act shall be reimbursed to the general fund from the appropriation made under this
26 section to the extent that the money is not needed to redeem the bonds.

27 * Sec. 7. The question whether the bonds authorized in this Act are to be issued shall be
28 submitted to the qualified voters of the state at the next general election and shall read
29 substantially as follows:

30 PROPOSITION

31 State General Obligation Correctional Facility

new?

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Design and Construction Bonds \$148,500,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$148,500,000 for the purpose of paying the cost of design and construction of state correctional facilities? The annual operating cost of the facilities is estimated at \$28,783,600. Between 1997 and 2013 the average annual debt service for bonds is estimated at \$13,423,000.

Bonds Yes []

Bonds No []

* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

SB

310

SENATE COMMITTEE REPORT
First Committee of Reference

DATE: 3/14/96

FURTHER:

Date of 5-Day Notice: 4/11/96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/19/96

The State Affairs Committee considered SB 310

Making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes.

and recommends:

- be replaced with CS SB 310 (STA)
- 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 DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Handwritten Note]</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>				

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
LAA	4/15	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

* APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

NO. _____
BILL VERSION: SB 310
PUBLISH DATE: _____

Revision Date: _____
Title: "An Act making corrective amendments to the Alaska Statutes as recommended by the revisor..."
Sponsor: Senate Rules by request of Leg. Council
Requestor: Senate State Affairs

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
Division: Administrative Services Date: 4/15/96

Approved By: Pamela A. Varni, Executive Director *Pamela Varni*
Agency: Legislative Affairs Agency Date: 4/15/96

9-LS1476\F
Finley
4/12/96

CS FOR SENATE BILL NO. 310(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): **SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL**
A BILL

FOR AN ACT ENTITLED

1 "An Act making corrective amendments to the Alaska Statutes as recommended
2 by the revisor of statutes; and providing for an effective date."

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

4 * Section 1. AS 04.11.510(a) is amended to read:

5 (a) Unless a legal action relating to the license, applicant, or premises to be
6 licensed is pending, the board shall decide whether to grant or deny an application
7 within 90 days of receipt of the application at the main office of the board. However,
8 the decision may not be made before the time [30 DAYS] allowed for protest under
9 AS 04.11.480 has [HAVE] elapsed, unless waived by the municipality.

10 * Sec. 2. AS 08.01.088 is amended to read:

11 Sec. 08.01.088. **CONVICTION AS GROUNDS FOR DISCIPLINARY**
12 **ACTION.** Notwithstanding any other provision of this title, the conviction under
13 AS 47.24.010 [OR 47.24.110] of a person licensed, certified, or regulated by the
14 department or a board under this title may be considered by the department or board

1 as grounds for disciplinary proceedings or sanctions.

2 * Sec. 3. AS 11.41.410(a) is amended to read:

3 (a) An offender commits the crime of sexual assault in the first degree if

4 (1) the offender engages in sexual penetration with another person
5 without consent of that person;

6 (2) the offender attempts to engage in sexual penetration with another
7 person without consent of that person and causes serious physical injury to that person;

8 (3) the offender engages in sexual penetration with another person

9 (A) who the offender knows is mentally incapable; and

10 (B) who is entrusted to the offender's care

11 (i) by authority of law; or

12 (ii) in a facility or program that is required by law to be
13 licensed by the Department of Administration under AS 47.33 or by
14 the Department of Health and Social Services; or

15 (4) the offender engages in sexual penetration with a person who the
16 offender knows is unaware that a sexual act is being committed and

17 (A) the offender is a health care worker; and

18 (B) the offense takes place during the course of professional
19 treatment of the victim.

20 * Sec. 4. AS 11.41.420(a) is amended to read:

21 (a) An offender commits the crime of sexual assault in the second degree if

22 (1) the offender engages in sexual contact with another person without
23 consent of that person;

24 (2) the offender engages in sexual contact with a person

25 (A) who the offender knows is mentally incapable; and

26 (B) who is entrusted to the offender's care

27 (i) by authority of law; or

28 (ii) in a facility or program that is required by law to be
29 licensed by the Department of Administration under AS 47.33 or by
30 the Department of Health and Social Services;

31 (3) the offender engages in sexual penetration with a person who the

1 offender knows is

2 (A) mentally incapable;

3 (B) incapacitated; or

4 (C) unaware that a sexual act is being committed; or

5 (4) the offender engages in sexual contact with a person who the
6 offender knows is unaware that a sexual act is being committed and

7 (A) the offender is a health care worker; and

8 (B) the offense takes place during the course of professional
9 treatment of the victim.

10 * Sec. 5. AS 11.46.484(c) is amended to read:

11 (c) A person convicted under (a)(2) of this section is guilty of a class C felony
12 if, within the preceding seven years, the person was convicted under

13 (1) the provisions of (a)(2) of this section;

14 (2) former AS 28.35.010;

15 (3) the provisions of AS 11.46.482(a)(4) or (5);

16 (4) an offense involving the theft of a propelled vehicle under
17 AS 11.46.120 - 11.46.140; or

18 (5) a law or ordinance of this or another jurisdiction with elements
19 substantially similar to those of the offenses described in (1) - (4) of this subsection.

20 * Sec. 6. AS 11.46.486(a) is amended to read:

21 (a) A person commits the crime of criminal mischief in the fourth degree if,
22 having no right to do so or any reasonable ground to believe the person has such a
23 right,

24 (1) with reckless disregard for the risk of harm to or loss of the
25 property or with intent to cause substantial inconvenience to another, the person
26 tampers with property of another;

27 (2) with intent to damage property of another, the person damages
28 property of another in an amount less than \$50; or

29 (3) the person rides in a propelled vehicle knowing it has been stolen
30 or that it is being used in violation of AS 11.46.482(a)(4) or (5) or 11.46.484(a)(2).

31 * Sec. 7. AS 12.25.030(b) is amended to read: